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., THURSDAY, JUNE 9, 2016

The Board may take action on any item on the agenda, and agenda items may be taken out of order.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. REPORT ON CLOSED SESSION ITEMS

IV. OTHER COMMUNICATIONS

A. For Information

1. April 2016 All Stars

2. Chief Executive Officer's Report
(Memo dated May 31, 2016)

V. PUBLIC COMMENT

VI. 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 241, which provides for the disclosure of retiree information to a retiree organization.
(Memo dated May 25, 2016)

VI. NON-CONSENT AGENDA (Continued)

B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a "Watch" position on Assembly Bill 1707, which requires a public agency to identify the type of record being withheld and the specific exemption that justifies the withholding. (Memo dated May 25, 2016)

C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board adopt a "Watch" position on Assembly Bill 2628, which relates to statements of economic interests and postgovernmental employment. (Memo dated May 30, 2016) (Supplemental Agenda Memo dated May 30, 2016)

D. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a "Watch" position on Senate Bill 897, which provides an additional year of leave of absence with salary to the one-year period provided by Labor Code Section 4850. (Memo dated May 24, 2016)

E. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a "Watch" position on Senate Bill 1203, which relates to employees who are not new members in a joint powers authority.
(Memo dated May 24, 2016)

F. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a "Watch" position on Senate Bill 1436, which requires an oral report of a recommendation for final action related to the compensation and benefits of a local agency executive. (Memo dated May 25, 2016)

G. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve payment of an additional $25,000 to Stroz Friedberg, LLC for data mapping phase of the Privacy Audit.
(Memo dated May 25, 2016)

H. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board adopt the LACERA Fiscal Year 2016-2017 Administrative and Retiree Healthcare Benefits Budgets. (Memo dated May 25, 2016)

VI. NON-CONSENT AGENDA (Continued)

I. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Pomerantz Annual Corporate Governance & Litigation Roundtable on June 30, 2016 in Beverly Hills, CA, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated May 25, 2016) (Placed on the agenda at the request of Ms. Gray)

J. For Information Only as submitted by Cassandra Smith, Director, Retiree Healthcare Division regarding the Retiree Healthcare Benefits Program's 2016/2017 plan year health insurance rate renewals and benefit changes. (Memo dated May 24, 2016)

K. 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. (Supplemental Memo dated May 17, 2016)

L. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding Assembly Bill 1853 – County Employees Retirement Districts. (Memo dated May 30, 2016)

M. For Information Only as submitted by Steven P. Rice, Chief Counsel, and Robert Hill, Assistant Executive Officer, regarding an update on the Superior Court OPEB Program. (Memo dated May 31, 2016)

VII. REPORT ON STAFF ACTION ITEMS

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

IX. 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 Viveca Hazboun

X. 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.

LACERA

May 31, 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.

Supervisor Fellowship

As a learning organization, LACERA has a long history of providing developmental opportunities for staff at all levels. We offer a Career Development Program, Training Opportunity Program, Mentoring Program, Tuition Reimbursement Program, and regularly schedule in house training on a variety of subjects. You may also recall a few short years ago we offered our Leadership Development Program. Each of these opportunities allow staff at various levels to gain knowledge and experience that not only can help in both their own personal career development, but also in LACERA's own succession planning. As an organization subject to Civil Service rules, we feel the best form of succession planning is to provide as many opportunities as possible for staff to learn and grow so they can excel in their current jobs or successfully compete for higher level jobs.

In keeping with our learning culture and to contribute to our succession planning philosophy at LACERA, our Training Department launched a new training opportunity called the Supervisor Fellowship Program (Program) on March 31, 2016. This type of program is not new to LACERA but is a repackaging of the former Supervisor Action Committee. The current version of the program, developed by a team of five section heads and supervisors, is designed to fit the unique needs of their fellow supervisors, section heads, and assistant managers. The Program goals include:

- Establishing a core supervisor training for newly hired or appointed supervisors,
- Providing relevant leadership and supervisor training on a quarterly basis,
- Developing cross-divisional peer groups, and
- Building camaraderie within the mid-level management of LACERA.

The Supervisor Fellowship Program will offer quarterly opportunities to attend various training workshops. Workshops will be focused on further developing their leadership and supervisory skills. Additionally, each member will be asked to provide input regarding training they would like to have provided to assist them in the daily tasks of their job, and recommendations for training that will assist newly appointed supervisors in making the transition.

The peer groups meet monthly to discuss their supervisory concerns, share their leadership experiences, and discuss application of the quarterly training attended. The goals for the peer groups are to share their concerns or issues that they are facing in the performance of their supervisory duties, to discuss their experiences and ideas for assisting with the resolution of these concerns, and to identify any future Program training recommendations.

The quarterly training program will begin the first quarter of fiscal year 2016-2017. The first training workshop will be held in August and its title is the" Employment Law for Supervisors" conducted by the Los Angeles County Learning Academy. Meeting of the peer groups will begin in June and July, 2016.

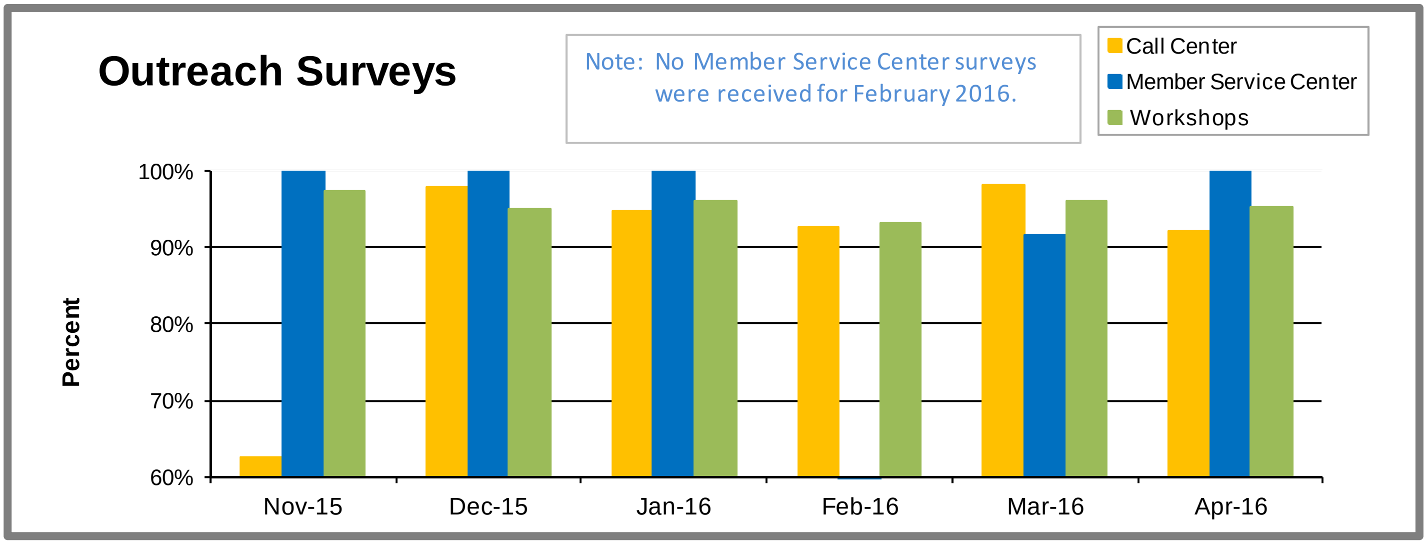
We believe the success of the Supervisor Fellowship Program will be seen in the increased knowledge, skills, and abilities of the supervisors, section heads, and assistant managers, and the increased cross-divisional teamwork as a result of the peer groups. Additionally, sharing ideas regarding common challenges should provide supervisors with greater tools to help their own work teams be successful.

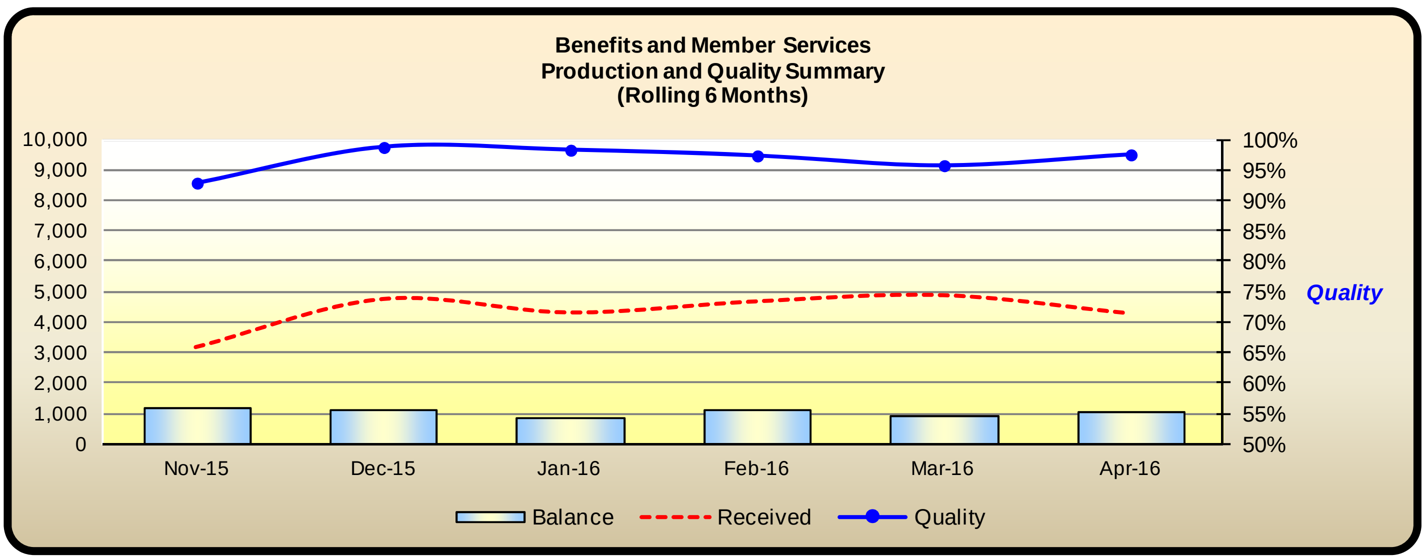
GR: jp:rv
CEO report May 2016.doc

Attachments

LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE				
Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	17	139	1,136	5,298
Mid Career	0	9	0	375
New Member	10	103	208	2,153
Pre-Retirement	14	77	299	1,823
General Information	3	12	75	598
Retiree Events	1	6	100	305
Member Service Center	Daily	Daily	1,527	15,141
TOTALS	**45**	**346**	**3,345**	**25,693**





Member Services Contact Center			RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)	99.65%			
Category	**Goal**	**Rating**		Member Services
Call Center Monitoring Score	95%	99.12	99%	1) Retirement Counseling Estimate
Grade of Service (80% in 60 seconds)	80%	70%	26%	2) Workshop Information\Appoint: Inquiry
Call Center Survey Score	90%	92.25%	xxxxx	3) Benefit Payments: Gen. Inquiry/Payday
Agent Utilization Rate	65%	64%	87%	
Number of Calls	10,668		3,941	Retiree Health Care
Calls Answered	9,985		3,406	1) Medical Benefits - General Inquiries
Calls Abandoned	683		544	2) Turning Age 65/Part B Premium Reimbursement
Calls-Average Speed of Answer	00:01:29		04:33	
Number of Emails	268		199	3) Dental/Vision Benefits-Gen. Inquiries
Emails-Average Response Time	06:43:12		1	Adjusted for weekends

Metrics YTD from July 1, 2015 through April 30, 2016

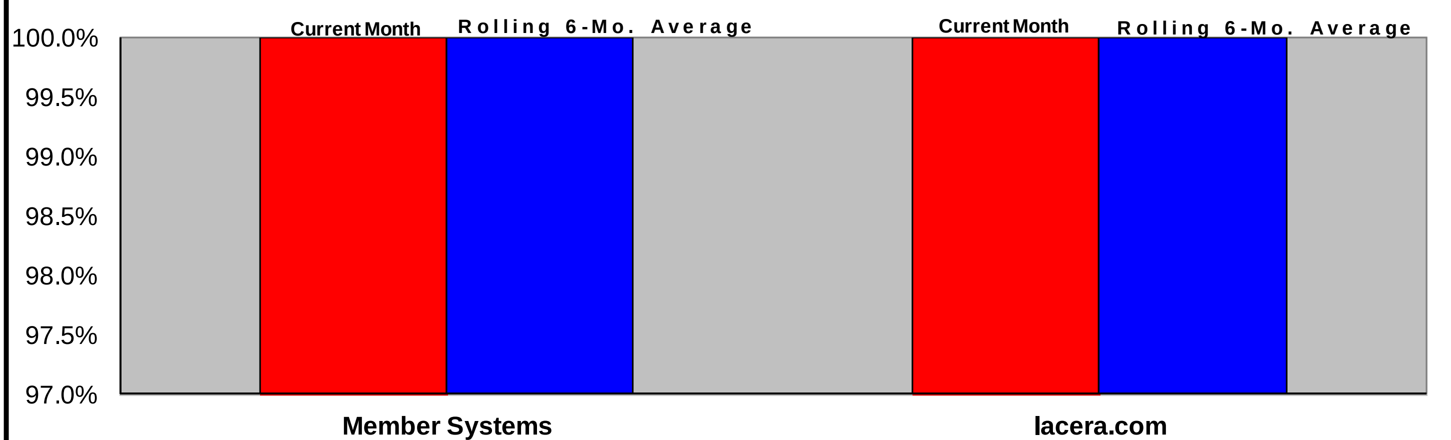
LACERA's KEY BUSINESS METRICS

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	501	xxxxxxx		On Hand	159	xxxxxxx
Received	42	428		Received	2	38
Re-opened	0	2		Administratively Closed/Rule 32	8	43
To Board – Initial	45	350		Referee Recommendation	3	29
Closed	4	50		Revised/Reconsidered for Granting	3	13
In Process	**494**	**494**		**In Process**	**147**	**147**

SYSTEMS AVAILABILITY APRIL 2016



Active Members as of 6/1/16	
General-Plan A	245
General-Plan B	93
General-Plan C	86
General-Plan D	46,970
General-Plan E	20,994
General-Plan G	14,185
Total General	**82,573**
Safety-Plan A	10
Safety-Plan B	11,345
Safety-Plan C	1,160
Total Safety	**12,515**
TOTAL ACTIVE	**95,088**

Retired Members/Survivors as of 6/1/16	Retirees	Survivors	Total
General-Plan A	19,421	4,751	24,172
General-Plan B	686	63	749
General-Plan C	429	55	484
General-Plan D	11,682	1,089	12,771
General-Plan E	10,949	910	11,859
General-Plan G	4	0	4
Total General	**43,171**	**6,868**	**50,039**
Safety-Plan A	5,855	1,582	7,437
Safety-Plan B	4,249	227	4,476
Safety-Plan C	1	0	1
Total Safety	**10,105**	**1,809**	**11,914**
TOTAL RETIRED	**53,276**	**8,677**	**61,953**

Retired Members	
Monthly Payroll	252.16 Million
Payroll YTD	2.42 Billion
Monthly Added	767
Seamless %	99.74
YTD Added	3,312
Seamless YTD %	99.67
Direct Deposit	95.00%

Health Care Program (YTD Totals)	Employer Amount	Member Amount
Medical	329,171,981	29,108,083
Dental	30,660,225	3,288,060
Med Part B	41,391,709	xxxxxxxxxx
Total Amount	**$401,223,915**	**$32,396,143**

Health Care Program Enrollments	
Medical	47,082
Dental	48,104
Med Part B	30,613
Long Term Care (LTC)	757

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%

Metrics YTD from July 1, 2015 through April 30, 2016

Date	Conference
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
13-15	National Association of Securities Professionals (NASP) Annual Pension and Financial Services Conference Atlanta, GA
15-17	AHIP (America's Health Insurance Plans) Institute Las Vegas, NV
20-22	Trustee Leadership Forum for Retirement Security at the Harvard Kennedy School Cambridge, MA
23-24	PREA (Pension Real Estate Association) Institute 2016 UCLA Ziman Center for Real Estate
27-29	International Corporate Governance Network (ICGN) Annual Conference San Francisco, CA
27-29	RFKennedy Compass Conference Hyannis Port, MA
30	Pomerantz Annual Corporate Governance & Litigation Roundtable Beverly Hills, CA
July, 2016	
27-29	Pacific Pension Institute (PPI) North American Summer Roundtable Cambridge, MA
August, 2016	
9-12	CALAPRS (California Association of Public Retirement Systems) Principles of Pension Management Pepperdine University
September, 2016	
6-8	United Nations Principals of Responsible Investing (UNPRI) PRI in Person 2015 Singapore
28-30	Council of Institutional Investors (CII) Fall Conference Chicago, IL
28-30	PREA (Pension Real Estate Association) Annual Institutional Investor Real Estate Conference Washington D.C.

LACERA

May 25, 2016

TO: Each Member
Board of Retirement

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

FOR: June 9, 2016 Board of Retirement Meeting

SUBJECT: **Assembly Bill 241– Disclosure of Retiree Information**

RECOMMENDATION

That the Board of Retirement adopt an “Oppose” position on Assembly Bill 241, which provides for the disclosure of retiree information to a retiree organization.

DISCUSSION

This bill would require a local public entity to provide the name and mailing address of each retired employee or beneficiary that is receiving a retirement benefit to any organization incorporated as a California nonprofit corporation and qualified under Internal Revenue Code Section 501(c)(5) for the purpose of representing retired employees under any of the following occurrences:

- Neutral evaluation process with interested parties.
- Declaration of a fiscal emergency.
- Filing of a petition pursuant to federal bankruptcy law.

The organization that receives the names and mailing addresses is limited to using them only for the purposes listed above. It would be subject to a civil penalty of $25,000 for violation of that limitation.

A retired employee or beneficiary may request in writing that the local public entity not disclosed his or her name and address and remove that information from the mailing list.

According to the author, this bill would enable a qualified retiree organization to represent the interests of retirees in a local public entity’s bankruptcy proceedings.

LACERA's legislative policy standards suggest support for proposals that give your Board increased in flexibility in its administration and opposition to proposals that infringe on your Board's plenary authority. This bill would create a legislative mandate rather than provide flexibility in administration that would entail support. Although the legislative mandate does not infringe on your Board's plenary authority for investment of moneys and administration of the system, your Board has discretion to adopt any policy position on any specific legislative proposal presented for your consideration.

The bill would provide a civil penalty of $25,000 against a retiree organization that does not use the name and mailing address of a retired employee or beneficiary for the purposes outlined in the bill. However, the civil penalty only relates to the misuse of the information; it provides no assurance regarding the security of the information that would be in the custody of the retiree organization. Although the bill would provide for the release of a retired employee or beneficiary's mailing address, many may have their home address as their mailing address. The potential theft of this address information would not only be a breach of privacy but presents safety issues as well for LACERA's retirees and beneficiaries.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt an "Oppose" position on Assembly Bill 241, which provides for the disclosure of retiree information to a retiree organization.

Attachments

cc: Joe Ackler, Ackler & Associates

2016. Leg.AB 241.IBL.052516

LEGISLATIVE ANALYSIS
ASSEMBLY BILL 241

AUTHOR: Gordon [D]

INTRODUCED: February 5, 2015

AMENDED: April 29, 2015

SPONSOR: Retired Public Employees Association

SUMMARY: Existing prohibits a local public entity from filing a petition pursuant to federal bankruptcy law unless it has participated in a neutral evaluation process with interested parties or it has declared a fiscal emergency. Interested parties include a representative selected by an association of retired employees who receive income from the public entity.

This bill would require a local public entity to provide the name and mailing address of each retired employee or beneficiary that is receiving a retirement benefit to any organization incorporated as a California nonprofit corporation and qualified under Internal Revenue Code Section 501(c)(5) for the purpose of representing retired employees under any of the following occurrences:

- Neutral evaluation process with interested parties.
- Declaration of a fiscal emergency.
- Filing of a petition pursuant to federal bankruptcy law.

The organization that receives the names and mailing addresses is limited to using them only for the purposes listed above. It would be subject to a civil penalty of $25,000 for violation of that limitation.

A retired employee or beneficiary may request in writing that the local public entity not disclose his or her name and address and remove that information from the mailing list.

The bill makes a legislative finding that the act ensures that retirees and beneficiaries have the opportunity to meaningfully participate in the legal process of a federal bankruptcy filed by a local public entity.

ANALYSIS: The author cites the example of the city of Stockton that filed for bankruptcy. Certain city retirees had incorporated into an organization qualified under Internal Revenue Code Section 501(c)(5) and hired legal counsel to represent the group in bankruptcy court.

The 501(c)(5) organization requested the names and addresses of all city retirees to notify them of the organization's intent to seek representation before the court. However, the city refused the request pursuant to the California Public Records Act (PRA).

This bill would enable the release of private information under specified circumstances. It also enables individuals who do not wish to share their name and mailing address to opt out of the mailing list.

The bill would provide a civil penalty of $25,000 against a retiree organization that does not use the name and mailing address of a retired employee or beneficiary for the purposes outlined in the bill. However, the civil penalty only relates to the misuse of the information; it provides no assurance regarding the security of the information that would be in the custody of the retiree organization. Although the bill would provide for the release of a retired employee or beneficiary's mailing address, many may have their home address as their mailing address. The potential theft of this address information would not only be a breach of privacy but presents safety issues as well for LACERA's retirees and beneficiaries.

SUPPORT: Retired Public Employees Association
California State Retirees

OPPOSITION: American Federation of State, County and Municipal Employees (AFSCME)

IBLC RECOMMENDATION: Oppose (05-05-16)

STAFF RECOMMENDATION: Watch

PREPARED BY: Barry W. Lew, Legislative Affairs Officer

DATED: May 25, 2016

AMENDED IN ASSEMBLY APRIL 29, 2015

california legislature—2015–16 regular session

ASSEMBLY BILL No. 241

Introduced by Assembly Member Gordon

February 5, 2015

An act to add Section 53760.9 to the Government Code, relating to local government.

legislative counsel's digest

AB 241, as amended, Gordon. Bankruptcy: retired employees: disclosure of names and mailing addresses.

(1) Existing law prohibits a local public entity, as defined, from filing a petition and exercising powers pursuant to applicable federal bankruptcy law unless the local public entity has participated in a specified neutral evaluation process with interested parties, or the local public entity has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent the protections of federal bankruptcy law. Existing law defines "interested party," for purposes of these provisions, to include, among others, a representative selected by an association of retired employees of the local public entity who receive income from the local public entity, as specified. Existing law exempts from public disclosure certain personal information of retirees from public employment.

This bill would require, notwithstanding any other law and under certain conditions, a local public entity to provide the name and mailing address of each retired employee or his or her beneficiary receiving the retired employee's retirement benefit to any organization that is incorporated and qualified under specific state and federal laws for the purpose of representing retired employees or their beneficiaries as members of the organization in a neutral evaluation process, the declaration of a fiscal emergency and adoption of a resolution, or a bankruptcy proceeding, as specified. This bill would limit an organization receiving this information under these provisions to using the information for only these purposes and impose ~~an unspecified~~ *a* civil penalty *of $25,000* on the organization for a violation of that limitation under unspecified conditions.

(2) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 53760.9 is added to the Government Code, to read:

53760.9. (a) Notwithstanding any other law, including, but not limited to, the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), *except as provided in subdivision (c),* a local public entity shall provide the name and mailing address of each retired employee, or his or her beneficiary receiving the retired employee's retirement benefit, to any organization that is incorporated as a California nonprofit mutual benefit corporation pursuant to Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code and qualified pursuant to Section 501(c)(5) of Title 26 of the Internal Revenue Code for the purpose of representing retired employees of the local public entity, upon that organization's request, if any of the following occur:

(1) The local public entity began the process of participating in a neutral evaluation process pursuant to Section 53760.3.

(2) The local public entity declared a fiscal emergency and adopted a resolution by a majority vote of the governing board pursuant to Section 53760.5.

(3) The local public entity filed a petition pursuant to applicable federal bankruptcy law.

(b) (1) An organization receiving the name and mailing address of a retired employee or his or her beneficiary receiving the retired employee's retirement benefit pursuant to subdivision (a) shall use that information only for the purpose of representing the retired employee or his or her beneficiary as a member of the organization as an interested party in a neutral evaluation process pursuant to Section 53760.3, the declaration of a fiscal emergency and adoption of a resolution pursuant to Section 53760.5, or a bankruptcy proceeding.

(2) An organization that violates paragraph (1) shall be subject to a civil penalty in the amount of ~~______~~ *twenty-five thousand* dollars ~~($_____)~~ *($25,000)* under the following conditions: _____.

(c) Upon written request of any retired employee, or his or her beneficiary receiving the retired employee's retirement benefit, a local public entity shall not disclose the name and home address of the retired employee, or his or her beneficiary receiving the retired employee's retirement benefit, and shall remove the retired employee, or his or her beneficiary receiving the retired employee's retirement benefit, from any mailing list maintained by that local public entity in compliance with subdivision (a).

SEC. 2. The Legislature finds and declares that Section 1 of this act, which adds Section 53760.9 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act ensures that public retirees and their beneficiaries have the opportunity to meaningfully participate in the legal processes of a local public entity filing a petition and exercising powers pursuant to applicable federal bankruptcy law.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

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california legislature—2015–16 regular session

ASSEMBLY BILL No. 241

Introduced by Assembly Member Gordon

February 5, 2015

An act to add Section 53760.9 to the Government Code, relating to local government.

legislative counsel's digest

AB 241, as introduced, Gordon. Bankruptcy: retired employees: disclosure of names and mailing addresses.

(1) Existing law prohibits a local public entity, as defined, from filing a petition and exercising powers pursuant to applicable federal bankruptcy law unless the local public entity has participated in a specified neutral evaluation process with interested parties, or the local public entity has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent the protections of federal bankruptcy law. Existing law defines "interested party," for purposes of these provisions, to include, among others, a representative selected by an association of retired employees of the local public entity who receive income from the local public entity, as specified. Existing law exempts from public disclosure certain personal information of retirees from public employment.

This bill would require, notwithstanding any other law and under certain conditions, a local public entity to provide the name and mailing address of each retired employee or his or her beneficiary receiving the retired employee's retirement benefit to any organization that is incorporated and qualified under specific state and federal laws for the purpose of representing retired employees or their beneficiaries as members of the organization in a neutral evaluation process, the declaration of a fiscal emergency and adoption of a resolution, or a bankruptcy proceeding, as specified. This bill would limit an organization receiving this information under these provisions to using the information for only these purposes and impose an unspecified civil penalty on the organization for a violation of that limitation under unspecified conditions.

(2) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 53760.9 is added to the Government Code, to read:

53760.9. (a) Notwithstanding any other law, including, but not limited to, the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), a local public entity shall provide the name and mailing address of each retired employee, or his or her beneficiary receiving the retired employee's retirement benefit, to any organization that is incorporated as a California nonprofit mutual benefit corporation pursuant to Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code and qualified pursuant to Section 501(c)(5) of Title 26 of the Internal Revenue Code for the purpose of representing retired employees of the local public entity, upon that organization's request, if any of the following occur:

(1) The local public entity began the process of participating in a neutral evaluation process pursuant to Section 53760.3.

(2) The local public entity declared a fiscal emergency and adopted a resolution by a majority vote of the governing board pursuant to Section 53760.5.

(3) The local public entity filed a petition pursuant to applicable federal bankruptcy law.

(b) (1) An organization receiving the name and mailing address of a retired employee or his or her beneficiary receiving the retired employee's retirement benefit pursuant to subdivision (a) shall use that information only for the purpose of representing the retired employee or his or her beneficiary as a member of the organization as an interested party in a neutral evaluation process pursuant to Section 53760.3, the declaration of a fiscal emergency and adoption of a resolution pursuant to Section 53760.5, or a bankruptcy proceeding.

(2) An organization that violates paragraph (1) shall be subject to a civil penalty in the amount of _____ dollars ($____)under the following conditions: ____.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which adds Section 53760.9 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act ensures that public retirees and their beneficiaries have the opportunity to meaningfully participate in the legal processes of a local public entity filing a petition and exercising powers pursuant to applicable federal bankruptcy law.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

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May 25, 2016

TO: Each Member
Board of Retirement

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

FOR: June 9, 2016 Board of Retirement Meeting

SUBJECT: **Assembly Bill 1707– Public Records Requests**

RECOMMENDATION

That the Board of Retirement adopt a “Watch” position on Assembly Bill 1707, which requires a public agency to identify the type of record being withheld and the specific exemption that justifies the withholding.

DISCUSSION

The California Public Records Act (PRA) requires local agencies to make public records available for inspection, unless an exemption exists. A public agency must justify the withholding of the record by demonstrating its exemption under the PRA or that nondisclosure of the record outweighs the public interest in its disclosure.

This bill would require that written response relating to the exemption of the record from disclosure identify the type of record being withheld and the specific exemption within the PRA that justifies the withholding.

The LACERA staff responsible for fulfilling requests for public records reports that LACERA substantially meets the standard prescribed by the bill. Requests for LACERA’s public records generally are for a specific type of record, and staff cites specific exemptions within the PRA to justify any withholding of records.

LACERA’s legislative policy standards suggest support for proposals that give your Board increased in flexibility in its administration and opposition to proposals that infringe on your Board’s plenary authority. This bill would create a legislative mandate rather than provide flexibility in administration with respect to the fulfillment of requests for public records. However, the legislative mandate relates to public access of records and would not infringe on your Board’s plenary authority for investment of moneys and administration of the system.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a “Watch” position on Assembly Bill 1707, which requires a public agency to identify the type of record being withheld and the specific exemption that justifies the withholding.

Attachments

cc: John Harrington

2016. Leg.AB 1707.BOR.052516

LEGISLATIVE ANALYSIS
ASSEMBLY BILL 1707

AUTHOR: Linder [R]

INTRODUCED: January 25, 2016

AMENDED: March 28, 2016

SPONSOR: Assemblyman Eric Linder

SUMMARY: The California Public Records Act (PRA) requires local agencies to make public records available for inspection, unless an exemption exists. A public agency must justify the withholding of the record by demonstrating its exemption under the PRA or that nondisclosure of the record outweighs the public interest in its disclosure.

This bill would require that written response relating to the exemption of the record from disclosure identify the type of record being withheld and the specific exemption within the PRA that justifies the withholding.

ANALYSIS: An earlier version of the bill required that the response to a records request be in writing regardless of whether the request was in writing. It also required that the written response include a list that contains the title of each record being withheld and the specific exemption applicable to the withholding. The bill was amended due to concerns from opponents that these requirements would be costly and time-consuming.

The current bill would require that public agencies identify the type of record being withheld and the applicable exemption within the PRA.

The LACERA staff responsible for fulfilling requests for public records reports that LACERA substantially meets the standard prescribed by the bill. Requests for public records generally are for a specific type of record, and staff cites specific exemptions within the PRA to justify any withholding of records.

SUPPORT:
ACLU
California Newspaper Publishers Association
Electronic Frontier Foundation
Firearms Policy Coalition
San Diegans for Open Government
Socrata
Sierra Club

OPPOSITION:
Association of California Water Agencies
California Association of Clerks and Election Officials

California Association of Counties
City Clerks Association of California
Cities of Burbank, Belvedere, Chico, Chino, Chino Hills, Coachella, Colton, Corona, Costa Mesa, Cypress, Danville, Desert Hot Springs, Downey, Dublin, Eastvale, Glendora, Indian Wells, Laguna Hills, Lakeport, Lakewood, La Quinta, Los Alamitos, Los Altos, Martinez, Menifee, Murrieta, Napa, Newark, Newport Beach, Norco, Norwalk, Ontario, Pinole, Poway, Rancho Cucamonga, Riverbank, Rocklin, Roseville, Salinas, San Dimas, San Marino, Santa Maria, Santa Monica, South Lake Tahoe, Temecula, Torrance, Union City
League of California Cities
Sacramento Municipal Utility District (SMUD)
San Joaquin Board of Supervisors
One Individual

IBLC RECOMMENDATION: **Watch (05-05-16)**

STAFF RECOMMENDATION: **Watch**

PREPARED BY: **Barry W. Lew, Legislative Affairs Officer**

DATED: **May 25, 2016**

AMENDED IN ASSEMBLY MARCH 28, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL No. 1707

Introduced by Assembly ~~Member~~ *Members* Linder *and Dababneh*
(Principal coauthor: Assembly Member Cristina Garcia)
(Coauthors: Assembly Members Travis Allen, Brough, Hadley, Lackey, and Olsen)

January 25, 2016

An act to amend Section 6255 of the Government Code, relating to public records.

LEGISLATIVE COUNSEL'S DIGEST

AB 1707, as amended, Linder. Public records: response to request.

The California Public Records Act requires state and local agencies to make public records available for inspection, unless an exemption from disclosure applies. *Existing law requires an agency to justify withholding any record by demonstrating that the record is exempt under express provisions of the act or that the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure.* The act requires a response to a written request for public records that includes a denial of the request, in whole or in part, to be in writing.

This bill ~~instead~~ would require ~~that response to be in writing regardless of whether the request was in writing. The bill would require that written response additionally to include a list that contains the title or other identification of each record requested but withheld due to an exemption and the specific exemption that applies to that record.~~ *the written response demonstrating that the record in question is exempt under an express provision of the act also to identify the type or types of record* *withheld and the specific exemption that justifies withholding that type of record.* Because local agencies would be required to comply with this new requirement, this bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 6255 of the Government Code is amended to read:

6255. (a) The agency shall justify withholding any record by demonstrating that the record in question is exempt under express provisions of this chapter or that on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.

(b) A response to ~~any~~ *a written* request for inspection or copies of public records that includes a determination that the request is denied, in whole or in part, shall be in writing. ~~That written response also shall include a list that contains both of the following:~~ *The written response demonstrating that the record in question is exempt under an express provision of this chapter also shall identify the type or types of record withheld and the specific exemption that justifies withholding that type of record.*

~~(1) The title or other identification of each record requested but withheld due to an exemption.~~

~~(2) The specific exemption that applies to that record.~~

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 6255 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

Because the people have the right of access to information concerning the conduct of the people's business, requiring local agencies ~~to provide a written response to any request for public records that is denied and to include in that response a list of each record being withheld due to an exemption from disclosure and the specific exemption that applies furthers the purposes of Section 3 of Article 1.~~ *also to identify in the written response demonstrating that the record is exempt under an express provision of the California Public Records Act the type or types of record withheld, and the specific exemption that applies, furthers the purposes of Section 3 of Article I.*

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

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california legislature—2015–16 regular session

ASSEMBLY BILL No. 1707

Introduced by Assembly Member Linder

January 25, 2016

An act to amend Section 6255 of the Government Code, relating to public records.

legislative counsel's digest

AB 1707, as introduced, Linder. Public records: response to request.

The California Public Records Act requires state and local agencies to make public records available for inspection, unless an exemption from disclosure applies. The act requires a response to a written request for public records that includes a denial of the request, in whole or in part, to be in writing.

This bill instead would require that response to be in writing regardless of whether the request was in writing. The bill would require that written response additionally to include a list that contains the title or other identification of each record requested but withheld due to an exemption and the specific exemption that applies to that record. Because local agencies would be required to comply with this new requirement, this bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 6255 of the Government Code is amended to read:

6255. (a) The agency shall justify withholding any record by demonstrating that the record in question is exempt under express provisions of this chapter or that on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.

(b) A response to ~~a written~~ *any* request for inspection or copies of public records that includes a determination that the request is denied, in whole or in part, shall be in writing. *That written response also shall include a list that contains both of the following:*

(1) The title or other identification of each record requested but withheld due to an exemption.

(2) The specific exemption that applies to that record.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 6255 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

Because the people have the right of access to information concerning the conduct of the people's business, requiring local agencies to provide a written response to any request for public records that is denied and to include in that response a list of each record being withheld due to an exemption from disclosure and the specific exemption that applies furthers the purposes of Section 3 of Article 1.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

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LACERA

May 30, 2016

SUPPLEMENTAL AGENDA INFORMATION

TO: Each Member
Board of Retirement

FROM: Barry W. Lew
Legislative Affairs Officer

FOR: June 9, 2016 Board of Retirement Meeting

SUBJECT: **Assembly Bill 2628–Political Reform Act and Employment Restrictions**

At the meeting of the Insurance, Benefits and Legislative Committee on May 5, 2016, staff was directed to obtain clarification of the post-governmental employment provisions of the bill as they relate to the members of the Board of Retirement who are employees of the County of Los Angeles. This would include the ex-officio member as well as the elected trustees for general and safety members. Concern was raised whether the provisions of the bill would prohibit County employees from serving on the Board of Retirement.

Staff provided a list of issues for clarification to LACERA's legislative advocate, Joe Ackler of Ackler & Associates, to review with the staff at the office of the bill's author, Assemblyman Marc Levine. Mr. Ackler met with and apprised the author's staff of the issues and was awaiting the status of the bill in the Assembly Appropriations Committee. If the bill passed the committee, Mr. Ackler would meet again with the author's staff to obtain the clarifications.

The bill was scheduled for hearing on May 27, 2016 in the Assembly Appropriations Committee. However, the bill was held and did not move out of committee. As a result, the bill is dead for this legislative session.

Reviewed and Approved:

Steven P. Rice

Steven P. Rice, Chief Counsel

2016 Leg.AB 2628.BOR.Supp.053016

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May 30, 2016

TO: Each Member
Board of Retirement

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

FOR: June 9, 2016 Board of Retirement Meeting

SUBJECT: **Assembly Bill 2628–Political Reform Act and Employment Restrictions**

RECOMMENDATION

That the Board of Retirement adopt a “Watch” position on Assembly Bill 2628, which relates to statements of economic interests and postgovernmental employment.

DISCUSSION

This bill would prohibit an elected or appointed officer of a state or local agency while in office and for one year after leaving office from maintaining employment with or be compensated as a consultant of the state or local agency. It would also prohibit the officer from assisting an entity, for compensation, with a permit, regulatory action, or enforcement action before the state or local agency.

The bill would require city clerks and county clerks that maintain an Internet web site to make statements of economic interests filed by elected officers available on the web site. It would also require that each state and local agency that maintains an Internet web site to make statements of economic interests filed by specified individuals—including public officials who manage public investments—with the agency’s filing officer available on its web site.

The County Employees Retirement Law of 1937 already places 2-year revolving door restrictions on public pension boards, administrators, and staff from making appearances before the retirement board or contacting staff for the purpose of influencing decisions by the retirement board. This bill would further prohibit a former board member, for compensation, from assisting or advising others with business before the retirement board.

With respect to postgovernmental employment, the bill would prohibit a former officer from being employed by that agency in any other capacity for one year after leaving office. As such, a former board member for one year after office would be prohibited from being employed in a staff position.

LACERA board members and designated staff are required to file statements of economic interests, which are available for public inspection and reproduction. This bill would require that the statements of economic interests related to positions that manage public investments be posted on the LACERA website. The positions would include the members of the Board of Investments, Chief Executive Officer, Chief Counsel, Chief Investment Officer, and Principal Investment Officer.

LACERA's legislative policy standards suggest support for proposals that give your Board increased in flexibility in its administration and opposition to proposals that infringe on your Board's plenary authority. This bill would create a legislative mandate rather than flexibility in administration with respect to the posting of statements of economic interest and post-governmental employment. However, the legislative mandate on these two matters would not infringe on your Board's plenary authority for investment of moneys and administration of the system.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a "Watch" position on Assembly Bill 2628, which relates to statements of economic interests and postgovernmental employment.

Attachments

2016. Leg.AB 2628.BOR.053016

LEGISLATIVE ANALYSIS
ASSEMBLY BILL 2628

AUTHOR:	**Levine [D]**
INTRODUCED:	**February 19, 2016**
AMENDED:	**April 19, 2016, April 6, 2016, March 17, 2016**
SPONSOR:	**Assemblymember Marc Levine**
SUMMARY:	**This bill would prohibit an elected or appointed officer of a state or local agency while in office and for one year after leaving office from maintaining employment with or be compensated as a consultant of the state or local agency. It would also prohibit the officer from assisting an entity, for compensation, with a permit, regulatory action, or enforcement action before the state or local agency.** **The bill would require city clerks and county clerks that maintain an Internet web site to make statements of economic interests filed by elected officers available on the web site.** **The bill would also require that each state and local agency that maintains an Internet web site to make statements of economic interests filed by specified individuals—including public officials who manage public investments—with the agency's filing officer available on its web site.**
ANALYSIS:	**The County Employees Retirement Law of 1937 already places 2-year revolving door restrictions on public pension boards, administrators, and staff. Such individuals are prohibited, for compensation, from making an appearance before the retirement system or contacting the system's staff for the purpose of influencing administrative or legislative action; any action involving permits, licenses, grants, or contracts; or the sale or purchase of goods or property. This bill would further prohibit a former board member, for compensation, from assisting or advising others with business before the agency.** **With respect to postgovernmental employment, the bill would prohibit a former officer from being employed by that agency in any other capacity for one year after leaving office. This bill would prohibit a former board member for one year after office from being employed in a staff position. According to an analysis by the Assembly Committee on Elections and Redistricting, this prohibition is in response to recent events at the California Coastal Commission and the South Coast Air Quality Management District involving the removal of high-ranking employees;**

the author is concerned that existing law does not preclude a board member of those agencies from serving in the positions made vacant by the agency's board.

LACERA board members and designated staff are required to file statements of economic interests, which are available for public inspection and reproduction. This bill would require that the statements of economic interests related to positions that manage public investments be posted on the LACERA website. The positions would include the members of the Board of Investments, Chief Executive Officer, Chief Counsel, Chief Investment Officer, and Principal Investment Officer.

SUPPORT:	**Azul** **California Coastal Protection Network** **California Coastkeeper Alliance** **Sierra Club California** **Surfrider Foundation**
OPPOSITION:	**None on file**
IBLC RECOMMENDATION:	**Watch (05-05-16)**
STAFF RECOMMENDATION:	**Watch**
PREPARED BY:	**Barry W. Lew, Legislative Affairs Officer**
DATED:	**May 30, 2016**

AMENDED IN ASSEMBLY APRIL 19, 2016

AMENDED IN ASSEMBLY APRIL 6, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL No. 2628

Introduced by Assembly Member Levine
(Principal coauthor: Senator Jackson)
(Coauthors: Assembly Members Bonta, Campos, Chau, Chiu, Chu, Eggman, Cristina Garcia, Gomez, McCarty, Nazarian, Thurmond, Weber, Williams, and Wood)
(Coauthor: Senator McGuire)

February 19, 2016

An act to amend Section 87505 of, and to add Sections 87406.5 and 87506 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2628, as amended, Levine. Political Reform Act of 1974: employment restrictions.

The Political Reform Act of 1974 generally prohibits a public official, as defined, from making, participating in making, or using his or her official position to influence a governmental decision in which the official has a financial interest. The act also requires the disclosure of specified financial interests of certain public officials on a statement of economic interests, which is filed annually. The act imposes certain restrictions on postgovernmental employment of specified public officials of state and local agencies.

This bill would require each state agency and each local agency that maintains an Internet Web site to make publicly available on that Internet Web site the statements of economic interests filed by the specified public officials.

This bill would prohibit an elected or appointed officer of a state or local agency, while holding office and for a period of one year after leaving office, from engaging in specified conduct, including maintaining employment with, as specified, or being a compensated consultant of that agency or, for compensation, aiding, advising, consulting with, or assisting an entity with a permit, regulatory action, or enforcement action pending before the agency.

A violation of the act is punishable as a misdemeanor. By expanding the scope of an existing crime, this bill would impose a state-mandated local program. The bill would also impose a state-mandated local program by increasing the duties imposed on local officials.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a ⅔ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: ⅔. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

SECTION 1. Section 87406.5 is added to the Government Code, to read:

87406.5. An elected or appointed officer of a state or local agency, while holding office and for a period of one year after leaving office, shall not do any of the following:

(a) Maintain employment ~~with, in a position other than the currently held elected or appointed office,~~ *with* or be a compensated consultant of the state or local agency. *For purposes of this section, "employment" does not include the currently held appointive office or any elective office of the state or local agency.*

(b) Aid, advise, consult with, or assist an entity, for compensation, with a permit, regulatory action, or enforcement action pending before the state or local agency.

SEC. 2. Section 87505 of the Government Code is amended to read:

87505. Each city clerk or county clerk who maintains an Internet Web site shall post on that Internet Web site a notification that includes all of the following:

(a) A list of the elected officers identified in Section 87200 who file statements of economic interests with that city clerk or county clerk pursuant to Section 87500.

(b) A statement that copies of the statements of economic interests filed by the elected officers described in subdivision (a) may be obtained by visiting the offices of the Commission or that city clerk or county clerk, as appropriate, or the Internet Web site of the city or county. The statement shall include the physical address for the Commission's office and the city clerk's office or the county clerk's office, as appropriate.

(c) A link to the Commission's Internet Web site and a statement that statements of economic interests for some state and local government agency elected officers may be available in an electronic format on the Commission's Internet Web site.

SEC. 3. Section 87506 is added to the Government Code, to read:

87506. Each state agency and each local agency that maintains an Internet Web site shall make publicly available on the Internet Web site each statement of economic interests filed with the agency's filing officer by an official identified in Section 87200.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 5. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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AMENDED IN ASSEMBLY APRIL 6, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

california legislature—2015–16 regular session

ASSEMBLY BILL No. 2628

Introduced by Assembly Member Levine
(Principal coauthor: Senator Jackson)
(Coauthors: Assembly Members Bonta, Campos, Chau, Chiu, Chu, Eggman, Cristina Garcia, Gomez, McCarty, Nazarian, Thurmond, Weber, Williams, and Wood)
(Coauthor: Senator McGuire)

February 19, 2016

An act to amend Section 87505 of, and to add Sections 87406.5 and 87506 to, the Government Code, relating to the Political Reform Act of 1974.

legislative counsel's digest

AB 2628, as amended, Levine. Political Reform Act of 1974: employment restrictions.

The Political Reform Act of 1974 generally prohibits a public official, as defined, from making, participating in making, or using his or her official position to influence a governmental decision in which the official has a financial interest. The act also requires the disclosure of specified financial interests of certain public officials on a statement of economic interests, which is filed annually. The act imposes certain restrictions on postgovernmental employment of specified public officials of state and local agencies.

This bill would require each state agency and each local agency that maintains an Internet Web site to make *publicly available on that*

Internet Web site the statements of economic interests filed by the ~~agency's elected and appointed officials available on the agency's Internet Web site.~~ *specified public officials.*

This bill would prohibit an elected or appointed officer of a state or local agency, while holding office and for a period of one year after leaving office, from engaging in specified conduct, including maintaining employment with, *as specified,* or being a compensated consultant of ~~any other board, commission, or other body on which the officer served as a member while holding the elective or appointed office, performing services that would qualify the officer as a lobbyist, and performing services as a compensated consultant or employee of an entity having a direct financial interest in a permit, regulatory, or enforcement action pending before the agency.~~ *that agency or, for compensation, aiding, advising, consulting with, or assisting an entity with a permit, regulatory action, or enforcement action pending before the agency.*

A violation of the act is punishable as a misdemeanor. By expanding the scope of an existing crime, this bill would impose a state-mandated local program. The bill would also impose a state-mandated local program by increasing the duties imposed on local officials.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

SECTION 1. Section 87406.5 is added to the Government Code, to read:

87406.5. An elected or appointed officer of a state or local agency, while holding office and for a period of one year after leaving office, shall not do any of the following:

~~(a) Maintain employment with or be a compensated consultant of any board, commission, or other body on which the officer serves or served as a member while holding the elective or appointed office.~~

~~(b) Perform services that would qualify the officer as a lobbyist.~~

~~(c) Perform services as a compensated consultant or employee of an entity having a direct financial interest in a permit, regulatory, or enforcement action pending before the agency.~~

(a) Maintain employment with, in a position other than the currently held elected or appointed office, or be a compensated consultant of the state or local agency.

(b) Aid, advise, consult with, or assist an entity, for compensation, with a permit, regulatory action, or enforcement action pending before the state or local agency.

SEC. 2. Section 87505 of the Government Code is amended to read:

87505. Each city clerk or county clerk who maintains an Internet Web site shall post on that Internet Web site a notification that includes all of the following:

(a) A list of the elected officers identified in Section 87200 who file statements of economic interests with that city clerk or county clerk pursuant to Section 87500.

(b) A statement that copies of the statements of economic interests filed by the elected officers described in subdivision (a) may be obtained by visiting the offices of the Commission or that city clerk or county clerk, as appropriate, or the Internet Web site of the city or county. The statement shall include the physical address for the Commission's office and the city clerk's office or the county clerk's office, as appropriate.

(c) A link to the Commission's Internet Web site and a statement that statements of economic interests for some state and local government agency elected officers may be available in an electronic format on the Commission's Internet Web site.

SEC. 3. Section 87506 is added to the Government Code, to read:

87506. Each state agency and each local agency that maintains an Internet Web site shall make *publicly available on the Internet Web site* each statement of economic interests filed with the agency's filing officer by an ~~elected or appointed official of the agency publicly available on the agency's Internet Web site.~~ *official identified in Section 87200.*

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 5. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL No. 2628

Introduced by Assembly Member Levine
(Principal coauthor: Senator Jackson)
(Coauthors: Assembly Members Bonta, Campos, Chau, Chiu, Chu, Eggman, Cristina Garcia, Gomez, McCarty, Nazarian, Thurmond, Weber, Williams, and Wood)
(Coauthor: Senator McGuire)

February 19, 2016

An act to ~~add Section 87406.5 to~~ *amend Section 87505 of, and to add Sections 87406.5 and 87506 to,* the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2628, as amended, Levine. Political Reform Act of 1974: ~~postgovernmental employment.~~ *employment restrictions.*

The Political Reform Act of 1974 *generally prohibits a public official, as defined, from making, participating in making, or using his or her official position to influence a governmental decision in which the official has a financial interest. The act also requires the disclosure of specified financial interests of certain public officials on a statement of economic interests, which is filed annually. The act* imposes certain restrictions on postgovernmental employment of specified public officials of state and local agencies.

This bill would require each state agency and each local agency that maintains an Internet Web site to make the statements of economic interests filed by the agency's elected and appointed officials available on the agency's Internet Web site.

This bill would prohibit an elected or appointed officer of a state or local agency, *while holding office and* for a period of one year after leaving office, from *engaging in specified conduct, including* maintaining employment with or being a compensated consultant of any other board, commission, or other body on which the officer served as a member while holding the elective or appointed ~~office.~~ *office, performing services that would qualify the officer as a lobbyist, and performing services as a compensated consultant or employee of an entity having a direct financial interest in a permit, regulatory, or enforcement action pending before the agency.*

A violation of the act is punishable as a ~~misdemeanor by~~ *misdemeanor. By* expanding the scope of an existing crime, this bill would impose a state-mandated local program. *The bill would also impose a state-mandated local program by increasing the duties imposed on local officials.*

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a ⅔ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: ⅔. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

SECTION 1. Section 87406.5 is added to the Government Code, to read:

87406.5. An elected or appointed officer of a state or local agency, *while holding office and* for a period of one year after leaving office, shall not ~~maintain~~ *do any of the following:*

(a) Maintain employment with or be a compensated consultant of any board, commission, or other body on which the officer *serves or* served as a member while holding the elective or appointed office.

(b) Perform services that would qualify the officer as a lobbyist.

(c) Perform services as a compensated consultant or employee of an entity having a direct financial interest in a permit, regulatory, or enforcement action pending before the agency.

~~SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.~~

SEC. 2. Section 87505 of the Government Code is amended to read:

87505. Each city clerk or county clerk who maintains an Internet Web site shall post on that Internet Web site a notification that includes all of the following:

(a) A list of the elected officers identified in Section 87200 who file statements of economic interests with that city clerk or county clerk pursuant to Section 87500.

(b) A statement that copies of the statements of economic interests filed by the elected officers described in subdivision (a) may be obtained by visiting the offices of the Commission or that city clerk or county clerk, as ~~appropriate.~~ *appropriate, or the Internet Web site of the city or county.* The statement shall include the physical address for the Commission's office and the city clerk's office or the county clerk's office, as appropriate.

(c) A link to the Commission's Internet Web site and a statement that statements of economic interests for some state and local government agency elected officers may be available in an electronic format on the Commission's Internet Web site.

SEC. 3. Section 87506 is added to the Government Code, to read:

87506. Each state agency and each local agency that maintains an Internet Web site shall make each statement of economic interests filed with the agency's filing officer by an elected or appointed official of the agency publicly available on the agency's Internet Web site.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

~~SEC. 3.~~

SEC. 5. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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ASSEMBLY BILL No. 2628

Introduced by Assembly Member Levine
(Principal coauthor: Senator Jackson)
(Coauthors: Assembly Members Bonta, Campos, Chau, Chiu, Chu, Eggman, Cristina Garcia, Gomez, McCarty, Nazarian, Thurmond, Weber, Williams, and Wood)
(Coauthor: Senator McGuire)

February 19, 2016

An act to add Section 87406.5 to the Government Code, relating to the Political Reform Act of 1974.

legislative counsel's digest

AB 2628, as introduced, Levine. Political Reform Act of 1974: postgovernmental employment.

The Political Reform Act of 1974 imposes certain restrictions on postgovernmental employment of specified public officials of state and local agencies.

This bill would prohibit an elected or appointed officer of a state or local agency, for a period of one year after leaving office, from maintaining employment with or being a compensated consultant of any other board, commission, or other body on which the officer served as a member while holding the elective or appointed office.

A violation of the act is punishable as a misdemeanor by expanding the scope of an existing crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a ⅔ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: ⅔. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

SECTION 1. Section 87406.5 is added to the Government Code, to read:

87406.5. An elected or appointed officer of a state or local agency, for a period of one year after leaving office, shall not maintain employment with or be a compensated consultant of any board, commission, or other body on which the officer served as a member while holding the elective or appointed office.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 3. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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L//CERA

May 24, 2016

TO: Each Member
Board of Retirement

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

FOR: June 9, 2016 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Senate Bill 897 – Workers' Compensation**

RECOMMENDATION

That the Board of Retirement adopt a "Watch" position on Senate Bill 897, which provides an additional year of leave of absence with salary to the one-year period provided by Labor Code Section 4850.

DISCUSSION

Labor Code Section 4850 provides a leave of absence ("4850 time") of up to a year without loss of salary for an employee who is temporarily or permanently disabled by injury arising out of or in the course of his or her duties.

This bill would provide for an additional year of 4850 time to an employee who is temporarily disabled, as determined by a physician, by a catastrophic injury at the hands of another.

Catastrophic injuries include severe burns, severe bodily injuries resulting from the collapse of a building, and severe bodily injuries resulting from a shooting or stabbing. The catastrophic injury must have occurred during duty as the direct result of the actions of another or through active firefighting operations without respect to the cause of the fire.

The employees eligible for the additional year of 4850 time are limited to city police officers; city, county, or district firefighters; and sheriffs. However, police officers and firefighters of the City and County of San Francisco are excluded.

For the purposes of disability retirement under the County Employees Retirement Law of 1937, 4850 time is considered regular compensation. If a member continues receiving 4850 time after the filing of a disability retirement application and becomes eligible for disability retirement, the effective date of the disability retirement is the day following the last day of regular compensation. The additional year of 4850 time may result in a later effective date along with higher final compensation and more service credit used to determine a disability allowance.

LACERA's legislative policy standard is to remain neutral on proposals that change existing or create new presumptions related to workers' compensation or service-connected disability retirement. Although the bill does not relate directly to a presumption, it does create a new category of injury for purposes of determining eligibility for workers' compensation benefits.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a "Watch" position on Senate Bill 897, which provides an additional year of leave of absence with salary to the one-year period provided by Labor Section Code 4850.

Attachments

cc: Frank Boyd
Ricki Contreras

2016. Leg.SB 897.BOR.052416

LEGISLATIVE ANALYSIS
SENATE BILL 897

AUTHOR:	**Roth [D]**
INTRODUCED:	**January 21, 2016**
AMENDED:	**May 11, 2016, March 29, 2016**
SPONSOR:	**California Professional Firefighters** **Riverside Police Officers' Association**

SUMMARY:

Labor Code 4850 provides a leave of absence ("4850 time") of up to a year without loss of salary for an employee who is temporarily or permanently disabled by injury arising out of or in the course of his or her duties.

The employees eligible for 4850 time include city police officers; city, county, or district firefighters; sheriffs; officers or employees of any sheriff's office; district attorney investigators; county probation officers, group counselors, or juvenile services officers; officers or employees of a probation office; police officers of the County of Los Angeles; lifeguards in the County of Los Angeles or the city of San Diego; harbor or port police officers; and police officers of the Los Angeles Unified School District.

This bill would provide for an additional year of 4850 time to an employee who is temporarily disabled, as determined by a physician, by a catastrophic injury at the hands of another.

Catastrophic injuries include severe burns, severe bodily injuries resulting from the collapse of a building, and severe bodily injuries resulting from a shooting or stabbing. The catastrophic injury must have occurred during duty as the direct result of the actions of another or through active firefighting operations without respect to the cause of the fire.

The employees eligible for the additional year of 4850 time are limited to city police officers; city, county, or district firefighters; and sheriffs. However, police officers and firefighters of the City and County of San Francisco are excluded.

ANALYSIS:

For the purposes of disability retirement under the County Employees Retirement Law of 1937, 4850 time is considered regular compensation. If a member continues receiving 4850 time after the filing of a disability retirement application and becomes eligible for disability retirement, the effective date of the disability retirement is the day following the last day of regular compensation. The

additional year of 4850 may result in a later effective date along with higher final compensation and more service credit used to determine a disability allowance.

SUPPORT:	**California Professional Firefighters** **Riverside Police Officers' Association** **Association for Los Angeles Deputy Sheriffs** **Association of Orange County Deputy Sheriffs** **California Statewide Law Enforcement Association** **Fraternal Order of Police** **Laborers International Union of North America Locals 777 & 792** **Long Beach Police Officers Association** **Los Angeles County Professional Peace Officers Association** **Los Angeles Police Protective League** **Peace Officers Research Association of California** **Riverside Sheriffs' Association** **Sacramento County Deputy Sheriffs' Association** **Service Employees International Union**
OPPOSITION:	**California Association of Joint Powers Authorities** **California Special Districts Association** **California State Association of Counties** **California State Association of Counties—Excess Insurance Authority** **California State Sheriffs' Association** **City of Anderson** **City of Fountain Valley** **City of Menifee** **City of Newport Beach** **City of Rancho Cucamonga** **City of Redding** **City of Sacramento** **City of San Luis Obispo** **City of Torrance** **City of Ventura** **League of California Cities** **Mayor and City Council of the City of Sacramento** **Rural County Representatives of California**
IBLC RECOMMENDATION:	**Watch (05-05-16)**
STAFF RECOMMENDATION:	**Watch**
PREPARED BY:	**Barry W. Lew, Legislative Affairs Officer**
DATED:	**May 24, 2016**

AMENDED IN SENATE MAY 11, 2016

AMENDED IN SENATE MARCH 29, 2016

SENATE BILL No. 897

Introduced by Senator Roth
(Coauthor: Senator Stone)

January 21, 2016

An act to add Section 4850.1 to the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

SB 897, as amended, Roth. Workers' compensation.

Existing law provides that certain peace officers, firefighters, and other specified public employees are entitled to a leave of absence without loss of salary while disabled by injury or illness arising out of and in the course of employment, for the period of the disability, not to exceed one year. The leave of absence is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers' compensation system.

This bill would allow certain employees of local agencies, including police officers, firefighters, and sheriffs, an additional year of a leave of absence without loss of salary when injured by a catastrophic injury at the hands of another, as defined.

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

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

SECTION 1. Section 4850.1 is added to the Labor Code, to read:

4850.1. (a) For purposes of this section, "catastrophic injury at the hands of another" includes the following injuries: severe burns, severe bodily injuries resulting from ~~a building collapse,~~ *the collapse of a building,* and severe bodily injuries resulting from a shooting or stabbing. A catastrophic injury must have been incurred, during duty, through the direct result of the actions of another, including a battery, or through active firefighting operations without respect to the cause of the fire.

(b) Whenever any person listed in this subdivision, who is employed on a regular, full-time basis, and is temporarily disabled, as determined by a physician, by a catastrophic injury at the hands of another, he or she shall become entitled, regardless of his or her period of service with the city, county, or district, to a leave of absence while so disabled without loss of salary in lieu of temporary disability payments or maintenance allowance payments, if any, that would be payable under this chapter, for the period of the disability, and an additional year to the one-year period pursuant to Section 4850, but no more than two years total, or until that earlier date as he or she is retired on permanent disability pension, and is actually receiving disability pension payments, or advanced disability pension payments pursuant to Section 4850.3.

(c) The persons eligible under subdivision (b) include all of the following:

(1) City police officers.

(2) City, county, or district firefighters.

(3) Sheriffs.

(d) This section shall apply only to persons listed in subdivision (c) who meet the requirements of subdivision (b), and shall not include any of the following:

(1) Employees of a police department whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active law enforcement service.

(2) Employees of a county sheriff's office whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly come within the scope of active law enforcement service.

(3) Employees of a city fire department, county fire department, or fire district whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise,

and whose functions do not clearly fall within the scope of active firefighting and prevention service.

(e) If the employer is insured, the payments that, except for this section, the insurer would be obligated to make as disability indemnity to the injured, the insurer may pay to the insured.

(f) No leave of absence taken pursuant to this section by a city, county, or district firefighter shall be deemed to constitute family care and medical leave, as defined in Section 12945.2 of the Government Code, or to reduce the time authorized for family care and medical leave by Section 12945.2 of the Government Code.

(g) This section shall not apply to any persons described in paragraph (1) or (2) of subdivision (c) who are employees of the City and County of San Francisco.

(h) A benefit received pursuant to this section is a temporary disability benefit and is subject to the aggregate disability payments time limit pursuant to subdivision (c) of Section 4656.

O

AMENDED IN SENATE MARCH 29, 2016

SENATE BILL No. 897

Introduced by Senator Roth

January 21, 2016

An act to add Section 4850.1 to the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

SB 897, as amended, Roth. Workers' compensation.

Existing law provides that certain peace officers, firefighters, and other specified public employees are entitled to a leave of absence without loss of salary while disabled by injury or illness arising out of and in the course of employment, for the period of the disability, not to exceed one year. The leave of absence is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers' compensation system.

This bill would allow certain employees of local agencies, including police officers, firefighters, and sheriffs, an additional year of a leave of absence without loss of ~~salary, as specified.~~ *salary when injured by a catastrophic injury at the hands of another, as defined.*

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

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

SECTION 1. Section 4850.1 is added to the Labor Code, to read:

4850.1. (a) *For purposes of this section, "catastrophic injury at the hands of another" includes the following injuries: severe* *burns, severe bodily injuries resulting from a building collapse, and severe bodily injuries resulting from a shooting or stabbing. A catastrophic injury must have been incurred, during duty, through the direct result of the actions of another, including a battery, or through active firefighting operations without respect to the cause of the fire.*

(b) Whenever any person listed in ~~subdivision (b),~~ *this subdivision,* who is employed on a regular, full-time basis, and is ~~disabled, whether temporarily or permanently,~~ *temporarily disabled, as determined by a physician,* by a catastrophic injury ~~arising out of and in the course of his or her duties,~~ *at the hands of another,* he or she shall become entitled, regardless of his or her period of service with the city, county, or district, to a leave of absence while so disabled without loss of salary in lieu of temporary disability payments or maintenance allowance payments, if any, that would be payable under this chapter, for the period of the disability, and an additional year to the one-year period pursuant to Section 4850, but no more than two years total, or until that earlier date as he or she is retired on permanent disability pension, and is actually receiving disability pension payments, or advanced disability pension payments pursuant to Section 4850.3.

~~(b)~~

(c) The persons eligible under subdivision ~~(a)~~ *(b)* include all of the following:

(1) City police officers.

(2) City, county, or district firefighters.

(3) Sheriffs.

~~(c)~~

(d) This section shall apply only to persons listed in subdivision ~~(b)~~ *(c)* who meet the requirements of subdivision ~~(a),~~ *(b),* and shall not include any of the following:

(1) Employees of a police department whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active law enforcement service.

(2) Employees of a county sheriff's office whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly come within the scope of active law enforcement service.

(3) Employees of a city fire department, county fire department, or fire district whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active firefighting and prevention service.

~~(d)~~

(e) If the employer is insured, the payments that, except for this section, the insurer would be obligated to make as disability indemnity to the injured, the insurer may pay to the insured.

~~(e)~~

(f) No leave of absence taken pursuant to this section by a city, county, or district ~~firefighter,~~ *firefighter* shall be deemed to constitute family care and medical leave, as defined in Section 12945.2 of the Government Code, or to reduce the time authorized for family care and medical leave by Section 12945.2 of the Government Code.

(g) This section shall not apply to any persons described in paragraph (1) or (2) of subdivision (c) who are employees of the City and County of San Francisco.

(h) A benefit received pursuant to this section is a temporary disability benefit and is subject to the aggregate disability payments time limit pursuant to subdivision (c) of Section 4656.

O

SENATE BILL **No. 897**

Introduced by Senator Roth

January 21, 2016

An act to add Section 4850.1 to the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

SB 897, as introduced, Roth. Workers' compensation.

Existing law provides that certain peace officers, firefighters, and other specified public employees are entitled to a leave of absence without loss of salary while disabled by injury or illness arising out of and in the course of employment, for the period of the disability, not to exceed one year. The leave of absence is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers' compensation system.

This bill would allow certain employees of local agencies, including police officers, firefighters, and sheriffs, an additional year of a leave of absence without loss of salary, as specified.

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

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

SECTION 1. Section 4850.1 is added to the Labor Code, to read:

4850.1. (a) Whenever any person listed in subdivision (b), who is employed on a regular, full-time basis, and is disabled, whether temporarily or permanently, by a catastrophic injury arising out of and in the course of his or her duties, he or she shall become entitled, regardless of his or her period of service with the city, county, or district, to a leave of absence while so disabled without loss of salary in lieu of temporary disability payments or maintenance allowance payments, if any, that would be payable under this chapter, for the period of the disability, and an additional year to the one-year period pursuant to Section 4850, but no more than two years total, or until that earlier date as he or she is retired on permanent disability pension, and is actually receiving disability pension payments, or advanced disability pension payments pursuant to Section 4850.3.

(b) The persons eligible under subdivision (a) include all of the following:

(1) City police officers.

(2) City, county, or district firefighters.

(3) Sheriffs.

(c) This section shall apply only to persons listed in subdivision (b) who meet the requirements of subdivision (a), and shall not include any of the following:

(1) Employees of a police department whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active law enforcement service.

(2) Employees of a county sheriff's office whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly come within the scope of active law enforcement service.

(3) Employees of a city fire department, county fire department, or fire district whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active firefighting and prevention service.

(d) If the employer is insured, the payments that, except for this section, the insurer would be obligated to make as disability indemnity to the injured, the insurer may pay to the insured.

(e) No leave of absence taken pursuant to this section by a city, county, or district firefighter, shall be deemed to constitute family care and medical leave, as defined in Section 12945.2 of the Government Code, or to reduce the time authorized for family care and medical leave by Section 12945.2 of the Government Code.

O

LACERA

May 24, 2016

TO: Each Member
Board of Retirement

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

FOR: June 9, 2016 Board of Retirement Meeting

SUBJECT: **Senate Bill 1203 – Joint Powers Authorities**

RECOMMENDATION

That the Board of Retirement adopt a "Watch" position on Senate Bill 1203, which relates to employees who are not new members in a joint powers authority.

DISCUSSION

The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires that public retirement systems modify their plans to establish new retirement formulas for employees who become new member on or after January 1, 2013. The Joint Exercise of Powers Act authorizes two or more public agencies to create a joint powers authority (JPA) to exercise a common power.

This bill would authorize a JPA, in which at least one member agency provided defined benefits on or before December 31, 2012, to provide employees who are not new members ("legacy members") the defined benefit plan they received as employees of the member agency. The employees must be employed by the JPA within 180 days of the formation of the JPA.

Due to an unintended consequence of PEPRA, each JPA formed on or after January 1, 2013 has had to individually seek legislation to provide legacy members with the defined benefit plan received by those members from their respective employers on or before December 31, 2012. This bill would eliminate duplicative legislation for each newly formed JPA seeking to protect the defined benefits of its legacy members.

The bill is consistent with LACERA's legislative policy standard to remain neutral on proposals that do not apply directly to LACERA, its members, or beneficiaries.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a “Watch” position on Senate Bill 1203, which relates to employees who are not new members in a joint powers authority.

Attachments

2016. Leg.SB 1203.BOR.052416

LEGISLATIVE ANALYSIS
SENATE BILL 1203

AUTHOR: Hertzberg [D]

INTRODUCED: February 18, 2016

AMENDED: April 13, 2016, March 28, 2016

SPONSOR: California Professional Firefighters

SUMMARY: The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires that public retirement systems modify their plans to establish new retirement formulas for employees who become new members on or after January 1, 2013. The Joint Exercise of Powers Act authorizes two or more public agencies to create a joint powers authority (JPA) to jointly exercise a common power such as hiring employees and providing defined benefit plans.

This bill would authorize a JPA, in which at least one member agency provided defined benefits on or before December 31, 2012, to provide employees who are not new members ("legacy members") the defined benefit plan they received as employees of the member agency, if the employees are employed by the JPA within 180 days of the formation of the JPA. The bill would also prohibit the JPA from exempting new members from the requirements of PEPRA.

ANALYSIS: In general, PEPRA allows individuals employed by a public employer before January 1, 2013, and who become employed by a subsequent public employer on or after January 1, 2013, to be subject to the defined benefit plan available to employees of the subsequent employer who were first employed on or before December 31, 2012.

Due to an unintended consequence of PEPRA, the formation of a JPA on or after January 1, 2013 would not allow such individuals to retain the defined benefit plan they had as legacy members. The JPA did not exist before January 1, 2013 and thus had no legacy defined benefit plan into which the legacy members may be placed.

Each JPA formed on or after January 1, 2013 has had to individually seek legislation to provide legacy members with the defined benefit plan received by those members from their respective employers on or before December 31, 2012.

This bill would authorize any JPA established on or after January 1, 2013 to provide its legacy members with their

legacy defined benefit plan. The bill would eliminate duplicative legislation for each newly formed JPA seeking to protect the defined benefits of its legacy members.

Legislative History

SB 24 (2016) authorizes the JPA formed by the cities of Belmont, Foster City, and San Mateo to offer a legacy defined benefit plan to its employees who were not new members. LACERA's Board of Retirement adopted a "Watch" position on March 2, 2016. The bill is currently in the Assembly.

SB 354 (Chapter 158, Statutes of 2015) clarified the period during which legacy members employed by the cities of Brea and Fullerton can transfer to the JPA and retain the defined benefit plan they were participating in prior to the transfer. LACERA's Board of Retirement adopted a "Watch" position on June 11, 2015.

SB 1251 (Chapter 757, Statutes of 2014) authorized the Brea and Fullerton JPA to offer a legacy defined benefit plan to its employees who were not new members. LACERA's Board of Retirement adopted a "Watch" position on May 22, 2014.

SUPPORT:	**California Professional Firefighters** **California State Firefighters' Association** **Laborers' International Union of North America, Local 777** **Laborers' International Union of North America, Local 792** **Orange County Professional Firefighters Association, Local 3631**
OPPOSITION:	**None received**
IBLC RECOMMENDATION:	**Watch (05-05-16)**
STAFF RECOMMENDATION:	**Watch**
PREPARED BY:	**Barry W. Lew, Legislative Affairs Officer**
DATED:	**May 24, 2016**

AMENDED IN SENATE APRIL 13, 2016

AMENDED IN SENATE MARCH 28, 2016

SENATE BILL No. 1203

Introduced by Senator Hertzberg

February 18, 2016

An act to add Section 7522.05 to the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1203, as amended, Hertzberg. Retirement systems: joint powers authorities: benefit formulas.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, among other provisions, establishes new retirement formulas that may not be exceeded by a public employer offering a defined benefit pension plan for employees first hired on or after January 1, 2013. Existing law, the Joint Exercise of Powers Act, generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which may include hiring employees and establishing retirement systems.

This bill would ~~require~~ *authorize* a joint powers authority to offer defined benefit plans or formulas that are not PEPRA plans or formulas provided that the plans or formulas were those the employees received prior to the creation of the authority, the employees are not new members under PEPRA, and they are employed by the authority with 180 days, as specified.

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

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

SECTION 1. Section 7522.05 is added to the Government Code, to read:

7522.05. (a) A joint powers authority formed on or after January 1, 2013, and formed pursuant to the provisions of the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5), where at least one member agency provided benefits on or before December 31, 2012, as described in subdivision (c) of Section 7522.02, ~~shall~~ *may* provide employees of that joint powers authority the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power where that employee was not a new member with that employer and subsequently is employed by the joint powers authority within 180 days of the member agency providing for the exercise of a common power.

(b) The formation of a joint powers authority on or after January 1, 2013, shall not act in a manner as to exempt a new employee or a new member, as defined by Section 7522.04, hired by that joint powers authority from the requirements of the Public Employees' Pension Reform Act of 2013. New members may only participate in a defined benefit plan or formula that conforms to the requirements of the Public Employees' Pension Reform Act of 2013.

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AMENDED IN SENATE MARCH 28, 2016

SENATE BILL No. 1203

Introduced by Senator Hertzberg

February 18, 2016

~~An act to amend Section 22820 of the Government Code, relating to public employee benefits.~~ *An act to add Section 7522.05 to the Government Code, relating to retirement.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1203, as amended, Hertzberg. ~~Firefighters and peace officers: health benefits.~~ *Retirement systems: joint powers authorities: benefit formulas.*

The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, among other provisions, establishes new retirement formulas that may not be exceeded by a public employer offering a defined benefit pension plan for employees first hired on or after January 1, 2013. Existing law, the Joint Exercise of Powers Act, generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which may include hiring employees and establishing retirement systems.

This bill would require a joint powers authority to offer defined benefit plans or formulas that are not PEPRA plans or formulas provided that the plans or formulas were those the employees received prior to the creation of the authority, the employees are not new members under PEPRA, and they are employed by the authority with 180 days, as specified.

~~Under the Public Employees' Medical and Hospital Care Act (PEMHCA), an uninsured surviving spouse or other eligible family~~

~~member of a deceased firefighter or peace officer is eligible to enroll in a health benefit plan approved or maintained by the Board of Administration of the Public Employees' Retirement System if the death of the firefighter or peace officer occurred as a result of injury or disease arising out of, and in the course of, the firefighter's or peace officer's official duties, as specified. Under PEMHCA, the employer of a deceased firefighter or peace officer is required to notify the board within 10 days of the death of the firefighter or peace officer if a spouse or a family member may be so eligible for enrollment.~~

~~This bill would require the employer to also provide the board with updated contact information of the spouse or family member. By requiring local government employers to provide this contact information, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

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

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

SECTION 1. Section 7522.05 is added to the Government Code, to read:

7522.05. (a) A joint powers authority formed on or after January 1, 2013, and formed pursuant to the provisions of the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5), where at least one member agency provided benefits on or before December 31, 2012, as described in subdivision (c) of Section 7522.02, shall provide employees of that joint powers authority the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power where that employee was not a new member with that employer and subsequently is employed by the joint powers authority within 180 days of the member agency providing for the exercise of a common power.

(b) The formation of a joint powers authority on or after January 1, 2013, shall not act in a manner as to exempt a new employee or a new member, as defined by Section 7522.04, hired by that joint powers authority from the requirements of the Public Employees' Pension Reform Act of 2013. New members may only participate in a defined benefit plan or formula that conforms to the requirements of the Public Employees' Pension Reform Act of 2013.

~~SECTION 1. Section 22820 of the Government Code is amended to read:~~

~~22820. (a) Upon the death, on or after January 1, 2002, of a firefighter employed by a county, city, city and county, district, or other political subdivision of the state, a firefighter employed by the Department of Forestry and Fire Protection, a firefighter employed by the federal government who was a resident of this state and whose regular duty assignment was to perform firefighting services within this state, or a peace officer as defined in Section 830.1, 830.2, 830.3, 830.31, 830.32, 830.33, 830.34, 830.35, 830.36, 830.37, 830.38, 830.39, 830.4, 830.5, 830.55, or 830.6 of the Penal Code, if the death occurred as a result of injury or disease arising out of and in the course of his or her official duties, the surviving spouse or other eligible family member of the deceased firefighter or peace officer, if uninsured, is deemed to be an annuitant under Section 22760 for purposes of enrollment. All eligible family members of the deceased firefighter or peace officer who are uninsured may enroll in a health benefit plan of the surviving spouse's choice. However, an unmarried child of the surviving spouse is not eligible to enroll in a health benefit plan under this section if the child was not a family member under Section 22775 and regulations pertinent thereto prior to the firefighter's or peace officer's date of death. The employer of the deceased firefighter or peace officer shall notify the board within 10 business days of the death of the employee if a spouse or family member may be eligible for enrollment in a health benefit plan under this section, and shall provide the board with updated contact information of the spouse or family member.~~

~~(b) Upon notification, the board shall promptly determine eligibility and shall forward to the eligible spouse or family member the materials necessary for enrollment. In the event of a dispute regarding whether a firefighter's or peace officer's death~~

~~occurred as a result of injury or disease arising out of and in the course of his or her official duties as required under subdivision (a), that dispute shall be determined by the Workers' Compensation Appeals Board, subject to the same procedures and standards applicable to hearings relating to claims for workers' compensation benefits. The jurisdiction of the Workers' Compensation Appeals Board under this section is limited to the sole issue of industrial causation and this section does not authorize the Workers' Compensation Appeals Board to award costs against the system.~~

~~(c) (1) Notwithstanding any other provision of law, and except as otherwise provided in subdivision (d), the state shall pay the employer contribution required for enrollment under this part for the uninsured surviving spouse of a deceased firefighter or peace officer for life, and the other uninsured eligible family members of a deceased firefighter or peace officer, provided the family member meets the eligibility requirements of Section 22775 and regulations pertinent thereto.~~

~~(2) The contribution payable by the state for each uninsured surviving spouse and other uninsured eligible family members shall be adjusted annually and be equal to the amount specified in Section 22871.~~

~~(3) The state's contribution under this section shall commence on the effective date of enrollment of the uninsured surviving spouse or other uninsured eligible family members. The contribution of each surviving spouse and eligible family member shall be the total cost per month of the benefit coverage afforded him or her under the plan less the portion contributed by the state pursuant to this section.~~

~~(d) The cancellation of coverage by an annuitant, as defined in this section, shall be final without option to reenroll, unless coverage is canceled because of enrollment in an insurance plan from another source.~~

~~(e) For purposes of this section, "surviving spouse" means a spouse who was married to the deceased firefighter or peace officer on the deceased's date of death and either was married for a continuous period of at least one year prior to the date of death or was married to the deceased prior to the date the deceased firefighter or peace officer sustained the injury or disease resulting in death.~~

~~(f) For purposes of this section, "uninsured" means that the surviving spouse is not enrolled in an employer-sponsored health plan under which the employer contribution covers 100 percent of the cost of health care premiums.~~

~~(g) The board has no duty to identify, locate, or notify any surviving spouse or eligible family member who may be or may become eligible for benefits under this section.~~

~~SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.~~

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May 25, 2016

TO: Each Member
Board of Retirement

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

FOR: June 9, 2016 Board of Retirement Meeting

SUBJECT: **Senate Bill 1436 – Oral Report of Final Action Recommendation**

RECOMMENDATION

That the Board of Retirement adopt a "Watch" position on Senate Bill 1436, which requires an oral report of a recommendation for final action related to the compensation and benefits of a local agency executive.

DISCUSSION

The Ralph M. Brown Act requires that meetings of the legislative body of a local agency be open and public. A legislative body may hold a closed session to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee.

Generally, a legislative body is prohibited from discussing or taking action on proposed compensation in a closed session. Although it may hold a closed session to discuss compensation and benefits for represented and nonrepresented employees with designated representatives, it may not take final action in closed session.

This bill would require the legislative body to orally report a summary of a recommendation for final action on the compensation and benefits of a local agency executive prior to taking final action on the recommendation. Although the recommendation for final action is not precluded from being placed on a consent agenda, an oral report of the recommendation is required prior to the legislative body taking final action.

The requirement to make an oral report of the final action recommendation does not limit the public's right under the California Public Records Act to inspect or copy records related to the process of developing the recommendation.

LACERA's legislative policy standards suggest support for proposals that give your Board increased in flexibility in its administration and opposition to proposals that infringe on your Board's plenary authority. This bill would create a legislative mandate rather than provide flexibility in administration with respect to recommendations on final action related to compensation and benefits. However, the legislative mandate relates to public access to meetings of public bodies and would not infringe on your Board's plenary authority for investment of moneys and administration of the system.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a "Watch" position on Senate Bill 1436, which requires an oral report of a recommendation for final action related to the compensation and benefits of a local agency executive.

Attachments

2016. Leg.SB 1436.BOR.052516

LEGISLATIVE ANALYSIS
SENATE BILL 1436

AUTHOR: Bates [R]

INTRODUCED: February 19, 2016

AMENDED: April 6, 2016, March 28, 2016

SPONSOR: Senator Pat Bates

SUMMARY: The Ralph M. Brown Act requires that meetings of the legislative body of a local agency be open and public. A legislative body may hold a closed session to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee.

The legislative body is prohibited from discussing or taking action on proposed compensation in closed session. However, it may hold a closed session with the local agency's designated representatives to discuss compensation and benefits for represented and unrepresented employees. The closed session must not include final action on the proposed compensation of unrepresented employees.

This bill would require the legislative body to orally report a summary of a recommendation for final action on the compensation and benefits of a local agency executive prior to taking final action on the recommendation.

The definition of "local agency executive" includes:

- Chief executive officer, deputy chief executive officer, or assistant chief executive officer.
- Head of a department of a local agency.
- Person whose position is held by an employment contract between the person and the local agency.

The requirement to make an oral report of the final action recommendation does not limit the public's right under the California Public Records Act to inspect or copy records related to the process of developing the recommendation.

ANALYSIS: Although the recommendation for final action is not precluded from being placed on a consent agenda, an oral report of the recommendation is required prior to the legislative body taking final action.

SUPPORT: Californians Aware
California Newspaper Publishers Association

OPPOSITION: Unknown

IBLC RECOMMENDATION: Watch (05-05-16)

STAFF RECOMMENDATION: Watch

PREPARED BY: Barry W. Lew, Legislative Affairs Officer

DATED: May 25, 2016

AMENDED IN SENATE APRIL 6, 2016

AMENDED IN SENATE MARCH 28, 2016

SENATE BILL No. 1436

Introduced by Senator Bates

February 19, 2016

An act to amend Section 54953 of the Government Code, relating to open meetings.

LEGISLATIVE COUNSEL'S DIGEST

SB 1436, as amended, Bates. Local agency meetings: local agency executive compensation: oral report of final action recommendation.

The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public, except that closed sessions may be held under prescribed circumstances. Existing law authorizes the legislative body to hold a closed session to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee, but generally prohibits the closed session from including discussion or action on proposed compensation. Existing law authorizes the legislative body to hold a closed session with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, but prohibits the closed session from including final action on the proposed compensation of one or more unrepresented employees. Existing law prohibits the legislative body from calling a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined.

This ~~bill~~ *bill, prior to taking final action,* would require the legislative body to orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive during the open meeting in which the final action is to be taken.

By imposing new requirements on cities, counties, cities and counties, and special districts, this bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) ~~The~~ *Prior to taking final action, the* legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. *This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.*

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), when a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and that number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(4) This subdivision shall remain in effect only until January 1, 2018.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 54953 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act ensures that more Californians can meaningfully participate in the meetings of legislative bodies of local agencies.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

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AMENDED IN SENATE MARCH 28, 2016

SENATE BILL No. 1436

Introduced by Senator Bates

February 19, 2016

An act to amend ~~Sections 54952.6 and~~ *Section* 54953 of the Government Code, relating to open meetings.

LEGISLATIVE COUNSEL'S DIGEST

SB 1436, as amended, Bates. Local agency meetings: local agency executive compensation: ~~discussion~~ *oral report* of final action ~~taken.~~ *recommendation.*

The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public, except that closed sessions may be held under prescribed circumstances. Existing law authorizes the legislative body to hold a closed session to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee, but generally prohibits the closed session from including discussion or action on proposed compensation. Existing law authorizes the legislative body to hold a closed session with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, but prohibits the closed session from including final action on the proposed compensation of one or more unrepresented employees. Existing law prohibits the legislative body from calling a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe ~~benefits,~~ *benefits* of a local agency executive, as defined.

This bill would require the *legislative body to orally report a summary of a recommendation for a* final action on the salaries, salary schedules,

or compensation paid in the form of fringe benefits of a local agency executive~~ to be made a separate discussion item and not placed on a consent calendar. The bill would define, for these purposes, "discussion item" as an item that is given time in a meeting for discussion separate from any other item and "consent calendar" as a list of 2 or more items that the legislative body has agreed to vote on as a group at once without a separate debate for each item.~~ *during the open meeting in which the final action is to be taken.*

By imposing new requirements on cities, counties, cities and counties, and special districts, this bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

~~SECTION 1. Section 54952.6 of the Government Code is amended to read:~~

~~54952.6. (a) As used in this chapter, "action taken" means a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.~~

~~(b) As used in this chapter, "discussion item" means an item that is given time in a meeting for discussion separate from any other item.~~

~~(c) As used in this chapter, "consent calendar" means a list of two or more items that the legislative body has agreed to vote on as a group at once without a separate debate for each item.~~

~~SEC. 2.~~

SECTION 1. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or

video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) The *legislative body shall orally report a summary of a recommendation for a* final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, ~~shall be made as a separate discussion item and shall not be placed on a consent calendar.~~ *during the open meeting in which the final action is to be taken.*

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), when a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and that number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory

committee to a county sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(4) This subdivision shall remain in effect only until January 1, 2018.

~~SEC. 3.~~

SEC. 2. The Legislature finds and declares that ~~Sections 1 and 2~~ *Section 1* of this act, which ~~amend Sections 54952.7 and~~ *amends Section* 54953 of the Government Code, ~~respectively,~~ furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act ensures that more Californians can meaningfully participate in the meetings of legislative bodies of local agencies.

~~SEC. 4.~~

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

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SENATE BILL No. 1436

Introduced by Senator Bates

February 19, 2016

An act to amend Sections 54952.6 and 54953 of the Government Code, relating to open meetings.

LEGISLATIVE COUNSEL'S DIGEST

SB 1436, as introduced, Bates. Local agency meetings: local agency executive compensation: discussion of final action taken.

The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public, except that closed sessions may be held under prescribed circumstances. Existing law authorizes the legislative body to hold a closed session to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee, but generally prohibits the closed session from including discussion or action on proposed compensation. Existing law authorizes the legislative body to hold a closed session with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, but prohibits the closed session from including final action on the proposed compensation of one or more unrepresented employees. Existing law prohibits the legislative body from calling a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive, as defined.

This bill would require the final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive to be made a separate discussion item and not placed on a consent calendar. The bill would define, for these purposes, "discussion item" as an item that is given time in a meeting for discussion separate from any other item and “consent calendar” as a list of 2 or more items that the legislative body has agreed to vote on as a group at once without a separate debate for each item.

By imposing new requirements on cities, counties, cities and counties, and special districts, this bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 54952.6 of the Government Code is amended to read:

54952.6. *(a)* As used in this chapter, “action taken” means a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.

(b) As used in this chapter, “discussion item” means an item that is given time in a meeting for discussion separate from any other item.

(c) As used in this chapter, “consent calendar” means a list of two or more items that the legislative body has agreed to vote on as a group at once without a separate debate for each item.

SEC. 2. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) The final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, shall be made as a separate discussion item and shall not be placed on a consent calendar.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), when a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and that number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(4) This subdivision shall remain in effect only until January 1, 2018.

SEC. 3. The Legislature finds and declares that Sections 1 and 2 of this act, which amend Sections 54952.7 and 54953 of the Government Code, respectively, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act ensures that more Californians can meaningfully participate in the meetings of legislative bodies of local agencies.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

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May 25, 2016

TO: Each Member
Board of Retirement

Each Member
Board of Investments

FROM: Steven P. Rice SPR
Chief Counsel

FOR: June 8, 2016 Board of Investments Meeting
June 9, 2016 Board of Retirement Meeting

SUBJECT: **APPROVAL OF $25,000 IN ADDITIONAL FUNDING TO STROZ FRIEDBERG, LLC FOR DATA MAPPING PHASE OF THE PRIVACY AUDIT**

RECOMMENDATION

Staff recommends that the Boards approve funding in the amount of $25,000 for Stroz Friedberg, LLC (Stroz) to pay for additional data mapping work completed in connection with the audit of LACERA's operations involving private, confidential, and business critical information (Privacy Audit).

The Boards originally approved a $150,000 budget for the Stroz portion of the Privacy Audit. Additional hours of work were performed by Stroz beyond the expectations of the original work plan and budget. The additional hours of work were spent to follow up on information received and fulfill the objective of the audit to perform a comprehensive review and analysis of LACERA's business practices. The additional hours of work revealed information that is relevant and material to the Privacy Audit.

LACERA's letter agreement with Stroz provides that fees beyond the original scope of work will be negotiated in good faith. A copy of the agreement is attached. The $25,000 sum is a negotiated amount for the additional work under the good faith dispute resolution provision of the agreement, and is significantly less than the actual value of the work at Stroz's hourly rates. Stroz's work will be completed before the June Board meetings, so it is appropriate to address the additional amount at this time.

BACKGROUND

In January 2016, the Boards, on a recommendation from the Audit Committee, approved the retention of Alston & Bird, LLP and its subcontractor Stroz Friedberg, LLC "to perform an audit and data mapping of LACERA's operations insofar as they involve private, confidential, and business critical information." (BOI Minutes, 1/13/16, Item IX.A, pp. 5-6; BOR Minutes 1/14/16, Item VI.A, p. 4-5.) As approved by the Boards, Stroz was to perform the data mapping at a cost of $150,000, and Alston & Bird was to serve as project lead and prepare the final analysis and report at a cost of $350,000 (including an earlier scoping project completed in October/November 2015). The maps serve as an important tool for Alston in understanding the flow of LACERA's data within the organization, in addition to Alston's own separate investigation. The $150,000 final Board-approved amount for the required scope of work was negotiated by LACERA down from Stroz's original proposal of $190,000-265,000.

As stated in the January 2016 Board presentations, the goal of the audit is to conduct "a comprehensive review of all LACERA privacy policies and practices through the organization's business units . . . to arrive at a full understanding of LACERA's data collection, storage and protection practices as it relates to personally identifiable, as well as business critical, information." The work product will be a "final comprehensive audit report" and presentation to the Boards by Alston & Bird "containing legal requirements/best practices, including an analysis of LACERA's status under HIPAA, a summary of LACERA's actual practices, a gap analysis and recommendations necessary to further comply with relevant privacy legislation and best practices." (Alston & Bird Information Privacy Audit Proposal, presented to the Boards, 1/13/16 and 1/14/16, pp. 9, 11.)

Written letter agreements with Stroz and Alston & Bird were promptly negotiated, and the work started in early February 2016. The agreements provide for not to exceed fees in the amounts approved by the Boards. The agreements also provide that the parties will negotiate in good faith with respect to compensation, if any, for additional or unexpected work. As to Stroz, the scope of work included delivery of data maps and narrative summaries for all divisions of the organization. The Stroz agreement provided that its work was to be based "primarily upon interviews conducted" by Alston & Bird, including those made in the earlier scoping exercise, and "limited validation of representative physical record locations."

Once work began, it was monitored by Chief Counsel and the Internal Audit Division through almost daily phone calls and emails, as well as frequent meetings. In addition, formal weekly status calls were held with Alston & Bird, Stroz, and representatives of LACERA's Internal Audit, Systems, and Legal Divisions and the Executive Office to discuss progress and issues. Through this communication, the LACERA/Alston/Stroz teams worked together to determine and refine the actual tasks needed to complete the work in the “comprehensive” manner discussed with the Boards, including a full review of LACERA’s operations and processes.

DISCUSSION

1. **The Work at Issue.**

During the data collection phase of the project, issues developed that impacted the scope and type of work that Stroz needed to conduct, and the hours it needs to spend, to prepare thorough and accurate data maps. Those issues include:

> **First**, while Stroz's proposal and its agreement with LACERA were based on the assumption that Stroz would largely rely upon interviews conducted by Alston & Bird, it was determined that Stroz needed to participate directly in a large number of interviews. This decision was made following the first round of interviews because of the high level of complexity and nuance in the interrelationships between LACERA's divisions and the importance of technology within the organization. Stroz could not prepare fully accurate data maps without direct participation in many interviews, where Stroz could bring their technical expertise to bear in questioning staff. Stroz's involvement in interviews was managed as efficiently as possible, with participation often by telephone and/or limited in duration, and its questions were coordinated with Alston & Bird to eliminate duplication. Stroz independently took or participated in interviews of 60 individuals, covering all of LACERA's operating areas. The interviews produced information that was incorporated into the data maps for all divisions.
>
> **Second**, as information was collected during the audit, it became clear that there was reason to test the beliefs of managers and supervisors by getting out of the formal interview room environment and actually "shadow" personnel as they performed their jobs. The shadowing involved record validation, observation of physical security practices, and the movement and storage of hard copy and electronic documents. Stroz shadowed personnel in all of LACERA's operating areas. The shadowing showed LACERA's practices in action, rather than just in conversation. The findings from the shadowing were incorporated into the data maps for all divisions. Stroz's proposal and agreement did not anticipate shadowing to the extent actually performed. The agreement provided for "limited validation of representative physical record locations." The shadowing that was actually performed was not "limited," but instead covered all operating areas and was extensive within each division.

Third, LACERA's organizational structure and practices with respect to the handling of private and business critical information are more complex and varied than originally projected. The goal of the project was to cover all of LACERA's operations and division; despite good faith in the proposal process, the full complexity of the organization, and the number of hours it would take to understand the organization, was not appreciated by Stroz until the work was well underway. To achieve the goal of performing a comprehensive Privacy Audit, Stroz needed to "follow the audit trail" through the organization, rather than relying on higher level or more limited information. The interviews and shadowing conducted by Stroz produced additional leads that themselves needed to be followed up on with additional investigation, including second interviews, emails, and other communication. This complexity, and depth of detail, is reflected in the data maps and supporting narrative summaries that Stroz has produced.

Fourth, the three issues discussed immediately above in turn led to more analysis and more hours spent preparing multiple drafts of the maps and summaries, editing, and finalizing the maps and summaries. This work led to a more detailed work product. All of the maps and summaries went through several versions following initial drafts by Stroz, review and comment by LACERA staff, and revision and finalization by Stroz. While the maps and summaries were reviewed by LACERA staff, final decisions as to their content were made by Stroz in its independent judgment based on the information it received from multiple sources in the organization.

The additional hours of work impacted Stroz's schedule. Stroz's completion of the data maps, and accompanying narrative summaries, was delayed from the originally projected date of April 1 to April 25, 2016; work in revising certain maps continued in May 2016. Because of good communication as to factual issues and findings between the Stroz, Alston, and the LACERA teams as the work progressed, this delay has not impacted Alston & Bird's schedule for delivery of the final report, which will take place by mid-July 2016. Indeed, by the time of the June Board meetings, Alston will have a delivered a full draft of its report to LACERA for review. Detailed presentations by Alston to the Boards are planned for the August Board meetings.

2. Discussions Concerning Cost Overruns.

As the work progressed, the LACERA team assumed that Stroz's work would be completed within the original $150,000 Board-approved budget and that Stroz was working to the budget with respect to work that was being discussed and performed. Despite the frequent contact between the parties as described above on work-related issues and factual findings, Stroz did not advise LACERA that there would be a request for any additional compensation until on or about March 29, 2016, which was two months after the project began and only shortly before the maps and summaries were due to be completed.

LACERA staff initially refused to consider a cost increase. Stroz was adamant and invoked the good faith negotiation provision of the contract. Over the course of ensuing discussions, LACERA staff negotiated, and Stroz agreed to accept, an amount of $25,000, subject to approval by the Boards.

Based on billings received to date, LACERA knows that the value of Stroz's actual hours of overrun is $64,895 through April 30, 2016. Additional hours were spent in May 2016 to address LACERA comments on certain maps and summaries. Accordingly, the negotiated amount represents a large discount from the actual amount of the overrun. Staff believes that the negotiations that led to the agreement for $25,000 complied with the terms of the parties' agreement and that the final amount agreed upon is consistent with the value of the additional hours of work performed, balancing shared responsibility for the overruns.

3. Status of Stroz Billings.

Stroz's work is now complete as to most LACERA divisions. Maps are in the final review process as to six divisions. Stroz's work will be fully completed, and all maps and the accompanying narrative summaries will be delivered to LACERA and Alston, before the June Board meetings. (The maps and narratives will be included in Alston's final report.) Accordingly, under the agreement, final payment is now due. $148,414.94 of the $150,000 initial contract price has been invoice and paid. These amounts were not paid until after LACERA staff had reached agreement with Stroz to recommend to the Boards approval of the $25,000 additional amount.

It is appropriate for the Boards to consider the request for an additional payment to Stroz now, even though Alston's final report is not yet completed, because Stroz's work is finished and the parties' agreement calls for payment of invoiced amounts within 45 days. The original work plan presented to the Boards in January 2016 provided that Stroz's work would be completed, and its role in the project ended, two months before Alston's final report. As part of the good faith negotiations, LACERA agreed to promptly present this issue to the Boards for decision.

The Boards should be aware that Alston & Bird performed significant additional work beyond its original $350,000 approved budget. LACERA has discussed this issue at length with Alston. Alston has advised that, while, after delivery of the final report, it will appreciate the Boards' consideration of whether additional fees should be paid, it will not request a fee increase and will be satisfied with the agreed upon fee.

4. Summary of Reasons for Recommendation to Pay Additional Fees to Stroz.

To summarize based on the facts and discussion presented above, the reasons for staff's recommendation are as follows:

First, the detailed division-by-division data maps and summaries prepared by Stroz are an essential part of the Privacy Audit because they document the flow and uses of private, confidential, and business critical information throughout the organization. The maps and summaries are part of the foundation on which Alston & Bird will perform its audit analysis. Additional hours of work by Stroz beyond the original $150,000 budgeted amount were incurred to follow up on leads obtained as the project progressed. These additional hours of work were required to prepare complete and accurate data maps and summaries and avoid missing material information and details about LACERA's information-handling practices that had not been fully discovered through other means. The work provided value to LACERA and furthered the objective of the Privacy Audit to be a comprehensive review of the organization's practices. The audit would be less complete and less useful had the additional hours not been spent by Stroz.

Second, the scope of this project is unique in its coverage of the entirety of LACERA's complex organization on an important subject matter that has not previously been the subject of comprehensive external review and analysis. The project management challenges were similarly unique.

Third, LACERA is required under the letter agreement with Stroz to negotiate in good faith concerning cost overruns or additional work. In compliance with the terms of the agreement, $25,000 was negotiated in good faith by staff, subject to approval of the Boards, as a discount of more than $40,000 against the actual value of the additional hours of time spent by Stroz.

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5. **Lessons Learned.**

LACERA staff evaluated how this problem developed so that the same issues do not repeat themselves on projects, particularly large ones, in the future. Staff reached the following conclusions:

First, given the large discrepancy between the original amount proposed by Stroz ($190,000-265,000) and the $150,000 final negotiated amount, LACERA staff might have anticipated Stroz would have difficulty meeting the approved budget. Large discrepancies in proposed vs. negotiated prices should serve as a warning sign that close cost management is required.

Second, LACERA staff believes that its schedule management and its management to the goal of conducting a comprehensive and thorough audit were very good; however, staff's management to the budget was deficient. Staff assumed that "no news was good news" as to the budget. Even on fixed fee contracts, LACERA project management staff should not make assumptions but should be proactive in regularly questioning vendors, particularly on large projects such as the Privacy Audit, as to the status of their effort versus the approved budget.

Third, like LACERA, Stroz was focused on the need to be comprehensive in its efforts, since that is what had been promised to the Boards. However, project management and communication with respect to budget issues was, like LACERA's, deficient. Specifically, it was deficient in that Stroz spent large amounts of time in excess of its budget plan without discussing the cost impact with LACERA. LACERA staff should discuss with a vendor, before a project even begins, the need to work within the budget, its processes to ensure budget compliance, and an instruction not to perform any work in excess of the budget without written permission. Where, as in this case, a vendor is a subcontractor to another vendor, LACERA staff should also discuss these issues with the primary contractor and ensure that it is understood that the general contractor should also monitor its subcontractor for budget compliance on an ongoing basis, and communicate with LACERA on this issue.

Fourth, Stroz's letter agreement did not document a budget compliance process beyond a statement of the fee cap and the good faith negotiation provision. LACERA staff should ensure that its contracts include appropriate terms addressing the lessons learned as described in the preceding three paragraphs so that there are adequate processes in this area. These concepts should be addressed in RFPs.

The above introspection is directed to this project, not to LACERA as a whole. LACERA as a whole has a good history of ensuring its vendors' budget compliance, which is demonstrated in that the Boards have not often received similar requests for authority beyond budget. Nevertheless, the lessons learned are worth considering as a reminder to help ensure that similar issues do not arise in the future.

CONCLUSION

Stroz performed work of value to LACERA in the Privacy Audit. The value of the hours of time spent in performing that work exceed the originally agreed upon amount. LACERA staff engaged in the good faith negotiation process required by its agreement. The amount negotiated by LACERA staff is significantly less than the actual value, at Stroz's hourly rates, of the extra time spent on the project, and represents reasonable value.

IT IS THEREFORE RECOMMENDED that the Boards approve payment of an additional $25,000 to Stroz for the data mapping phase of the Privacy Audit.

SPR:dd

Reviewed and Approved

Gregg Rademacher
Chief Executive Officer

c: Gregg Rademacher
Robert Hill
John Popowich
James Pu
Beulah Auten
Ted Granger
Cynthia Guider
Holly Henderson
Darla Vidger

Attachment

Stroz/LACERA Letter Agreement

STROZ FRIEDBERG

PRIVILEGED AND CONFIDENTIAL

VIA EMAIL

January 29, 2016

Dominique Shelton
Alston & Bird LLP
333 S. Hope Street
Los Angeles, CA 90071

Dear Ms. Shelton:

Thank you for engaging Stroz Friedberg, LLC. This letter (the "Agreement") will serve to document the terms and conditions of our engagement.

Services

Alston & Bird LLP ("Alston") has requested that Stroz Friedberg, LLC ("Stroz Friedberg") provide consulting and technical services in connection with a data mapping project as part of an information privacy audit on behalf of Los Angeles County Employees Retirement Association ("LACERA"), which is Alston's client, and Stroz Friedberg has agreed to provide these services (the "Engagement"). LACERA agrees to pay Stroz Friedberg for all fees, disbursements and other charges incurred by Stroz Friedberg as part of the Engagement, in accordance with the terms set forth in this Agreement.

Fees

a) General Rates. Stroz Friedberg charges for the time devoted to the Engagement on an hourly fee basis, at the rates in effect when the work is performed. The current hourly rates are set forth as follows: Chairmen and Executive Managing Directors: $1,000 - $1,150; Managing Directors and Vice Presidents: $680 - $850; Directors and Assistant Directors: $600 - $715; Consulting and Forensics Professionals: $250 - $600; Data Discovery Professionals: $275 - $375; and Administrative Professionals: $110 - $275. These rates apply generally, as well as to travel. The use of subcontractors, if needed, will be charged at Stroz Friedberg's rates. Stroz Friedberg will be entitled to receive, at a minimum, a fee in an amount not less than $10,000 (after discounts have been applied) and the hourly time charges for time devoted to the Engagement shall be credited against this minimum fee. Stroz Friedberg agrees to discount the hourly rates by 5% for LACERA, and the discounts will be shown in each invoice.

Stroz Friedberg estimates that the total costs, including hourly fees above and expenses referenced under subparagraphs (b) and (e) below, to complete and deliver to Alston (for attachment to their final report to LACERA) data mapping diagrams respecting PII and business critical data handled by all LACERA divisions and brief summaries regarding their contents (collectively, the "Data Map") based primarily upon interviews conducted by Alston and limited validation of representative physical record locations, will cost no more than $150,000 (the "Cap"). Notwithstanding this, LACERA acknowledges that Stroz Friedberg bills on an hourly basis and that if Stroz Friedberg is unable to deliver the complete Data Map due to a material change in the scope from that which has been summarized by Alston to LACERA (e.g., number of business processes and extent of network map expected, it being acknowledged that Stroz Friedberg has not had the benefit of conducting a scoping exercise), the parties will negotiate in good faith regarding either an increase beyond the Cap or an adjustment of the extent of the Data Map to be delivered. Stroz Friedberg agrees that it will use good faith efforts to inform Alston and LACERA as soon as it has determined that the costs of the complete Data Map may exceed the Cap due to such difference in scope and such good faith negotiations shall commence immediately thereafter. In such event, Stroz Friedberg reserves the right to not continue with further work until authorized to do so by LACERA.

b) Machine Time and Specialized Solutions. The rate for machine time devoted to running a forensic process is $95 per hour. The rate for use of our proprietary host interrogation tool is $100 per host (capped at $150,000 per incident); our network traffic capture tool $1,500 per week; our proprietary incident response tool $5,000 per week per platform; the OmniPeek Network Analyzer $5,000 per week per platform; and our high speed, on-site malware analysis and forensic hosting tool, $2,500 per week per platform. Use of our mobile electronic disclosure/discovery processing, hosting and production unit will be charged at an amount to be structured depending upon the circumstances of the deployment.

c) Electronic Discovery Services. Upon Alston's request, Stroz Friedberg will furnish electronic discovery consulting at hourly rates set forth above. Other services including early case assessment, full data processing (e.g., filtering for duplicates, near-duplicates, keywords and advanced data extraction), load file creation, and online hosting will be provided at prices to be structured depending upon the circumstances of the Engagement. To the extent that such services are requested, Stroz Friedberg will provide Alston with a statement of work that specifies requested e-discovery services and pricing.

d) Intelligence and Investigations Division. Forensic accounting, due diligence, or investigation services requested by Alston will be performed by our Intelligence and Investigations division at the rates in effect when the work is performed. Psycho-linguistic analysis will be provided by psycholinguistic trained clinicians and use of our patented Scout program will be provided at rates structured depending on the circumstances of the use.

e) Miscellaneous Charges. Stroz Friedberg may charge for other miscellaneous expenses, fees, and costs including, but not limited to, use of forensically-prepared thumb drives or hard drives (at $50 - $420 depending on size); other computer hardware and digital media; transportation, meals, and lodging; copies or printed documents; overnight delivery charges; storage fees for original media provided to Stroz Friedberg, after 30 days at rates up to $50 per month per item; credit check fees, and database searches. Stroz Friedberg reserves the right to pass on any reasonable legal fees and expenses that are incurred as the result of the Engagement but will notify Alston before such fees and expenses are incurred.

f) Invoices. Stroz Friedberg will send invoices directly to LACERA, with a copy to Alston. Invoices are due within 45 days of the invoice date. Alston or LACERA shall notify Stroz Friedberg in writing of any disputed charges within these 45 days; otherwise Stroz Friedberg's invoices shall be deemed payable in full. Any charges that remain undisputed and unpaid 45 days after the invoice date will accrue interest at 1.5 percent per month. Stroz Friedberg reserves the right to terminate its services at any time if LACERA fails to pay Stroz Friedberg's invoices on time or fails to pay a requested refresher of a retainer. Any provided estimates of fees and expenses are only estimates and are not binding.

Confidentiality

Stroz Friedberg understands that, during the course of this engagement, it may have access to confidential and proprietary LACERA information, policies and procedures, benefits, business practices, and technology (including systems architecture, strategy, approaches, and roadmaps) concerning all or substantially all of LACERA's operations and its divisions and business units, as well as sensitive confidential member information (collectively, "Confidential Information"). For clarity, Confidential Information includes all information of any and every kind provided by LACERA to Stroz Friedberg, regardless of whether it may previously have been disclosed by LACERA or others in other contexts, in that LACERA needs to know to whom, when, where, and how all of its information has been disseminated and reserves to itself the right to determine to whom, when, where, and how such information is released. Confidential Information also includes any Confidential Information contained in Stroz Friedberg's notes and other work product and any Confidential Information retained in the unaided memories of the employees of Stroz Friedberg. Stroz Friedberg's reports, recommendations, and other work provided under this engagement is Confidential Information, and may not be disclosed to any other person or third party, provided that, any Stroz Friedberg's IP (as definded below) that is provided as part of the Engagement is not the Confidential Information of LACERA. Confidential Information will be provided to Stroz Friedberg or generated or stored by Stroz Friedberg in written, electronic, verbal, and all others forms. Stroz Friedberg understands and agrees that:

(a) it shall not disclose Confidential Information to any person within Stroz Friedberg except those persons approved in writing in advance by LACERA;
(b) it shall not disclose Confidential Information to any third party without LACERA's approval in writing in advance;
(c) its agreement not to disclose Confidential Information includes an agreement not to disclose even a redacted portion of any Confidential Information provided by LACERA, or a redacted version of the work product provided to LACERA, as even a redacted document, that removed the name of LACERA and any other identifying factors, could conceivably still impair the Confidential Information, including but not limited to the security processes and procedures utilized by LACERA; and
(d) it will use best efforts, including but not limited to the level of care the firm accords to its own similarly confidential information and the sensitive information of its other clients, to secure the Confidential Information is protected against unauthorized disclosure.

When this engagement is completed, and subject to any other written instructions from or written agreements with LACERA, Stroz Friedberg will within 30 days destroy all Confidential Information provided by LACERA or return the Confidential Information to LACERA. This confidentiality provision will survive the termination of the parties' relationship and/or the completion of Stroz Friedberg's work for LACERA.

Confidential Information does not include (1) information that has been or is, prior to the Engagement, in the public record, or is placed in the public record by Alston or LACERA after the Engagement begins; or (2) facts necessary to set forth in proceedings for non-payment of invoices.

If Stroz Friedberg encounters what it deems to be any child pornography on any computer media delivered to it in the course of the Engagement, Stroz Friedberg reserves the right to disclose such contraband to the appropriate authorities.

"**Stroz Friedberg's IP**" means the *generalized* skills, know-how, expertise, advise, recommendations, templates, inventions, ideas and tools that Stroz Friedberg invents, develops and/or uses to provide its Services to its clients, whether such is developed or improved prior to or during the provision of its Services to LACERA. For the avoidance of doubt Stroz Friedberg's IP does not and will not include, nor be derived from, any Confidential Information provided by LACERA, nor any materials provided by LACERA, nor work product specific to LACERA's Confidential Information.

Authority to Access Data and Indemnification

LACERA authorizes Stroz Friedberg to access the data related to this Engagement and represents that such access does not violate any law or treaty. LACERA agrees to hold harmless and indemnify Stroz Friedberg, including its officers, employees, and agents against all third-party claims, damages and costs including attorneys' fees and disbursements arising from the Engagement, except for actions by Stroz Friedberg, its officers, employees, and agents that are adjudicated to constitute willful misconduct or gross negligence.

Limitation of Liability and Damages

Because digital equipment/data/media are fragile and may be damaged, infected, or corrupted prior to the time Stroz Friedberg receives them, Stroz Friedberg for itself and its officers, employees, or agents will not assume responsibility for damage that may occur to LACERA's equipment/data/media prior to or during Stroz Friedberg's efforts to complete the Engagement. As such, Stroz Friedberg will not be liable for direct or indirect damages arising from harm that may occur to LACERA's equipment/data/media. Any data, especially data restored from unknown sources, may contain viruses or other malware; therefore, LACERA assumes responsibility to protect themselves with respect to the receipt of data from Stroz Friedberg or any other party and shall advise its agents and third-party recipients to take similar precautions. In no event shall Stroz Friedberg, its officers, employees, or agents be liable for damages, under any theory, beyond the amount paid to Stroz Friedberg under this Engagement.

Conflicts

This Engagement pertains to a discrete matter and would not preclude Stroz Friedberg from rendering services to other clients adverse to Alston or LACERA on matters that are not specifically related to this Engagement.

Miscellaneous

Alston, LACERA, and Stroz Friedberg agree that the Engagement shall be governed by and construed and enforced in accordance with the internal laws of the State of California (as opposed to the conflict of law provisions) as an agreement made and to be performed entirely within such State. Alston, LACERA, and Stroz Friedberg agree that this Agreement (1) may not be modified or amended, except by a writing signed by each party; (2) shall be binding upon each party, its successors and permitted assigns; and (3) contains the entire agreement and understanding among Alston, LACERA, and Stroz Friedberg with respect to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, among Alston, LACERA, and Stroz Friedberg with respect to the subject matter hereof. No provision of this Agreement may be waived except in writing by the party against whom such waiver is sought to be enforced. No express or implied waiver, breach or default by any party of any provision of this Agreement shall constitute a continuing waiver of such provision or of any other provision of this Agreement. Alston, LACERA, and Stroz Friedberg hereby consent to the jurisdiction of the Superior Court of the State of California County of Los Angeles for all purposes in connection with the Engagement, and further consent that any process or notice of motion may be served as a notice, if in writing and given by (1) prepaid certified or regular first class mail, (2) personal delivery, or (3) nationally recognized overnight delivery service at the addresses set forth at the beginning of this letter, and shall be deemed given when sent, within or without the State of California, provided a reasonable time for appearance is allowed. LACERA appoints Alston as its agent for service of process with respect to this Engagement.

If you find this letter satisfactory, kindly return an executed copy. Stroz Friedberg looks forward to working with you.

Very truly yours,

STROZ FRIEDBERG, LLC

By: ______________________
Hanna Bavli
Vice President

AGREED TO AND ACCEPTED:

Alston & Bird LLP

By: Dominique Shelton
Dominique R. Shelton
Partner

ACKNOWLEDGED AND AGREED TO:

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

By: Steven P. Rice
Name: Steven P. Rice
Chief Counsel

LACERA

May 25, 2016

TO: Each Member
Board of Investments
Board of Retirement

FROM: Gregg Rademacher
Chief Executive Officer

FOR: Board of Investments Meeting of June 8, 2016
Board of Retirement Meeting of June 9, 2016

SUBJECT: **LACERA FISCAL YEAR 2016-2017 ADMINISTRATIVE AND RETIREE HEALTHCARE BENEFITS BUDGETS**

RECOMMENDATION

Adopt the LACERA Fiscal Year 2016-2017 Administrative and Retiree Healthcare Benefits Budgets.

SUMMARY

Attached are the minutes for the FY 2015-2016 Administrative and Retiree Healthcare Benefits Budgets hearings held on May 5, 2016 and May 16, 2016. The Board of Retirement and the Board of Investments will each separately approve the budget at their regularly scheduled meetings.

The FY 2016-2017 Administrative and Retiree Healthcare Benefits Budgets were revised following the budget hearings due to feedback from the Boards during the budget hearings. Additionally, staff made administrative corrections to improve estimating future salaries due to labor agreements, position vacancy, and trend analysis. The noted revisions and corrections did not materially change the original budget request as they lowered the requested salary and employee benefit budget by less than one percent.

The updated FY 2016-2017 Administrative and Retiree Healthcare Benefits Budgets will be sent to you electronically. Updated hardcopy budget binders will be available at the Board meeting or you may request an updated binder be sent to you prior to the meeting.

DISCUSSION

The budget presented to the Board members at the budget hearings included a request for two Principal Investment Officers (PIO) from the Investments Office. These two positions were intended to be used as placeholders for the development of two "Deputy CIO" positions. These positions were intended to assist with the planning, organizing, and managing of the investment programs in accordance with Board policies. It was envisioned that both positions would be thought partners to the Chief Investment Officer (CIO), to facilitate strategic planning, coordinate asset classes, resources, promote cross asset class project participation and project review, assist in developing and implementing investment policies, and support the Principal Investment Officer's in managing the asset portfolios.

During the budget hearings, the Board members generally supported creating a Deputy CIO position, however, most felt it was premature to include the proposed positions in the budget and that staff should formally develop the classification and compensation for the position prior to its inclusion in the budget. As a result, the decision was made to remove the two PIO positions from the proposed budget and work with human resources to develop the Deputy CIO classification and compensation for the Boards' consideration.

Also, during the budget hearings staff also promised to revise and update the Vacancy Report. Included in the proposed budget is a revised Vacancy Report as of May 2016. The report now allocates LACERA temporary employees against budgeted positions, properly accounting for staff participating in a Career Development Program, as well as recent new hires.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Adopt the LACERA Fiscal Year 2016-2017 Administrative and Retiree Healthcare Benefits Budgets.

GR:jjp

Attachments

ATTACHMENTS

MINUTES OF THE SPECIAL JOINT MEETING OF THE

BOARD OF RETIREMENT AND BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA

THURSDAY, MAY 5, 2016 *and* MONDAY, MAY 16, 2016

THURSDAY, MAY 5, 2016

BOARD OF RETIREMENT

PRESENT:

Shawn R. Kehoe, Chair
William de la Garza, Secretary
Anthony Bravo
Yves Chery
Joseph Kelly
Keith Knox

BOARD OF INVESTMENTS

PRESENT:

Shawn R. Kehoe, Vice Chair
Joseph Kelly, Secretary
Keith Knox

STAFF, ADVISORS, PARTICIPANTS

Gregg Rademacher
Robert Hill
JJ Popowich
Allison Barrett
Richard Bendall
Bernie Buenaflor
Roxana Castillo
Annette Cleary
Allan Cochran
Ricki Contreras
Eugenia Der
Ted Granger
Cynthia Guider
Gloria Harriel
Holly Henderson
Kimberly Hines
Vincent Lim
Vache Mahseredjian
John Nogales
James Pu
Steven Rice
Jeannine Smart
Cassandra Smith
Roberta Van Nortrick

The meeting was called to order at 1:35 p.m. in the Board Room at Gateway Plaza.

MINUTES OF THE SPECIAL JOINT MEETING OF THE

BOARD OF RETIREMENT AND BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA

THURSDAY, MAY 5, 2016 *and* MONDAY, MAY 16, 2016

MONDAY, MAY 16, 2016

BOARD OF RETIREMENT

PRESENT: Les Robbins

BOARD OF INVESTMENTS

PRESENT: Diane Sandoval
Steve Valenzuela

STAFF, ADVISORS, PARTICIPANTS

Gregg Rademacher	Michael Cordial
Robert Hill	Ted Granger
JJ Popowich	Cynthia Guider
Beulah Auten	Holly Henderson
Richard Bendall	Kimberly Hines
Derwin Brown	Vincent Lim
Bernie Buenaflor	Norma Minjarez
Roxana Castillo	James Pu
Annette Cleary	Steven Rice
Allan Cochran	Roberta van Nortrick

The meeting was called to order at 9:00 a.m. in the Board Room at Gateway Plaza.

I. BUDGET HEARING

A. Discussion of LACERA Fiscal Year 2016-2017 Administrative and Retiree Healthcare Benefits Budgets

We will be presenting the budget for adoption at the regular meetings of the Boards of Investments and Retirement on June 8 and 9, respectively.

The proposed budget is compared to the prior year's budget, as well as to the projected expenditures for the current budget year. We expend money where and when it makes good business sense. Budgeted money not spent is not carried over from year to year. We have a low staff turnover so when we do add staff it is meant for the long term.

The budget is a spending plan to enable us to meet LACERA's mission to "Produce, Protect, and Provide the Promised Benefits." Our budget is our annual spending plan so we can continue to earn our Members' and the County's trust in meeting our mission.

LACERA has evolved over the years. Likewise our goal setting has evolved to improve operations. Previously, all organizational goals were in one list. We have now divided that into three different strategic plans; Retirement Benefits, Retiree Healthcare, and Investments. The current strategic plans for Retirement Benefits and Retiree Healthcare have been adopted by the Board of Retirement. Due to operational and staffing changes, the strategic plan for Investments has not been updated since it was created for the 2014-2015 fiscal year. The goal in the coming year is to work with the Board of Investments to revitalize that strategic planning process.

Our budget for 2016-2017 begins with LACERA's statutory limit of $119 million. Under California state law, the annual budget for administrative expenses may not exceed 21 hundredths of 1% of the plan liabilities. There is also an allowance for a carve out of technology costs. LACERA has not found it necessary to use this, as our budget is much less than the statutory limit. This statutory amount consists of an operating budget of $77 million, with a contingency reserve of $42 million for unanticipated events or projects. If there is a need to use the contingency reserve, staff would bring that request to the Boards for funding approval.

An article in FiduciaryNews.com reported the average defined contribution plan charges 1% to 2%. LACERA charges approximately 48 basis points or about ½%, with administration at 13 basis points and investments direct cost at 35 basis points. From this perspective, we are a low cost provider. That being said, it costs a significant amount of money to run this organization.

I. BUDGET HEARING (Continued)

Historically, the operating budget is comprised of Salaries and Employee Benefits (labor costs), and Services and Supplies (non-labor costs). Additionally, we also track One-time Projects, which facilitates the oversight of the day-to-day costs of running the organization. For budget simplicity, the one-time projects are included in Services and Supplies.

SERVICES AND SUPPLIES (S&S)

The Services and Supplies budget is $17 million, a decrease of 4% over the current year's projected expenditures. This can be attributed to completing the purchasing of computer monitors, keyboards, and CPUs for this year's User Workstation Replacement Project. In the coming year, the Systems team will be implementing the new workstations.

A few years ago we asked all divisions to scale back their S&S budgets. This was achieved mostly through project deferrals. There is a general upward trend in our Services and Supplies expenditures, which represents LACERA moving forward with deferred maintenance and projects following the great recession.

The Systems budget, including Services and Supplies and Salaries and Employee Benefits, represents about 20% of the total budget. Even though each division is critical to the successful delivery of our member services, we need to recognize LACERA's commitment to technology in servicing our members and how critical it is to our operation. We need to continue to put resources towards IT, which will continue for many years to come.

The following projects represent the majority of the anticipated costs for one-time projects.

7th Floor Renovation as Performed by Admin Services

The Systems and Financial Accounting Services Divisions were last reconfigured about 14 years ago, and we would like to better maximize the space. This will be a two year project starting with Financial and Accounting Services at $400,000. Phase 2, Systems, will be next year at an estimated $550,000.

I. BUDGET HEARING (Continued)

Board Operation Management System

This is a carryover from last year. We had hoped to be able to put in a system that would fully integrate the electronic delivery of the Board packages with the voting, agenda processes, and minute taking. We are still planning for that project, however, we would like to move forward with the audio visual portion in the upcoming budget year at $125,000. Phase II will be the Board agenda integration process, which will be addressed in a future year.

Accounting System

We currently use Great Plains for our general ledger/accounts payable. As the older version is no longer supported, we will be doing a required manufacturer mandated update budgeted at $40,000.

Customer Feedback System

We are budgeting $40,000 to improve our Call Center member survey capabilities, which is important for planning purposes and improving our operations.

Redundant Internet Connection

More and more of our operations are becoming Cloud based. Many functions are being done over the internet, such as recruitment, time cards, performance evaluations, and custodian banking. We want to create redundant internet services to ensure that we continue to have uninterrupted work tools for staff.

Separating out these one-time projects from the S&S budget, the cost to run the organization on an ongoing basis is increasing by 7 ½%.

SALARIES AND EMPLOYEE BENEFITS (S&EB)

The $60 million Salaries and Employee Benefits is a 15% cost increase over the current year projected expenditures.

For a five year period there were no budgeted staff increases. In the 2013 budget we added 10 staff to address application disability case load, member service quality, and systems support.

Between the 2013 and 2014 budgets we added seven staff in Disability Retirement to address the disability application case load.

I. BUDGET HEARING (Continued)

In 2014 we added 13 staff to address document scanning, member collections, Call Center operations, member service quality, Welcome Center support, and claims processing workload.

In the 2015 budget we added seven staff to address disability applications, business continuity/records management, and investment program support in our Legal Office.

In the 2016 budget, our current year, we added four positions to address Systems network operations, the Systems help desk, a Benefits Process Manager in the Benefits division, and an investment officer in the Investments Corporate Governance area.

For the 2016-2017 budget we have six divisions requesting additional staff. Initially the request was for 18 positions, but we are amending the request to 16 positions, removing the two Deputy CIO positions in the Investment office.

<u>Investment Office</u>

We do believe there is a need for a Deputy CIO in the Investment Office to provide better collaborative networking between the asset classes. However, we do not necessarily need to have that position in this year's budget. We can still do much of the work to be ready to request that position after our strategic planning process.

We are requesting a principal investment officer for a centralized risk management and performance reporting function.

We would also like to add four additional staff at the analyst level. One position would be in Public Equities for overall program support and to provide resources for the activist managers that were recently hired by the Board of Investments. Another would be in Private Equities to provide resources for fee verification projects. Two more positions are in Real Estate and Hedge Funds, both for overall program support.

In S&S, we are requesting $30,000 for the internship program, which will give us early access into the labor market.

<u>Legal Services</u>

We are looking to add three positions in Legal Services. In the Investments section we are requesting two positions, a staff counsel and senior management secretary, due to the volume and complexity of supporting the Investment Office. In the Disability section we would like to add a legal analyst to assist our disability counsel. Also, the Legal Services team is exploring a deputy chief counsel

I. BUDGET HEARING (Continued)

position to improve their ability to support the Board and the organization's operations.

In S&S staff is proposing to increase the outside legal counsel budget by $50,000, which is well below the projected expense for outside legal counsel in the current year, due to anticipated litigation which has been resolved.

Benefits

Benefits is requesting three new positions. We would like to add one position in the Death Legal Unit for additional program support. Also we would like to add one staff in the Process Management Group, and one in the Benefit Protection Unit, both of which are successful programs which warrant more resources.

Also, we are budgeting a significant amount for overtime, primarily to assist during the busy season.

In S&S we are adding $34,000 for pension benefit information (death reports) and member verification services, which were previously budgeted in other parts of the organization.

Member Services

Member Services, which also includes Outreach, is requesting three positions. We would like to add one position in Quality Control to fill in for staff off on medical leave and to expand program services. We are requesting two staff to work the Member Service counter. Currently, this work is being performed by rotating counseling staff and using temporary staff.

This area also budgets a significant amount of overtime. This has to do with busy season, special projects, and end of day or weekend counseling.

We will also be using some temporary staffing at the front counter until we are able to get the permanent staff on board.

Systems

Systems is requesting one staff assistant for the Special Projects Team.

More significantly, Systems is requesting to maintain their temporary staffing budget at $1.9 million. Much of this work is through one time special projects and independent contractors who are working on a continual basis on certain aspects. We are working on a structural solution with different job classifications to make us more competitive in the labor market to mitigate some of our recruitment and retention challenges.

I. BUDGET HEARING (Continued)

Overtime is budgeted at $130,000, and is reasonable compared to our prior experience.

In S&S, the budget has decreased due to the completion of the workstation upgrade project purchases. We are budgeting for some notable projects, such as the Microsoft implementation for the workstation upgrade project, Filenet software upgrade to stay current with the manufacturer, and to replace our document scanner operating system.

Administrative Services

Admin is looking to add one document processing assistant to keep pace with scanning the paper documents into electronic versions.

Admin is requesting a temporary budget of $152,000, as this group regularly has its team members picked to participate in the Temporary Opportunity and Career Development Programs. Temporaries are used to backfill these staff while they are working in another position.

In S&S we expect our share of the building operational costs to increase 3% to 5%. We are using additional vacant space in the building as a production area for the workstation upgrade build out. We anticipate keeping that space long term for work team expansion.

Disability Retirement

No staffing changes are requested.

In S&S, based upon experience, medical fees and hearing officer fees are increasing by $150,000 and $35,000, respectively. We are also increasing the budget $50,000 for outside legal fees, a new line item based upon anticipated usage.

Internal Audit

No staffing changes are requested.

In S&S we are increasing the budget significantly for external audits, at the direction of the Audit Committee, to leverage the Internal Audit staff to manage outside auditors to expand the scope of services that we can audit, primarily in the Investment Office, Financial Services, and Systems Division.

I. BUDGET HEARING (Continued)

Human Resources

In S&S we are increasing the departmental training budget. We are developing a new program for succession planning/leadership development, which will be called the Supervisor Fellowship Program, geared toward supervisors, section heads, and assistant division managers to develop their leadership skills. Also consulting is increasing from $30,000 to $100,000 to assist with classification studies, negotiation of labor contracts with SEIU expiring December 2016, and updating the LACERA employee handbook with an outside legal firm.

Retiree Healthcare

We administer the Retiree Healthcare program on behalf of Los Angeles County. This team is responsible for over 90,000 policy holders, collecting upwards of a half million dollars in premiums on an annual basis.

The requested budget is $6.6 million, which is a 16% increase over the current year's expenditures. The Retiree Healthcare program cannot use any of the trust fund assets, so we charge a per premium administrative load of $8 on that plan. The county subsidizes 91% of the premium cost, and they are paying 91% of the administrative costs to run this program, with the retired members paying the remaining 9%.

We have added six positions to Retiree Healthcare since 2013. We are not requesting additional staff for the upcoming budget. We expect to fill the three vacant positions with the upcoming training class. We are requesting temporary staffing to support the team while new staff are in the yearlong CORE benefits training, and to handle the busy season.

In S&S we have a very aggressive audit plan in the coming year – dependent eligibility, pharmacy benefit manager, RDS, and the annual Anthem/Cigna Claims audits. Another large cost factor is the OPEB valuation/experience study and audit.

QUESTIONS AND COMMENTS – MEETING OF THURSDAY, MAY 5, 2016

Mr. Kehoe asked if we are budgeting two Principal Investment Officers (PIOs) which could then potentially become a single Deputy Chief Investment Officer, based on the funding level of two PIOs.

We would like to fund two PIO items, which would not be filled, then work with the HR team and a compensation consultant to create the classification and define the compensation levels. We would then bring that back to the Boards for approval. Hopefully, at that time we will have a CIO on board and could then fill the Deputy CIO position.

I. BUDGET HEARING (Continued)

Mr. Kelly asked if we would fill two PIO positions or a Deputy CIO position.

> We would fill one or two Deputy CIO positions.

Mr. Kelly asked if we cannot budget for a Deputy CIO right now because we have no classification.

> That is correct, that classification does not exist.

Mr. Kelly asked that since the creation of the Deputy CIO classification is unlikely to be completed in the upcoming fiscal year, why not exclude for budgeting purposes.

> We can remove it from this budget, but we wanted to make sure we have the alignment from the Boards before using the time managing that project.

Mr. Kehoe stated he is in full support of the Deputy CIO position, but does not think that position should be filled until we have a permanent CIO in place.

Mr. Chery asked what is the timeline to fill this position, if it will not be within this fiscal year.

> It is quite possible it will not be this year, depending on the CIO search.

Mr. Kelly asked, relating to investments as well as administration, if it might come out in this privacy and security audit that we do not have a compliance officer at LACERA, and might we need to budget for that.

> We have not had conversations with Alston Bird regarding their findings and what they will be recommending. If we need to create a position of compliance officer we would come to the Boards with a business proposition and move forward in this fiscal year.

Mr. Knox asked that since there is a fairly low attrition rate, but the vacancy rate is pretty consistent, what is being done to avoid adding positions.

> That is very challenging. It depends what part of the organization is involved. When the vacancies are in Member Services, Benefits, and Retiree Healthcare, staff coming in need to attend the CORE training classes, thus it takes nine months to a year to fill those vacancies. We are aware of the vacancies on the report and will be taking steps to fill those positions.

I. BUDGET HEARING (Continued)

Mr. Kehoe asked that if last year we discussed doing a staffing study and looking at salary structure in the Systems Division, was that not resolved, as we still have vacancies and have to contract out for staff.

> We did do a classification study. We learned that we have some structural issues that need to be addressed, which we are looking at now. We are working with HR developing a different strategy, which has the potential to correct this issue.

Mr. Kelly said we need to focus on solving the staffing problems in Systems before we initiate the classification studies HR is proposing for next year.

> We did a compensation study which looked at County positions and like positions at LACERA and no changes to salary was recommended. We know that we cannot hire individuals that we are interested in with the salary structure we have. The County IT supports a different shop than here at LACERA. Many of the County jobs had very specific titles where we need employees with a wide variety of knowledge who can work over multiple platforms. We are looking at other areas and will be bringing something back to you Boards.

Mr. Kelly asked when something would be brought back to the Boards, and what it would be.

> We expect to bring something within a couple of months. We will be proposing three different tracks, with different sets of classifications which will be rewritten. However, even with these new classifications and the ability to hire new employees, there will always be a need in Systems to have contract employees for those times we need a very specific resource for a short term duration project.

Mr. Kelly asked that since we own this building, when we take over additional space, do we record it as an expenditure to pay ourselves.

> From a legal and accounting position, we do not pay ourselves rent, but we are responsible for the operating costs, i.e. HVAC, lighting, the parking garage, and ancillary costs. We like to use space very judiciously, because what we are occupying cannot be rented out which decreases our portfolio revenue.

Mr. Kelly asked how much of the building do we rent out.

> More than half. We have a very low vacancy rate, as this is a very desirable building with competitive rates.

I. BUDGET HEARING (Continued)

Mr. Chery asked if the Supervisor Fellowship Program will be open to the entire organization.

> This is specifically for supervisors and above as we need to improve the skill set of that work group. We do spend lots of budgetary dollars on providing training for everyone in the organization, so there is not a deficit of opportunities for staff who show the initiative and want to get training. Also, training is available through our MOU labor agreements.

Mr. Kelly asked the dollar amount for partnering with an outside law firm to help update and redesign the employee handbook.

> That amount is $12,000.

Mr. Chery asked if the administrative fee of $8 for Retiree Healthcare is an adequate amount to carry forward due to the increasing number of retirees.

> Based on the previous five year trends for annual growth in the retiree membership and program administrative expenses, the $8 administrative fee should provide for a stable range for a period of time.

Mr. Kehoe asked why we are not adding additional staff in Retiree Healthcare, and are we expanding floor space to be able to provide for more staff.

> We are expanding the floor space, and filling three vacancies. Also, one staff currently participating in the CORE benefits training is scheduled to graduate in October 2016 and return to Retiree Healthcare.

Mr. Kelly was surprised not to see a position request for RHC, believing that staff's capacity to provide services does not equal demand.

> Currently, there are three vacant positions which we expect to fill in fiscal year 2016-2017. We believe that when RHC is fully staffed they will be able to handle the workload. We did not add positions this year, but since the 2013 budget we have increased the workforce by 25%.

Mr. Kelly asked how many people are in Retiree Healthcare.

> There are currently 18 staff.

I. BUDGET HEARING (Continued)

Mr. Chery asked how temporary staff fit in terms of the training we provide.

> When we hire a class of employees, we are hiring them with the intention of filling a permanent position and are training them accordingly. There are other temporary positions that are not in the CORE training class, that are being trained specifically for the job they are filling for that temporary duration.

Mr. Chery asked that with regard to strategic planning we find creative avenues within our given limitations to deal with the increasing cost of health care and how that will impact the budget.

> We can certainly put that on our strategic planning discussion agenda.

Mr. Kelly asked about the item in the strategic plan for student internship in which the stated purpose is to employ at the graduate and undergraduate areas, and wants to make sure that the undergraduate levels include community colleges.

> It absolutely does. We did not bean to differentiate one way or the other.

Mr. Kelly requested that the chart on page 87 in the Budget Request Summary be redone to include the number of budgeted divisional positions in each box.

> We can do that.

Mr. Kelly asked about the project to upgrade the Board of Retirement and Board of Investments intranet sites, wanting to make sure that the resources are in place to do that.

> Yes, we do have those resources available for that upgrade.

Mr. Kelly asked about doubling the amount for temporary staff in Systems. We need to show material progress in the reduction of agency staff and hire full time employees.

> The budget for temporary staff we are proposing is the same as our current budget. Last year your Boards approved that amount for some creative recruiting, not based on specific people but actually on a group of skills required, and we wish to continue with that.

I. BUDGET HEARING (Continued)

QUESTIONS AND COMMENTS – MEETING OF MONDAY, MAY 16, 2016

Ms. Sandoval asked if the ½% cost of running the organization includes the expenses paid out of earnings or just the administrative costs.

> The administrative expenses are running about 13 basis points. Based on the fees that we can identify, direct investment expenses are at 35 basis points, thus making the total cost 48 basis points, or ½%.

Mr. Valenzuela asked about LACERA's participation in CEM benchmarking, and how we use that information in the strategic plan, whether in staffing do we aim for accuracy or quick turnaround.

> We don't try to manage to the CEM report. When we look at the culture of quality and timeliness when putting together business plans, we always aim for 100% on both. The CEM report is a valuable tool providing a different perspective. CEM does identify best practices in the defined benefits area in terms of customer service. We learn from those and try to utilize some of those in this organization.

Mr. Valenzuela encouraged continued participation in CEM and believes it should be incorporated into the budget process in terms of service delivery which would benefit the members and improve efficiency overall.

Ms. Sandoval asked if the intention is to eliminate both Deputy CIO positions from the budget.

> By the time we develop the position, write the classification, and obtain the Boards approval, it will probably not happen until the next budget year. In practical terms, it does not make sense to put the positions in this year's budget and have salary savings against them. We will be moving forward to actually create the Deputy CIO positions, but not fund them through the budget at this time.

Mr. Valenzuela stated he would not be in support of eliminating both Deputy CIO positions. The Investment Office needs one Deputy CIO to conduct the operating side of the business. It should be budgeted to give the new CIO an opportunity to make the decision about how that position is filled.

I. BUDGET HEARING (Continued)

Mr. Valenzuela: made the following general comments prior to the discussion of each division's staffing requests:

> In the budget process, I view my role, as a Trustee, with ensuring that LACERA is providing the appropriate financial resources to complete its objectives in the coming year. This includes authorizing funding for the necessary staffing across the organization. Having said that, I am acutely aware of the strong headwinds that we - and other public funds - are experiencing in meeting our assumed rate of return.
>
> How do we position ourselves for long term success? We hire the best staff, partner with like-minded fiduciaries, ethical business partners, and financial advisors to develop and execute asset allocation and business plans that work for us. At the end of the day, the markets deliver returns. What we control are costs – the fees we pay external managers, vendors, and service providers, and, of course, for staffing costs. In negotiating new agreements, we should continue to be vigilant and demand the best fee arrangements.
>
> In terms of new staffing, Rob, JJ, Vache, Steven, Vincent, Richard, and Cassandra should ask each requestor whether the position is absolutely necessary. And whether adding the new position will be accretive. That is, will it enhance critical services to members or increase the probability that the fund will meet its performance metrics. If the answer is not a strong "YES", then put off the hiring. Every dollar not spent on administration will improve the fund's performance on a net-of-fees basis.

Mr. Valenzuela asked about the four current vacancies in the Investment Office, and the seven additional positions being requested in this budget year. What will LACERA do in the next 12 months to fill those positions.

> We plan to fill the vacancies in the coming year. We expect to fill the CIO position mid to late during this fiscal year. After the adoption of the budget we create a hiring plan to move through the project list. We do outsource some of the recruitments. There are some positions, such as IT and investments, that require a professional recruiter because that expertise is not in house. We are looking for excellence in the employees we are seeking, which is becoming more difficult due to the tightening of the labor market.

Mr. Valenzuela asked in Legal Services how the legal staff projects are prioritized, and will adding these three additional staff positions help deal with the backlog.

> We prioritize Board actions on investments at the highest level, generally completing the investment agreements within the following month after the Board takes action. Other high priority projects may be behind because we are working

I. BUDGET HEARING (Continued)

on transactions of the highest priority that involve the deployment of capital. These three positions are necessary to support our clients and make sure that we are efficiently servicing the legal business needs of the operation. We do believe that the two additions in the investment section will enable us to reduce the backlog.

Mr. Valenzuela asked if these positions would be promotional opportunities or external hires.

The senior management secretary and disability legal analyst could potentially be promotional opportunities. The staff counsel is a new position. We would certainly be open to internal recruitment.

Ms. Sandoval asked if we use paralegals in the Legal Office.

Yes we do, they are referred to as legal analysts.

Mr. Valenzuela asked if we backfill the position in Member Services Quality Control where the staff is on long term medical, what will occur when that staff member returns to work.

We don't want to be in the position of over hiring. In looking at this, there is a critical need and an additional need in this work team. We are backfilling this position, but also believe we should add more resources. If that person does return to work, we could fully utilize both persons on the team and would not have excess capacity.

Mr. Valenzuela asked if the MOU allows for persons to function in a higher classification than their positions.

We do have out-of-class and additional responsibility bonuses. We also have a Temporary Opportunity Program (TOP) and Career Development Program (CDP). When we have staff out for a short period, the TOP allows someone to keep their current job but temporarily work in another position to strengthen their resume and learn another part of the organization. CDP allows someone to come in and learn the position and, if successful, take over that position.

Mr. Robbins asked if in Disability Retirement we are happy with the current time to process service-connected disability cases at 12 months or are we trying to get that time frame lower. Will not adding staff have any impact on that one way or the other.

We would like to get below a year. We are doing many things structurally and building the information system to assist in facilitating the production and management of this process. We would like to go through this reengineering process first before we start adding more labor to the process.

I. BUDGET HEARING (Continued)

Mr. Valenzuela asked about the number of classification studies underway or proposed in Human Resources. Does LACERA feel it has the resources in house to complete those studies on a timely basis.

> We are concerned with the growing number of classification studies in the organization and we are working through them. We do use external resources as necessary. We do not believe we are in any mission critical failures for not having them done immediately. We should get them done prudently, using external and internal resources in the most cost effective way we can.

Ms. Sandoval asked with so many federal and state mandated regulations, do we have someone to make sure LACERA complies with all the regulations as they pertain to the organization.

> We do rely on our HR team to be the experts in human resources and we provide them the opportunity to go to educational conferences and network with their peers. They belong to various professional organizations that provide updates. We rely on our HR team to stay abreast of current developments. We did do a human resources audit, to make sure we did not have any unintentional compliance issues.

Ms. Sandoval asked in Retiree Healthcare, how it is determined what medications are going to be changed to accommodate generic versus brand drugs.

> That is a Board policy issue. There are drug formulary benefits under the health plans. We cannot force someone to take generic medication, but we offer them at a discount to encourage use. Certain drugs are not covered under the formulary and are not available to be discounted. There are limitations but the plan is very generous with the pharmacy benefits available to the retirees.

Mr. Valenzuela requested that salary cost be presented on a fully burdened basis to show the full impact of all the fringe and other benefits costs for the organization.

> We will add in the related benefit costs as well as the direct salary.

Mr. Valenzuela thanked the executive and management team for putting together another complete budget presentation, appreciating the exchange and candid responses, which were very helpful.

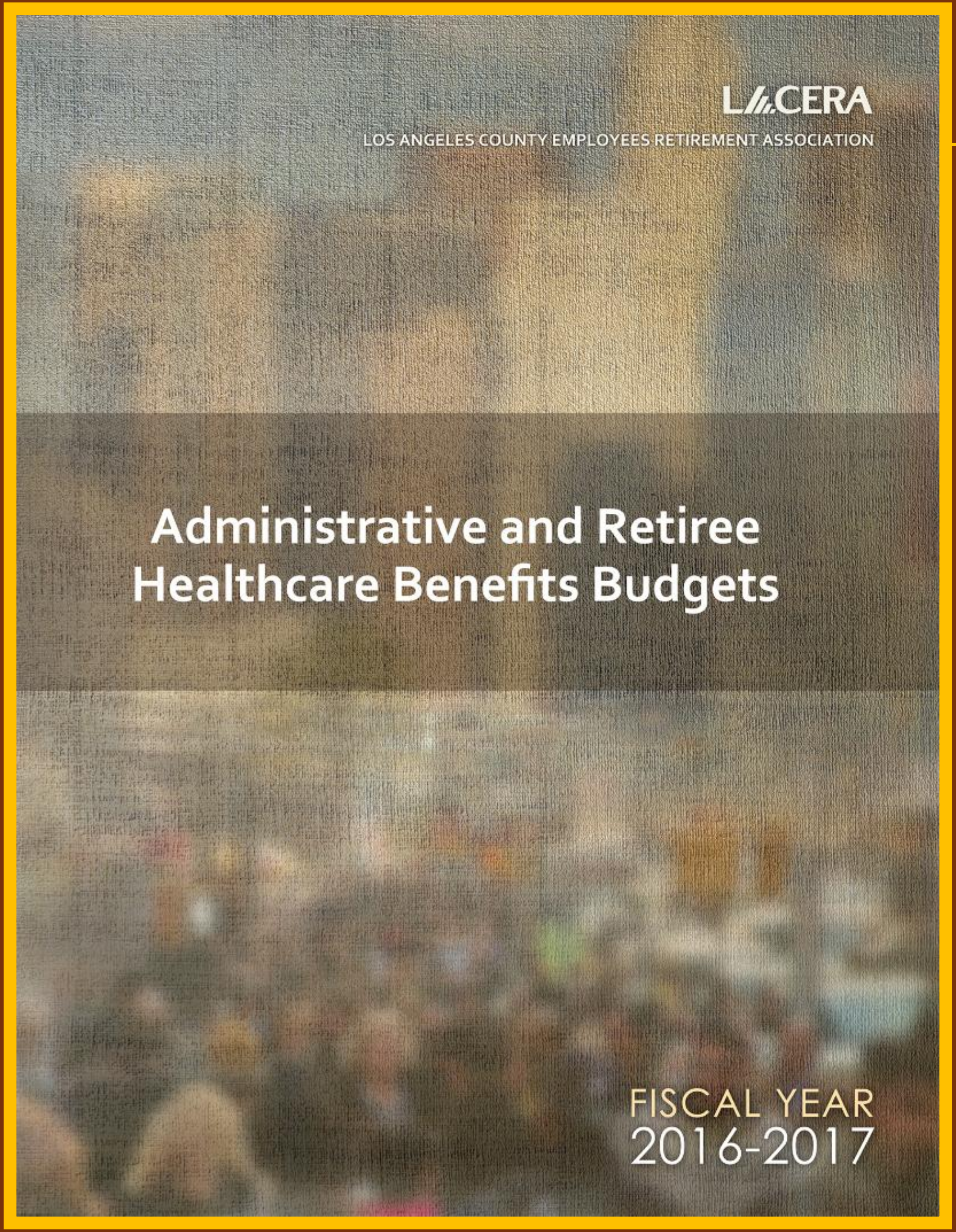
II. PUBLIC COMMENT

III. GOOD OF THE ORDER

(For information purposes only)

IV. ADJOURNMENT

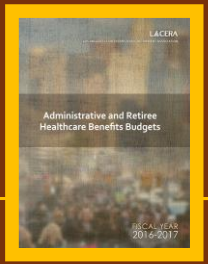
The meeting of Thursday, May 5, 2016 adjourned at 3:10 p.m.
The meeting of Monday, May 16, 2016 adjourned at 10:55 a.m.



Budget Adoption

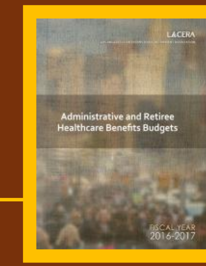
Fiscal Year 2016-2017

Mission Statement

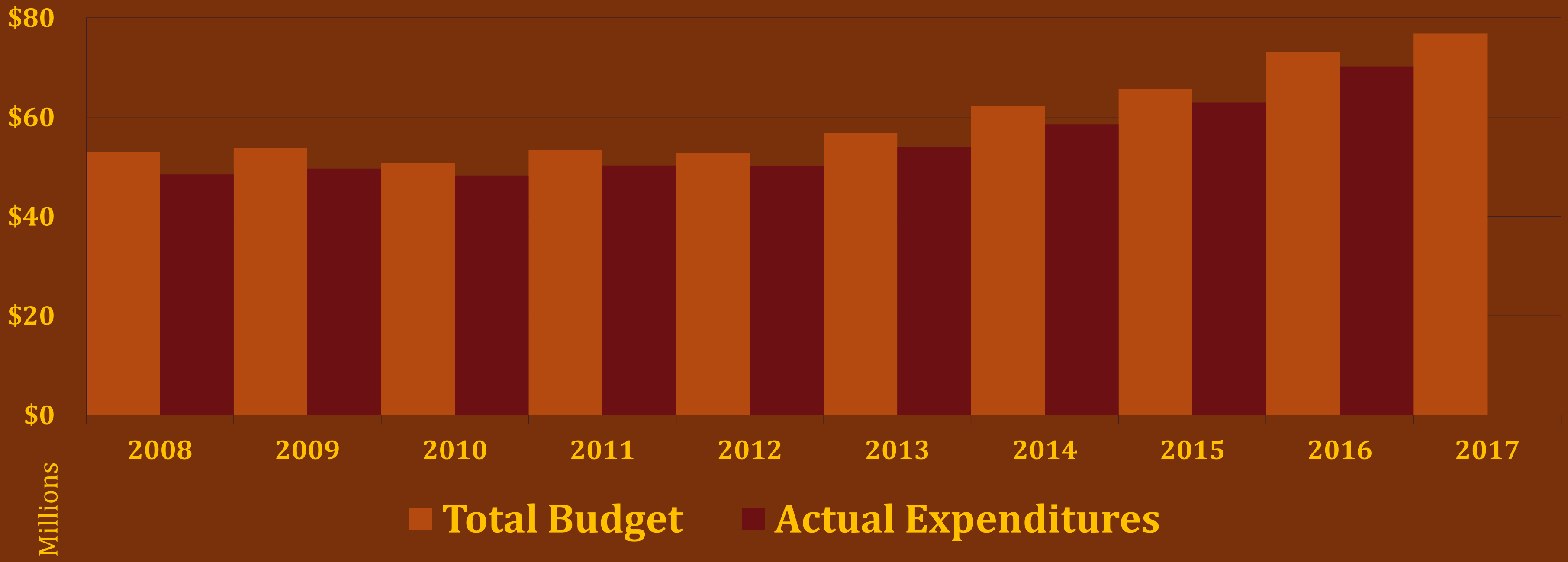


Produce → Protect → Provide → Promised Benefits

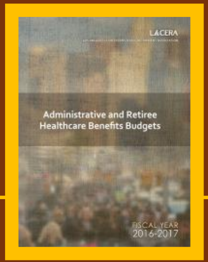
The Big Picture



Statutory Limit	**$119 million**
Less: Operating Budget	**($77 million)**
Available for Contingency	**$42 million**



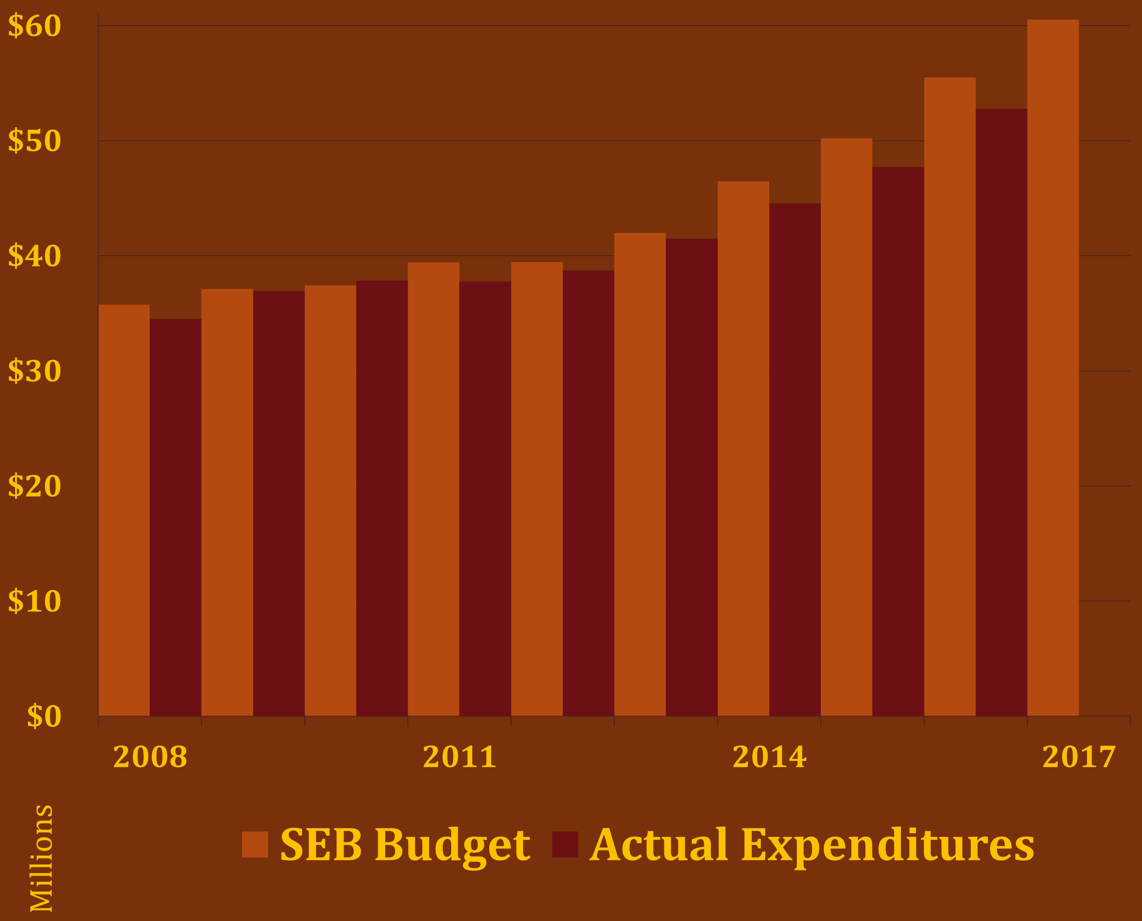
Salary & Employee Benefits



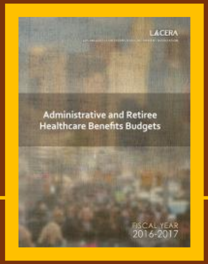
$60 Million

14% Increase

401

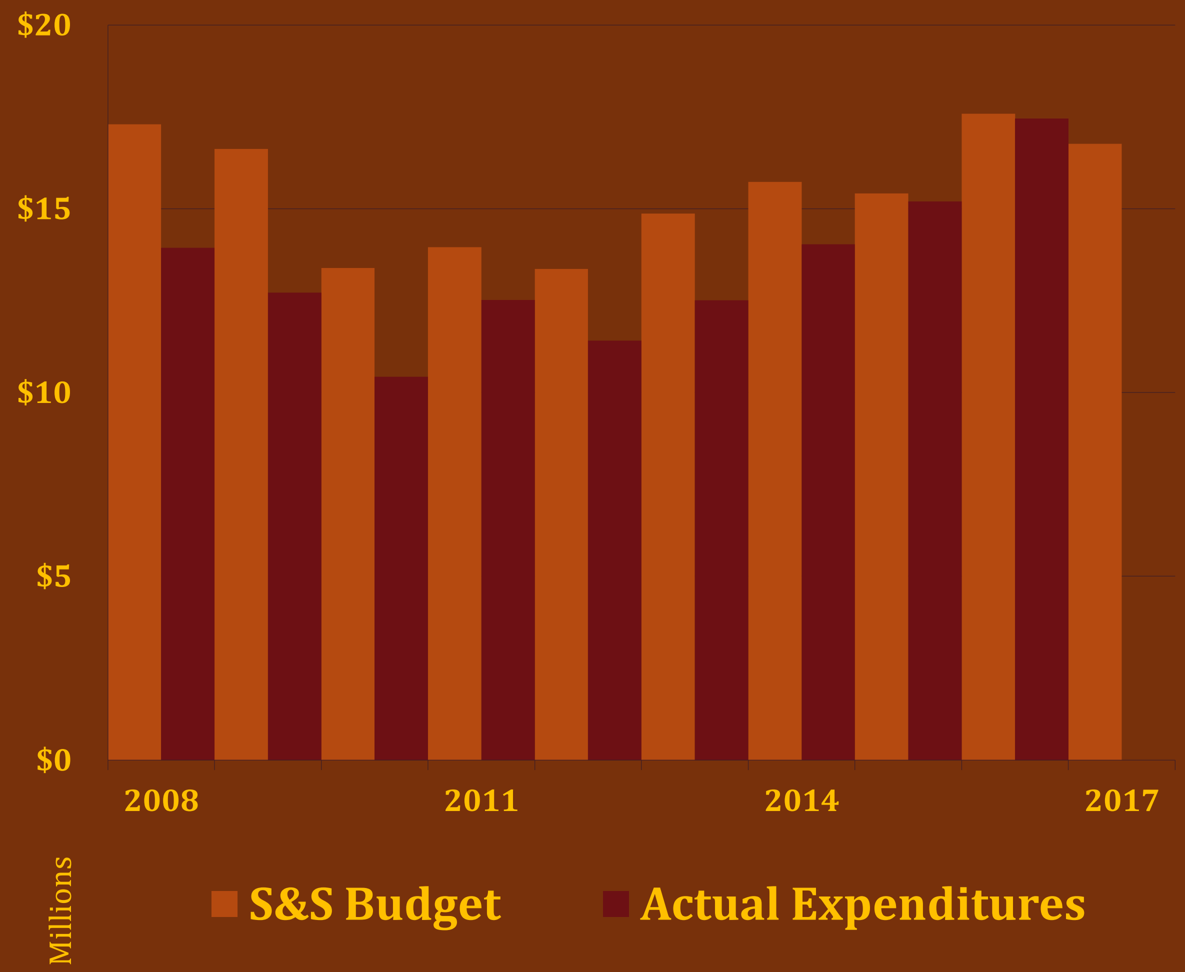


Services and Supplies

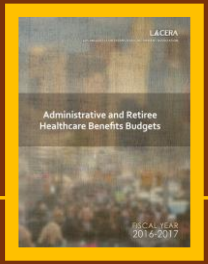


$17 Million

4% Decrease

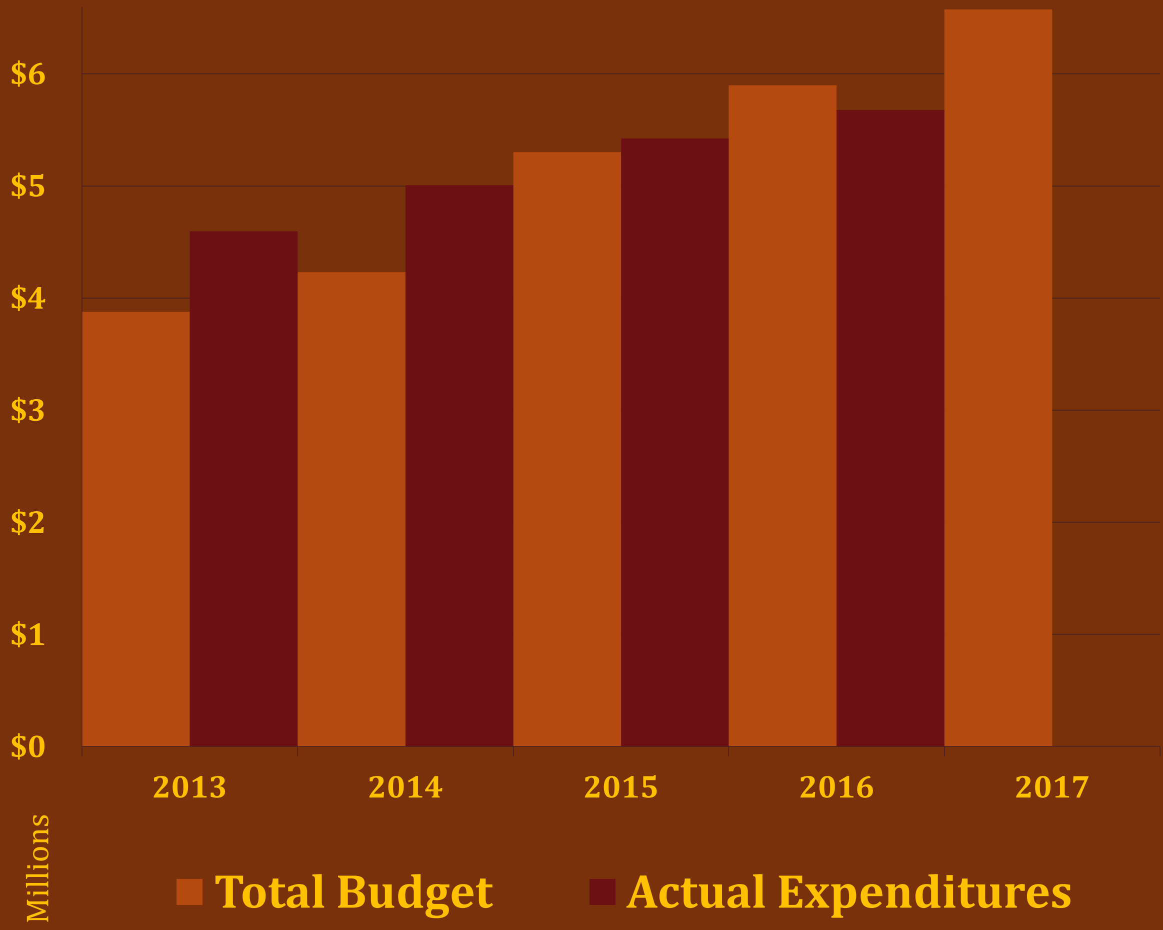


Retiree Healthcare Program

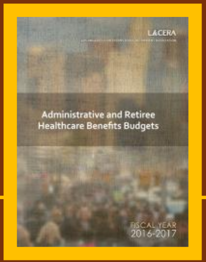


$6.5 Million

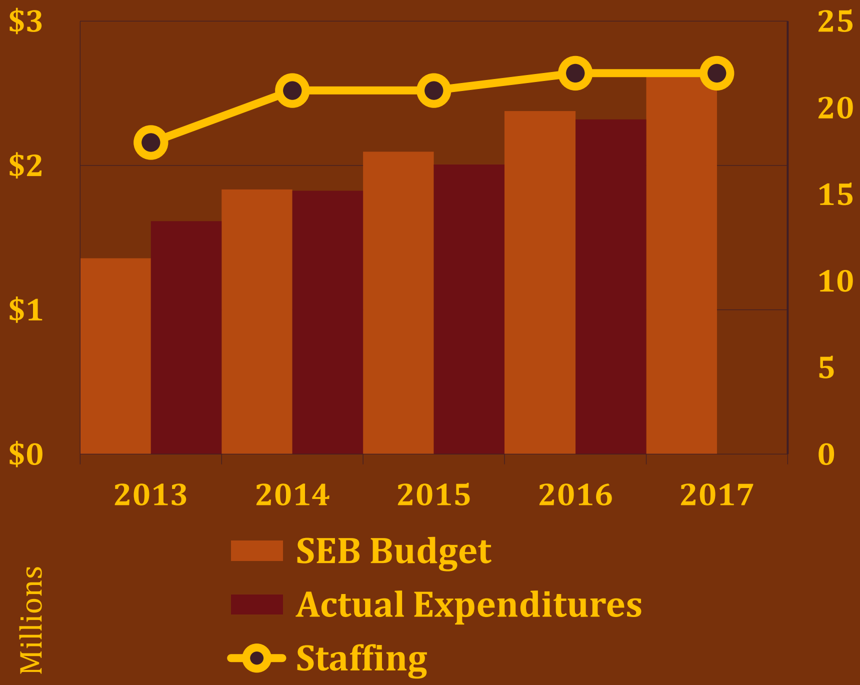
15% Increase



Retiree Healthcare Program



❖ Staffing

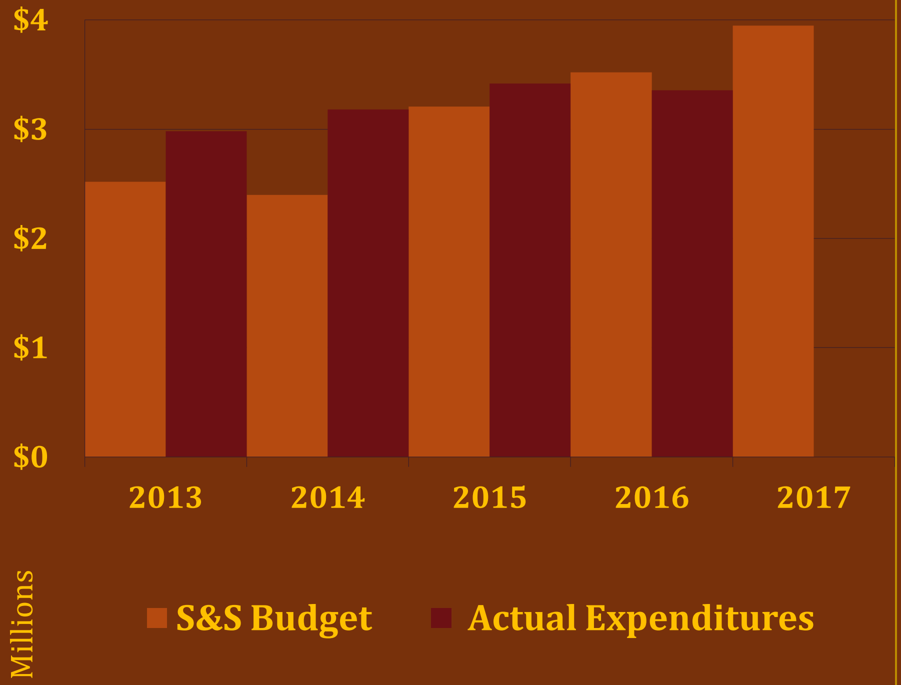


❖ Services & Supplies

Program Audits - $565k

Postage Special Mailings - $550k

OPEB Valuation/Audit - $315k



LACERA

May 25, 2016

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher
Chief Executive Officer

FOR: Board of Retirement Meeting of June 9, 2016

SUBJECT: Pomerantz Annual Corporate Governance & Litigation Roundtable in Beverly Hills, CA on June 30, 2016

Pomerantz is a recognized leader in securities litigation and corporate governance reform and is committed to ensuring that companies adhere to the fiduciary responsibilities they owe their shareholders as well as the practice of good corporate governance and corporate citizenship. The Roundtable will further discuss governance principles, policies and procedures designed to give shareowners the ability to oversee the activities of a corporation and discuss what rights and remedies they have, as shareholders, should they suffer losses due to the financial misconduct of publicly traded companies.

The main conference highlights include the following:

- Diversity Among Boards
- The FBI on Wall Street
- Board Engagement and Fund Performance
- Update on Securities Litigation around the Globe
- Dutch Settlement Foundations: What They Are and How They Work

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. Pomerantz has reserved a block of rooms at The Beverly Wilshire Hotel in Beverly Hills, CA. The standard hotel rate at The Beverly Wilshire Hotel is $350 per night plus applicable taxes. There is no registration fee for LACERA Board members.

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the Pomerantz Annual Corporate Governance & Litigation Roundtable on June 30, 2016 in Beverly Hills, CA, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

GR/bn
Attachment

agenda

Draft AGENDA

Pomerantz's Annual Corporate Governance & Litigation Roundtable Event

June 30, 2016 - Beverly Hills, California

June 29, 2016

8:00 pm	**Networking Event** (optional) Wine Tasting & Dinner in Beverly Hills
June 30, 2016	**Pomerantz Roundtable Event (8am – 4pm)**
8:00 am	Breakfast & Introductions
8:45 am	Dr. Daniel Summerfield , Co-Head of Responsible Investment – Universities Superannuation Scheme *Corporate Governance, Board Engagement and Fund Performance*
9:30 am	Jeremy Lieberman, Senior Partner – Pomerantz LLP *Update on Securities Litigation around the Globe*
10.15 am	Break
10.45 am	Dirk-Jan van den Broek, Legal Counsel – PGGM Investment *Dutch Settlement Foundations: What they are and how do they work?*
12:00 pm	Guest Speaker: FBI Special Agent David Chaves *The FBI on Wall Street*
1.15pm	Lunch
2.00pm	Panel *Diversity among Boards*
3.30pm	Jeremy Lieberman *AOB and closing remarks*

FOR INFORMATION ONLY

May 24, 2016

TO: Each Member
Board of Retirement

FROM: Cassandra Smith, Director
Retiree Healthcare Division

SUBJECT: **RETIREE HEALTHCARE BENEFITS PROGRAM'S 2016/2017 PLAN YEAR HEALTH INSURANCE RATE RENEWALS AND BENEFIT CHANGES - TECHNICAL CORRECTION TO RENEWAL EVALUATION REPORT**

Please accept the enclosed revised version of LACERA's 2016/2017 Renewal Evaluation Report. This version replaces the version distributed for LACERA's April 6, 2016 Board of Retirement meeting, and reflects minor technical corrections to pages 7, 10, and 11. The March 29, 2016 cover memo on which the Board based its approval of Staff's recommendations remains unchanged. Please destroy your original copy.

Thank you

Enclosure

CS:jb

2016/2017 Renewal Evaluation Report
Los Angeles County Employees Retirement Association (LACERA) – Corrected Version

May 17, 2016

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Overall Summary

Summary of Recommendations

Renewal Results

Anthem Plans I, II, and III
- Overall Renewal Results
  - Plan Design Changes

Anthem Prudent Buyer Plan
- Overall Renewal Result
  - Plan Design Changes

Cigna Medical, Dental & Vision
- Overall Renewal Results
  - Medical – Dental and Vision
    - Plan Design Changes

Contents

United Healthcare (UHC)

- Overall Renewal Results
  - Group Medicare Advantage HMO & Pre-65 HMO
    - Plan Design Changes

Kaiser California & Out-of -State

- Overall Renewal Results
  - Basic/Pre-65 HMO & Senior Advantage (MAPD HMO)
    - Plan Design Changes

SCAN Health Plan

- Overall Renewal Result
  - Plan Design Changes

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Tier 1 and Tier 2 Contributions

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The Year in Review – Retiree Healthcare Benefits Program Accomplishments

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A. Renewal Premium Projections
B. Group Insurance Rates
C. Tier 1 Contribution Tables
D. Tier 2 Contribution Tables
E. Anthem Plan Contractual Changes
F. Cigna Contractual Changes
G. United Health Care Plan Contractual Changes
H. Kaiser California and Out of State Plan Contractual Changes
I. SCAN Plan Contractual Changes

Overall Summary

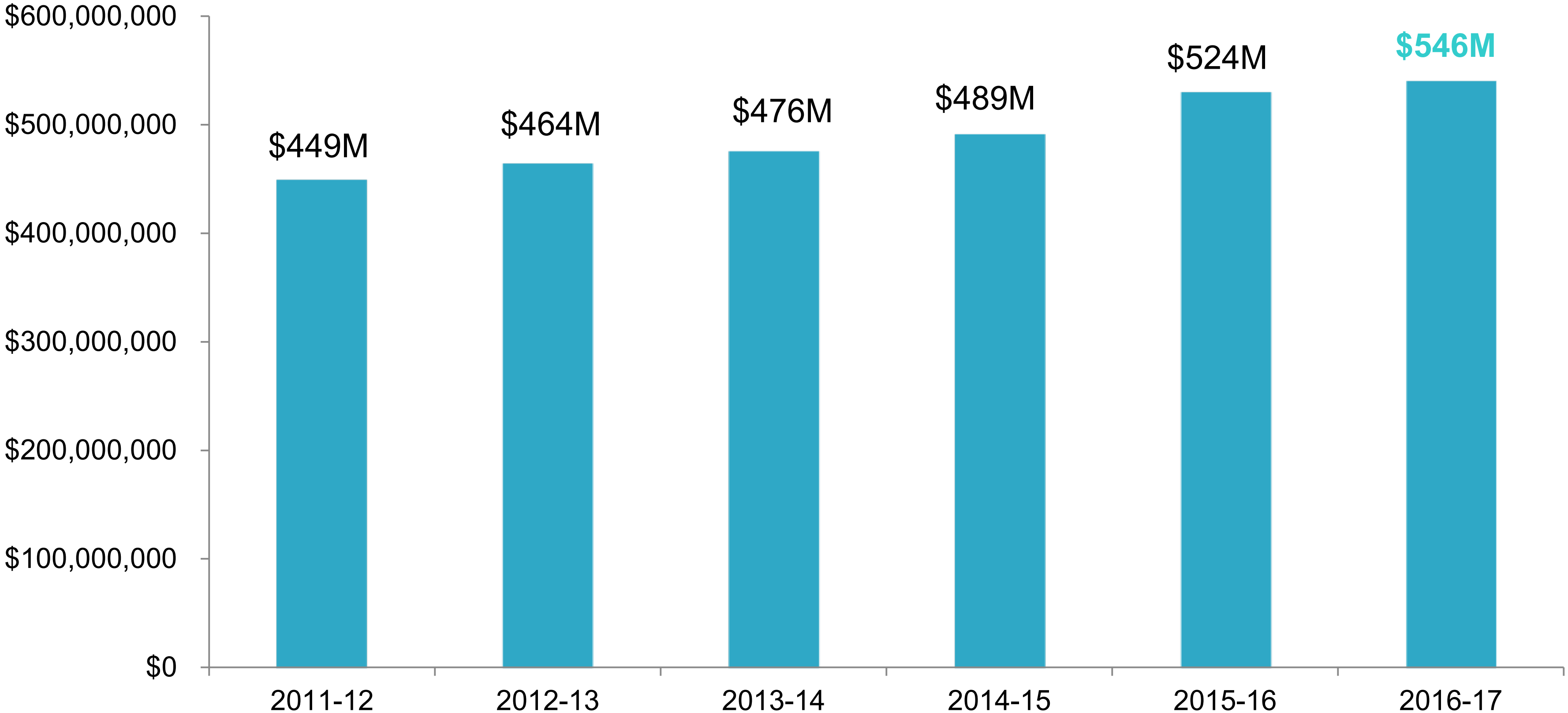
The content of this report summarizes the final July 1, 2016 – June 30, 2017 renewal results for the LACERA-administered Retiree Healthcare Benefits Program (RHCBP).

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 $3.1million. 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.

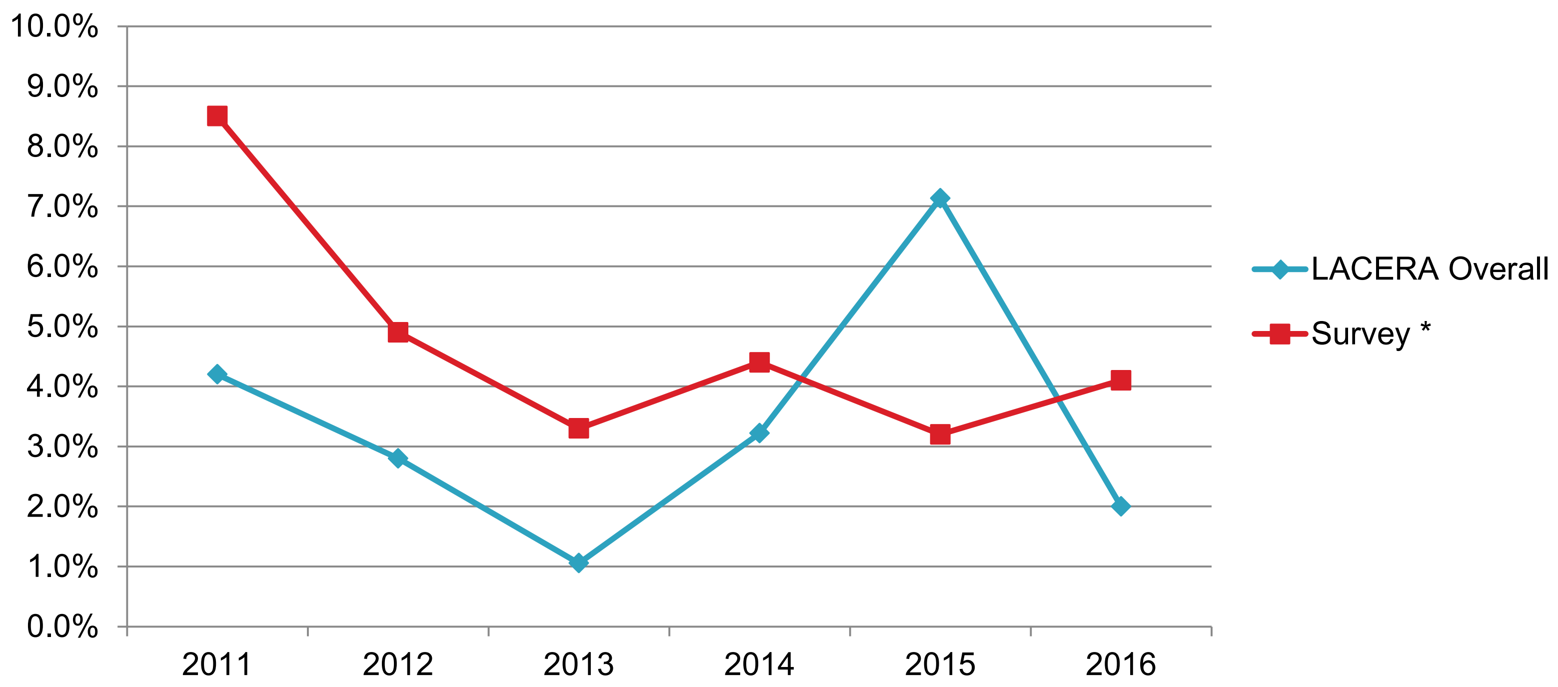
* All figures in the following graph are in millions

Overall Review – Total Projected Premium



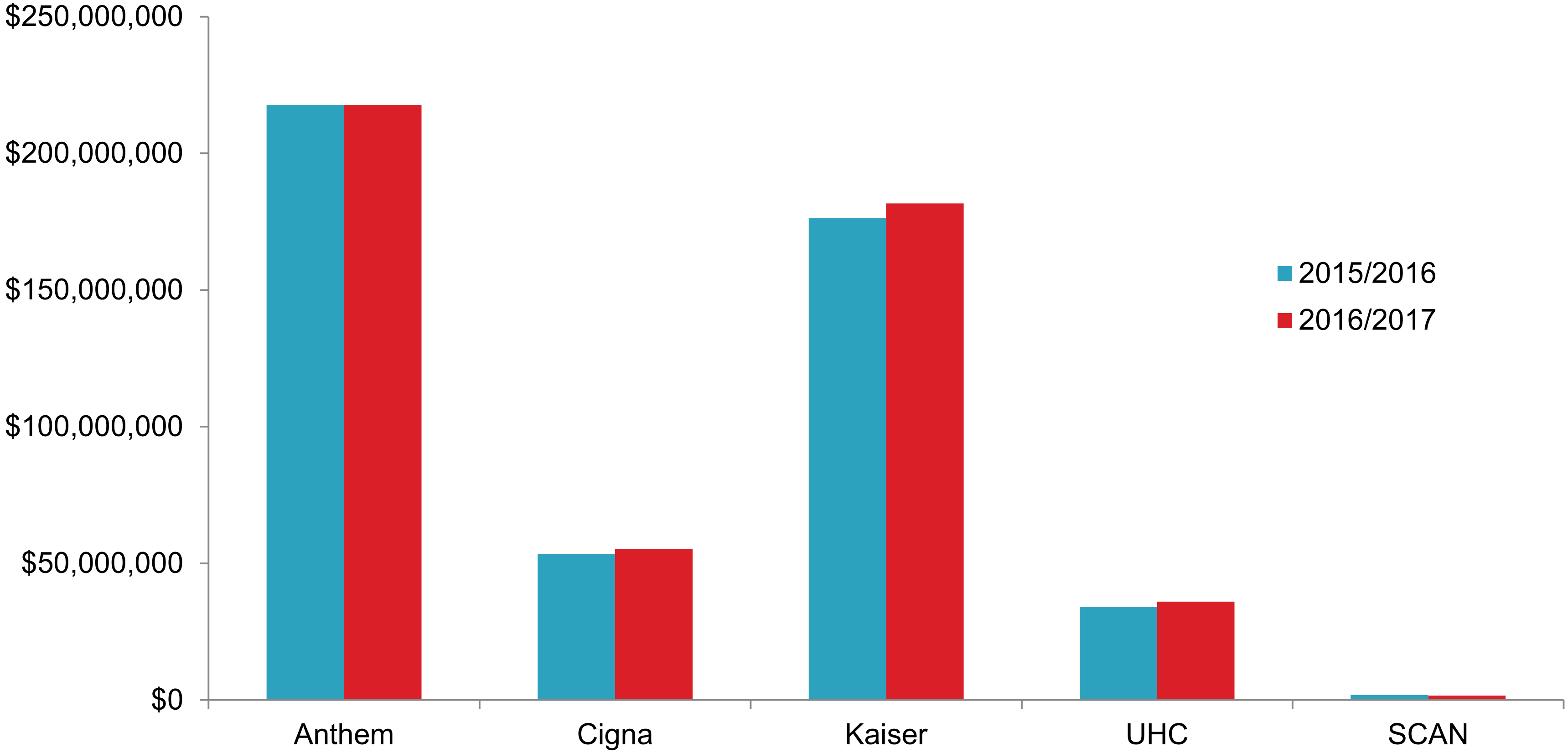
Overall Review

- 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 2.4% 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 73.7% of the total premiums. Anthem Plans I, II, and III, by themselves reflect 36.6% of the premium. Kaiser CA and Kaiser Out of State plans reflect 33.5% 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 0.31% overall increase to Plans I, II, III with the following separate increases:
  - ✓ 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 0.31% increase
  - ✓ Agree to fund the CSR
  - ✓ Agree to pay the 2014/2015 plan year deficit
  - ✓ Accept the mandatory contractual changes

Kaiser California

- Accept the overall increase of 3.4% with the following separate increases:
  - ✓ Accept the Basic /Pre-65 increase of 4.8%
  - ✓ 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

AON Hewitt

Summary of Recommendations

Cigna

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

UHC Medical

- Accept the 6.3% overall increase with the following separate increases:
  - ✓ 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 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 0.4%
  - ✓ 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 indemnity dental/vision plan increase of 7.6%
  - ✓ Accept the pre-paid dental/vision plan increase of 6.9%
  - ✓ 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*

AON Hewitt

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*

AON Hewitt

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*

AON Hewitt

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).

AON Hewitt

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

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.

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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

		Prior to Year-End 2015 Legislation	After Year-End 2015 Legislation
Plan Year	**Projected Premium w/o Excise Tax**	**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

** 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 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**

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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.

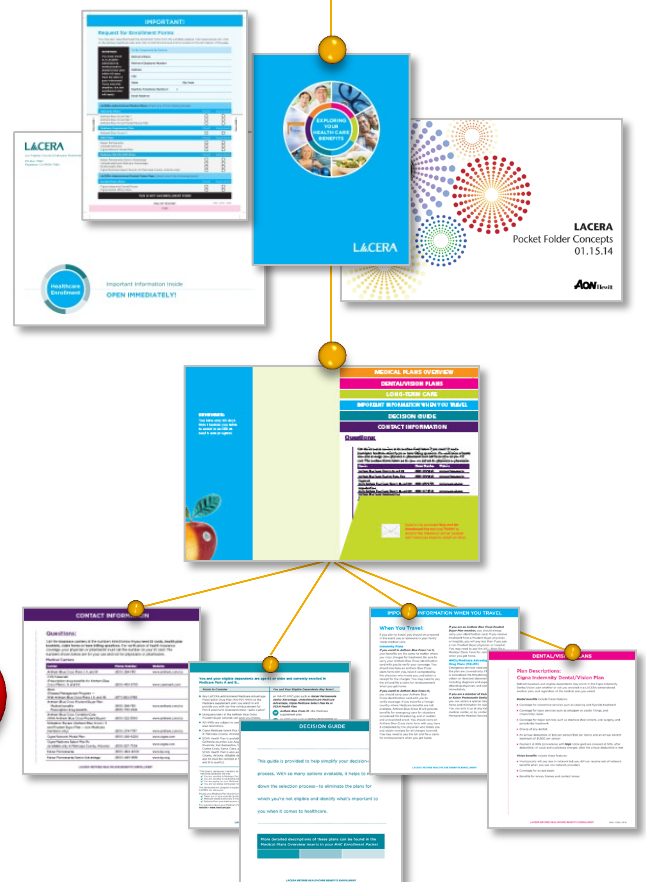
The Year in Review – Retiree Healthcare Benefits Program Accomplishments

Coordinate Retiree Workshop Events

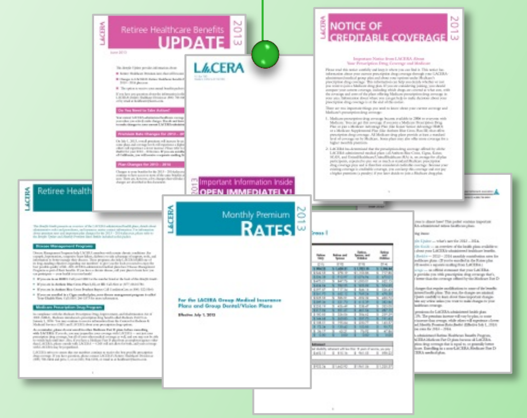
Spring Invitation

Glendale Civic Auditorium

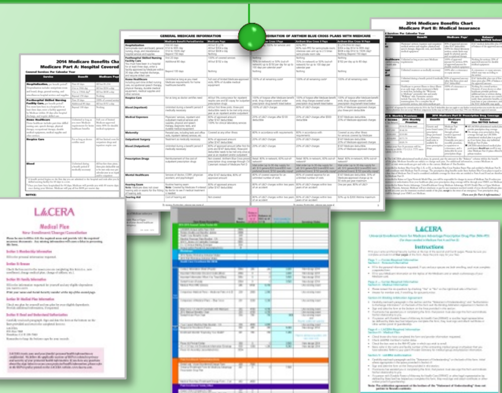
Organize Press Kit Updates



Coordinate Updates for Annual Packet Mailing



Inventory Management & Vendor Oversight



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 Heathy 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.

AON Hewitt

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 Current Rate	LACERA Admin. Fee	7/15- 7/16 Total Rate	7/16- 7/17 Original Renewal Rate	LACERA Admin. Fee	7/16- 7/17 Total Rate	% Change	7/16- 7/17 Renewal Rate	LACERA Admin. Fee	7/16- 7/17 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

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%**

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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	$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%
	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	$1,768.95	$5.00	$1,773.95	$1,858.58	$8.00	$1,866.58	5.2%	$1,858.58	$8.00	$1,866.58	5.2%
	Total	**59**	**$475,244**		**$478,784**	**$512,800**		**$518,464**	**8.3%**	**$512,800**		**$518,464**	**8.3%**

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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	$2,215.00	$5.00	$2,220.00	$2,229.38	$8.00	$2,237.38	0.8%	$2,229.38	$8.00	$2,237.38	0.8%
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	$672.00	$5.00	$677.00	$598.00	$8.00	$606.00	-10.5%	$598.00	$8.00	$606.00	-10.5%
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	$2,035.96	$5.00	$2,040.96	$2,251.77	$8.00	$2,259.77	10.7%	$2,169.99	$8.00	$2,177.99	6.7%
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%**

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Medicare Part B	0	$135.86	$0.00	$135.86	$137.70	$0.00	$137.70	1.4%	$137.70	$0.00	$137.70	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	$52.90	$5.00	$57.90	$56.09	$8.00	$64.09	**10.7%**	$54.84	$8.00	$62.84	8.5%
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	$37.80	$5.00	$42.80	$39.31	$8.00	$47.31	**10.5%**	$38.75	$8.00	$46.75	9.2%
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
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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 241[1]	Retiree and Spouse - 1 with Medicare 242[2]	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 snd 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[1]
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

[1]Retiree 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 702[1]	Retiree and 1 Dependent - Both with UnitedHealthcare Group Medicare Advantage HMO 703[1]	Retiree and 2 or More Dependents - 1 with UnitedHealthcare Group Medicare Advantage HMO 704[2]	Retiree and 2 or More Dependents - 2 with UnitedHealthcare Group Medicare Advantage HMO 705[2]
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 Retire
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) 241[1]/242 (Plan III Benchmark)	Retiree and Spouse - (Dependent with Medicare) 241/242[2] (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 Benchmak)	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 613[1]
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

[1]Retiree 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 702[1]	Retiree and 1 Dependent - Both with UnitedHealthcare Group Medicare Advantage HMO 703[1]	Retiree and 2 or More Dependents - Retiree with Medicare UnitedHealthcare Group Medicare Advantage HMO 704[2]	Retiree and 2 or More Dependents - Retiree +1 with Medicare UnitedHealthcare Group Medicare Advantage HMO 705[2]
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

Anthem BlueCross

Client : LACERA
Case : C00037 & C20477

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 Substanse 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% Al other Part B - $0
Diabetic Monitoring Supplies	$0
Hearing Exams (Diagnostic Medicare Covered)	$12
Eye Exams (Diagnostic Medicare Covered)	$12

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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

Cigna HealthSpring

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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.

UHC
UnitedHealthcare

2016 RENEWAL PORTFOLIO | CALIFORNIA

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.

Business Marketing 60312408 April 2015 ©2015 Kaiser Foundation Health Plan, Inc.

SCAN HEALTH PLAN

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.

	2015-2016	2016-2017	-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.

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,

Edith Monge

Edith Monge
Manager, Employer Group Sales

EM:dm
Enc.

Independent Living Power®
(Los Angeles, Orange, Riverside and San Bernardino Counties)

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.

Personal Care Coordinator SCAN staff will provide personal assistance to coordinate your Independent Living Power services	$0 copay
Home Delivered Meals SCAN members are covered for home delivery of meals to meet nutritional needs.	$0 copay
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.	$15.00 copay
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.	$15 per month
Transportation Escort As a SCAN member you are eligible to receive an escort to assist you during transportation to and from medical appointments.	$15.00 copay
Homemaker Service SCAN members are eligible to receive assistance with light cleaning, grocery shopping, laundry and meal preparation.	$15.00 copay
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	$0 copay
In-Home Caregiver Relief SCAN provides alternative caregiver services in your home when a regular caregiver can’t be there.	$ 15.00 copay
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	$15.00 copay

LACERA

FOR INFORMATION ONLY

May 17, 2016

TO: Each Member,
Board of Retirement

FROM: Michael D. Herrera
Senior Staff Counsel

FOR: Board of Retirement Meeting of June 9, 2016

SUBJECT: Authority and Discretion In Collection of Overpaid Benefits And Underpaid member Contributions – Supplemental Memorandum.

I. INTRODUCTION

The Legal Office previously provided the attached March 15, 2016 memorandum confirming the Board's discretion to waive collection of overpaid benefits, underpaid member contributions, and interest thereon. During discussion on the memo, the Board requested further clarification from the Legal Office regarding certain specific issues related to its exercise of discretion. Specifically, the Board requested clarification on:

1. The impact of a decision to waive collection, in whole or part, on a member's benefit, the plan sponsor, and/or the retirement system;
2. The distinction between "waiving" collection and "writing off" an account; and
3. The reason staff recommends waiver in certain cases, but not others.

II. DISCUSSION

1. The impact that a decision to waive collection, in whole or part, has on a member's benefit, the plan sponsor, and/or the retirement system.

In cases where staff or the Board makes the decision to waive collection, in whole or part, this will result in a unfunded liability to the system since the benefits to be paid the member are not backed by member contributions and the earnings thereon required to support them.[1] To the extent the shortfall is not recovered through future investment earnings, LACERA will recover the difference from the plan sponsor in order to make up the shortfall and ensure the actuarial soundness of the system. LACERA currently does this by assigning uncollectible overpayments, underpayments, and interest to the system's unfunded accrued actuarial liability, which is ultimately the responsibility of the plan sponsor. *See* Govt. Code §§ 31453, 31453.5. Full correction in this way is also required and acceptable by the Internal Revenue Service. *See* Rev. Proc. 2015-27 § 3.02(3). Collection, in whole or in part, of amounts due will minimize or eliminate any shortfall to the system and any possibility of increased liability to the plan sponsor which would occur if there is a mismatch between contributions and benefits paid.

With regard to impact on the member, a decision by LACERA to *waive* collection will have no direct impact on the member or the member's benefit. However, even where full or partial waiver is granted, LACERA may nonetheless determine that a prospective and/or retroactive correction to the member's account is necessary under Govt. Code § 31541 in

[1] Under the Board's Policy for Recovery of Member Overpayments and Underpayments, staff has authority to waive collection in whole or part in cases involving principal amounts of $10,000 and less.

order to correct an underlying error or omission. In that case, the *correction* may have a direct impact on the member's benefit or contribution going forward. For example, assume that LACERA overpays a member's retirement allowance for several years due to an error in calculating his benefit. Also assume that LACERA determines that its claim to recover those overpaid benefits is time-barred. Staff and/or the Board may therefore rightfully decide to waive collection of those past overpaid benefits. However, unless the Board were to direct otherwise in its discretion, by correcting the underlying error to the member's account, this will cause the member's allowance to decrease going forward.

2. The distinction between "waiving" collection and "writing off" an account.
As discussed in our March 15th memo, decisions on whether, when, and how to pursue or waive collection of overpayments, underpayments, and interest will arise at different stages of LACERA's collection process and require resolution at different levels within the organization. Collection cases have therefore historically been presented to the Board as either a recommendation to "write-off" or to "waive" collection of a debt, depending on the stage of the case and the division making the recommendation.

Although the two are technically different, they have similar meanings in the context of a collection case. A write-off is an accounting procedure used when an asset is determined, for a variety of reasons, to be uncollectible and therefore recorded for accounting purposes as a charge to the fund (as opposed to a receivable). A waiver similarly involves a decision to forego a right or claim to collect a debt. Staff therefore uses these terms synonymously when referring to a decision to forego collection. However, whether a case is presented to the Board with a recommendation on whether to *waive* collection of what is otherwise believed to be a collectible debt or *write-off* the amount as uncollectible, a recommendation by staff and decision by the Board to exercise its discretion and approve the waiver or write-off should therefore be based on the same principles – i.e., whether doing so is appropriate and prudent based on the facts and circumstances of the case and subject to its fiduciary duties as discussed in our March 15th memo. Accordingly, where the Board authorizes full or partial waiver, staff will also make the corresponding write-off (accounting entry) thereby avoiding the need to bring the same case to the Board twice.

3. The reason staff recommends waiver in certain cases, but not others.
Each case must be analyzed on its own unique facts. Cases involving large amounts can merit waiver, while cases involving smaller amounts can merit collection. While seemingly inconsistent, such outcomes necessarily result from making thoughtful, prudent decisions regarding how, whether and when to pursue recovery in a particular case based on the many considerations and factors discussed in our March 15th memo.

To illustrate this point, the Board requested a comparison of two cases previously presented to and considered by the Board. In order to avoid potential waiver, we will provide our analysis of those cases separately in a confidential, attorney-client communication. We make the point here through two hypothetical cases involving overpaid benefit payments:

- In hypothetical case #1, assume LACERA overpays retired member John Smith $25/month from 2007 through 2013 due to an error in calculating the member's retirement allowance. LACERA discovers the error in 2013 after the member's death and determines the total of overpaid benefits and interest is $2,800.

- In hypothetical case #2, assume LACERA overpays retired member Jane Smith's *surviving spouse* $25/month from 2007 through 2013 due to an error in calculating the spouse's survivor allowance following the member's death. LACERA discovers the error in 2013 and determines the total of overpaid benefits and interest is $2,800.

Both cases appear strikingly similar in that they involve similar errors, amounts, and time periods. However, we believe a diligent investigation and evaluation of the facts in both cases would result in staff concluding that a claim to recover against the recipient of the erroneous payments is only possible in hypothetical case #2. Why is that? The short answer is that while the fiduciary principles and laws to be applied are the same, the facts and circumstances are actually quite different and will therefore result in different conclusions.

The California Legislature amended the CERL in 2013 to add Govt. Code § 31540, which codifies a three-year period of limitation for actions to recover erroneous "payments into or out of the retirement fund". With respect to "an erroneous payment [by LACERA] to a member", § 31540(b)(1) provides that the system's right to collect expires three years from the date of payment. In other words, at any given point in time LACERA may only bring an action to recover erroneous payments made within the prior three years. When evaluating the hypothetical case #1 in 2016, one would therefore likely conclude that an action to recover the overpayment and interest from the member is now time-barred.

The same is not true for hypothetical case #2. This is because the Legislature determined that the period of limitations in cases involving erroneous payments resulting from the death of a retired member is not three years, but <u>ten</u> years. *See* Section § 31540(c). Accordingly, because hypothetical case #2 involves an error in calculating a survivor allowance following the *death of a retired member*, staff would rightly conclude that the law (§ 31540(c)) supports an action to recover the entire overpayment and interest from the surviving spouse for the period from 2007 through 2013, assuming of course that additional facts are not discovered that would support another affirmative defense.

Reviewed and Approved:

Steven P. Rice
Chief Counsel

cc: Gregg Rademacher
Robert Hill
John Popowich
Bernie Buenaflor
Allan Cochran
Beulah Auten

Attachment A

Michael D. Herrera March 15, 2016
Board of Retirement Memo

FOR INFORMATION ONLY

March 15, 2016

TO: Each Member,
Board of Retirement

FROM: Michael D. Herrera MDH
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 agendized 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. "

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[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 is 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.

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[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

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[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

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[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 is 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

BOARD OF RETIREMENT
POLICY FOR THE RECOVERY OF
MEMBER OVERPAYMENTS AND UNDERPAYMENTS

The Board of Retirement adopts this policy to ensure the continued proper and timely collection of monies owed to LACERA by or on behalf of a member, including, but not limited to a beneficiary or survivor, as a result of incorrect payments into or out of the retirement system. It is the intent of the Board of Retirement in adopting this policy to fulfill its fiduciary duty to safeguard fund assets by making every reasonable effort to recover all member overpayments, underpayments and appropriate interest thereon.

A. The following threshold limits shall apply to the collection of erroneous payments of erroneous payments into (underpayments) and out of (overpayments) the retirement system.

1. For principal amounts less than $100, the Chief Executive Officer ("CEO") may make no demand for principal or interest and write off the account, or take such other action the CEO deems reasonable and appropriate.

2. For principal amounts between $100 and $1,000, the CEO is authorized, after informal collection efforts (such as verbal and written staff requests for payment) have been completed, to refer the matter to the County of Los Angeles Treasurer Tax Collector, write off the amount of the principal and interest, in whole or in part, or take such other action as the CEO deems reasonable and appropriate. Formal litigation will normally not be commenced as the costs of filing and prosecuting the case would likely exceed the amount that could be recovered.

3. For principal amounts between $1,001 and $10,000 the CEO has discretion, after informal collection efforts (such as verbal and written staff requests for payment) have been completed and consultation as necessary with the Legal Office and other staff to determine likelihood of recovery, to pursue recovery of principal and interest in small claims court, refer the matter to the County of Los Angeles Treasurer Tax Collector, commence formal litigation, write off the amount, in whole or in part, or take such other action as the CEO deems reasonable and appropriate.

4. For principal amounts over $10,000, the CEO is required, after informal collection efforts (such as verbal and written staff requests for payment) have been completed and consultation as necessary with the Legal Office and other staff to determine likelihood of recovery, to seek Board approval to commence formal litigation to recover the principal and interest, write off the account, in whole or in part, or to take such other action as the board deems reasonable and appropriate.

B. Applicable Periods of Limitation

1. Pursuant to California Government Code Section 31540, the applicable periods of limitation for actions to recover erroneous payments into or out of LACERA shall be three years, and shall be applied as follows:

a. In cases where LACERA makes an erroneous payment to a member or beneficiary, the system's right to bring an action to collect shall not expire until three (3) years from the date of payment.

b. Notwithstanding any other provision in this policy, in cases where LACERA makes an erroneous payment because of the death of a retired member or beneficiary, or because of the remarriage of the beneficiary, the system's right to bring an action to collect shall not expire until ten (10) years from the date of discovery of the erroneous payment.

c. Notwithstanding any other provision in this policy, in cases where LACERA makes an erroneous payment as a result of fraudulent reports for compensation made, or caused to be made, by a member for his or her own benefit, the system's right to bring an action to collect shall not expire until ten (10) years from the date of payment or the date of discovery of the fraudulent reporting, whichever is later.

d. Notwithstanding any other provision in this policy, in cases involving under paid member contributions, if LACERA brings an action within three (3) years from the date of discovery of the underpayment, it may recover the entire underpayment, regardless of when in the past the underpayment was made. If no action is brought by LACERA within three (3) years from the date of discovery, LACERA's right to bring an action shall expire three (3) years from the date of the underpayment.

e. LACERA's determination with regard to the period of limitation in any case, and its determination with respect to the running of any period of limitation shall be conclusive and binding for purposes of correcting any error or omission.

f. For purposes of this policy, date of discovery means the date LACERA discovered or reasonably could have discovered the error giving rise to the erroneous payment.

g. Nothing in this policy shall be construed as limiting or prohibiting in any way LACERA's authority to correct errors as necessary in a member's or beneficiary's account, prospectively and/or retroactively,

h. Notwithstanding any other provision in this policy, in cases where LACERA owes money to a member or beneficiary, the periods of limitation set forth above shall not apply.

C. Offsets

As part of LACERA's collection process, the CEO will wherever possible to recover all overpayments and underpayments owing from a member or beneficiary, plus interest thereon, offset amounts due to LACERA against current or future benefits owing to the member or beneficiary. The threshold limits set forth above shall apply to cases involving offsets, and will only be applied after the member or beneficiary is afforded an opportunity to challenge the debt and offset through the Board's Administrative Appeal Procedure.

D. Interest

The CEO will include appropriate interest on any overpayment or underpayment it seeks to recover in accordance with Section A. However, in accordance with Section A, the CEO may make no further demand for collection of interest, in whole or in part, where the CEO determines, after a careful review of case, it is appropriate under the circumstances of the case.

For purposes of this policy, appropriate interest means LACERA's actuarially assumed rate of return applicable during the period of the overpayment or underpayment, as it may have changed from time to time and as applied to the principal amount due at each point during the relevant period.

E. Delegation of Responsibilities

In all instances the CEO may delegate to staff the activities and work called for and necessarily required to carry out this policy.

F. Conflicts with applicable law.

To the extent anything in this policy conflicts with IRS rules or applicable law, such IRS rules or applicable law will prevail.

Revised: 6/11/2015
Revised: 6/14/2007
Adopted: 8/2/1995

LACERA

May 30, 2016

FOR INFORMATION ONLY

TO: Each Member
Board of Investments
Board of Retirement

FROM: Barry W. Lew
Legislative Affairs Officer

FOR: June 8, 2016 Board of Investments Meeting
June 9, 2016 Board of Retirement Meeting

SUBJECT: **Assembly Bill 1853 – County Employees Retirement Districts**

The purpose of this memo is to provide an update regarding the status of AB 1853 and follow-up on a staff action item.

Update

Your Boards adopted a "Watch" position on AB 1853 at your respective meetings on May 5, 2016 and May 10, 2016. The bill is sponsored by the State Association of County Retirement Systems (SACRS). However, the issue of sponsorship was not formally voted on by the SACRS membership at the November 2015 SACRS Conference since the boards of many systems did not have the opportunity to review the bill before the conference.

Sponsorship of the bill was to be decided at the Spring 2016 SACRS Conference. The Board of Retirement directed its voting delegate to abstain from voting for SACRS to sponsor AB 1853. At the SACRS Business Meeting held on May 13, 2016, there were 18 voting delegates present. Eleven delegates voted to support sponsorship of AB 1853 by SACRS, 4 delegates voted against sponsorship, and 3 delegates abstained from voting, including LACERA's voting delegate. The motion passed with SACRS supporting sponsorship of AB 1853.

The bill passed the Assembly Public Employees, Retirement and Social Security Committee on May 4, 2016. The bill's deadline to pass the Assembly Floor is June 3, 2016.

Staff Action Item

On May 5, 2016, a recommendation regarding AB 1853 was presented to the Board of Retirement for consideration. During the meeting, Mr. Kelly had a question as to whether approval by a Local Agency Formation Commission (LAFCO) was necessary for a retirement system to become a district and directed staff to inquire with the LAFCO of the County of Los Angeles.

Staff inquired with the LAFCO of the County of Los Angeles and received a response from Paul A. Novak, Executive Officer. Mr. Novak reviewed the provisions of AB 1853 and concluded that there do not appear to be any provisions in the bill that would be impacted by the law governing LAFCO's under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), which govern the formation of districts.

He explained that Government Code Section 56036 defines "district" or "special district" to be "any agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries…." Although the definition could apply to a retirement system, it appears the act was never intended to cover retirement systems. Mr. Novak noted that the intent of AB 1853 appears to enable a retirement system to act independently of its "home" county by becoming a "district" that is a distinct entity from the home county rather than establish a new jurisdictional boundary. As such, the concept of a county retirement system as a district is incongruous with a LAFCO's jurisdictional authority over a district's boundaries and the services they provide.

Mr. Novak asked staff to consider raising this issue with the author of AB 1853 to clarify whether a LAFCO would have authority over the services and jurisdictional authority of a retirement system that becomes a district. Staff forwarded Mr. Novak's response to the Chair of the Legislative Committee of the State Association of County Retirement Systems, which is sponsoring the bill.

Reviewed and Approved:

Steven P. Rice, Chief Counsel

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FOR INFORMATION ONLY

May 31, 2016

TO: Each Member
Board of Retirement

FROM: Steven P. Rice SPR
Chief Counsel

Robert Hill RPH
Assistant Executive Officer

FOR: June 9, 2016 Board of Retirement Meeting

SUBJECT: **Update on Superior Court OPEB Program**

This memorandum will provide background for the Board of Retirement in connection with future Board action items and monitoring with respect to the OPEB Program for retiree health care and associated benefits provided to retired employees of the Los Angeles County Superior Court. No action is required at this time.

1. **Funding and Investment**.

Historically, while the Court began its separation from the County with funding legislation in 1997, eligible retired Court members have continued to participate in the OPEB Program through the County of Los Angeles. This means that funding has flowed through the County. Recently, the County has expressed its desire to take steps to make clear that it has no financial liability for the Court's portion of the program. With the support and encouragement of the County, the Court has decided to begin to prefund its OPEB obligations.

The main structural change on the funding side is the creation of an OPEB Trust for the Court on the same terms as the County OPEB Trust established in 2012. The Court Trust was approved by the Board of Investments on April 13, 2016, and will be funded initially with approximately $5 million no later than June 30, 2016 and an additional $21.9 million to follow over the next several months. Unlike the County and LACERA, the Court does not intend to adopt a formal prefunding plan at this time, and will make deposits to the Trust as funds become available.

To be clear, the benefits to be funded by the Court are exactly the same OPEB Program benefits that have been offered in the past. As will be discussed in the next section of this memo, there will be absolutely no change in the benefits provided or the way in which they are administered by LACERA.

As Trustee of the Court Trust, the Board of Investments will manage the trust funds pursuant to an Investment Policy Statement (IPS) providing a similar asset allocation to that used for the County Trust. The Board of Investments is scheduled to act on LACERA staff's proposed IPS on June 8, 2016.

To facilitate efficient management and investment of the new Court Trust and the existing County Trust, LACERA staff has proposed to the Board of Investments that a Master Trust be formed in which the funds of the two trusts can be commingled and managed as a pool. The pooled funds will then be invested in asset composites which will be unitized, with the individual trusts holding units of the various composites according to their individual asset allocations. The Board of Investments is scheduled to review and act upon the Master Trust/unitized fund structure proposal at its June 8, 2016 meeting.

The Court Trust will pay its own expenses of administration. It will also have separate financial statements and actuarial valuations.

2. Benefit Program.

OPEB Program benefits are administered by LACERA's Retiree Health Care Division and overseen by the Board of Retirement. Although LACERA has the 1982 and 1994 Agreements with the County for administration of the program, the Court is not a party to these agreements. LACERA staff and outside counsel are now preparing a proposed Administration Agreement to be entered into with the Court.

The purpose of the agreement is to document LACERA's administrative responsibilities with respect to the OPEB Program insofar as it relates to Court participants. The need for such an agreement flows from the Board of Investments' responsibilities under the Court OPEB Trust, which is created to fund the Court's OPEB Program. The Administration Agreement will formally define the program with respect to Court participants.

A clear understanding with the Court as to LACERA's responsibilities is also important because LACERA does not have a long relationship and course of direct dealing with the Court on OPEB issues as LACERA has with the County. In order to prevent confusion and manage LACERA's risk now that the County and the Court are separating their financial responsibilities for the OPEB Program, a written agreement is necessary.

The proposed Administration Agreement will likely be presented to the Insurance, Benefits and Legislation Committee in July 2016, and thereafter to the full Board of Retirement.

The Administration Agreement will create no new benefits. The program to be administered for Court members will be defined in the Agreement as exactly the same program they have participated in the past; it is not a new or different program in any way. The Administration Agreement also will explicit in stating that it does not impose any new administrative burdens on the Retiree Health Care Division or the Board of Retirement. The program will continue to be administered by RHC and the Board exactly as it has been in the past.

The Administration Agreement with the Court will not change the 1982 or 1994 Agreements with the County. The Administration Agreement will provide that the 1982 and 1994 Agreements shall be used to interpret the Administration Agreement and that, in the event of a conflict, the 1982 and 1994 Agreements, and the practices utilized thereunder, shall prevail with respect to the Court.

3. Conclusion.

Staff can answer questions related to the developments and plans discussed above. A full discussion will also take place when the Administration Agreement is presented to the IBLC and the full Board of Retirement at future meetings.

SPR:dd

Reviewed and Approved

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Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

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