

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, SEPTEMBER 6, 2017

*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. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of August 2, 2017
 - B. Approval of the Minutes of the Regular Meeting of August 10, 2017
- IV. REPORT ON CLOSED SESSION ITEMS
- V. OTHER COMMUNICATIONS
 - A. For Information
 - 1. July 2017 All Stars
 - 2. Chief Executive Officer's Report
(Memo dated August 28, 2017)
- VI. PUBLIC COMMENT
- VII. CONSENT AGENDA
 - A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
 - B. Request for an administrative hearing before a referee.

VII. CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for a service-connected disability retirement in the case of **Diana Cazares**. (Memo dated August 22, 2017)
- D. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for an earlier effective date in the case of **Duane G. Johnson**. (Memo dated August 24, 2017)
- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Toigo Groundbreakers Summit: Women in Leadership on October 27, 2017 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated August 28, 2017)
(Placed on the agenda at the request of Ms. Gray)
- F. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the USC Marshall School of Business and NACD Southern California Chapter at the annual Corporate Directors Symposium on November 8, 2017 in Los Angeles and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated August 30, 2017)
(Placed on the agenda at the request of Ms. Gray)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted Alan Bernstein, Operations Oversight Committee Chair: That the Board approve the purchase of Fiduciary Liability Insurance effective October 6, 2017 with the Hudson Insurance Company insurance carrier. (Memo dated August 7, 2017)
- B. Recommendation as submitted by William de la Garza, Insurance, Benefits and Legislative Committee Chair: That the Board adopt a "Support" position on Senate Bill 915, which would enact the "Social Security Fairness Act of 2017." (Memo dated August 10, 2017)

VIII. NON-CONSENT AGENDA (Continued)

- C. Recommendation as submitted by William de la Garza, Insurance, Benefits and Legislative Committee Chair: That the Board adopt a “Support” position on H.R. 1205, which would enact the “Social Security Fairness Act of 2017.” (Memo dated August 10, 2017)
- D. Recommendation as submitted by Bernie Buenaflor, Division Manager, Benefits Division: That the Board 1) Determine, based upon medical evaluation conducted June 8, 2017, that Jill L. Gottlieb is not incapacitated for the duties assigned to her in the position of Mental Health Clinical Supervisor; and, 2) Grant the application of Jill L. Gottlieb for reinstatement to active membership. (Memo dated August 10, 2017)
- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board review the October 2017 meeting schedule and consider rescheduling the Wednesday, October 4, 2017 meeting. (Memo dated August 10, 2017)

IX. FOR INFORMATION ONLY

- A. Presentation and Report as submitted by Gregg Rademacher, Chief Executive Officer, regarding Los Angeles County Other Postemployment Benefits Program – Experience Study and Actuarial Valuation. (Memo dated August 21, 2017)

(Privileged and Confidential Memo Dated August 28, 2017 for Board members only)*
- B. For Information Only as submitted by John Nogales, Director Human Resources, regarding Board Secretary Classification Study. (Memo dated August 29, 2017)
- C. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the 2018 Star Cola Program. (Memo dated August 18, 2017)
- D. For Information Only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated August 25, 2017)

- X. REPORT ON STAFF ACTION ITEMS
- XI. GOOD OF THE ORDER
(For information purposes only)
- XII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR
- XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION
 - A. Applications for Disability
 - B. Referee Reports
 - C. Staff Recommendations
 - 1. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board adopt the Proposed Findings of Fact and Conclusions of Law granting **Peggy A. Foster** a service-connected disability pursuant to Government Code section 31720. (Memo dated August 22, 2017)
 - 2. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board grant **Michelle D. Wright** the option of an earlier effective date pursuant to Government Code Section 31724. (Memo dated August 25, 2017)
 - 3. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the service provider invoice for Gutierrez, Preciado & House, LLP. (Memo dated August 3, 2017)
- XIV. CLOSED SESSION
 - A. Conference Legal Counsel - Pending Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)
 - 1. United States of America v. Gary Ordog
Case No. CV 17-1664-FMO (C.D. Cal.)
 - 2. Sarah Marks v. LACERA (For Information Only)
Case No. BC598957 (L.A. Super.)
Case No. B281110 (Ct. App. 2nd Dist.)

XIV. CLOSED SESSION (Continued)

- B. 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 Trudy Olins

XV. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

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

MINUTES OF THE REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, AUGUST 2, 2017

PRESENT: Vivian H. Gray, Vice Chair

Marvin Adams

Anthony Bravo

Alan Bernstein

Keith Knox (Chief Deputy to Joseph Kelly)

David Muir

Ronald A. Okum

William Pryor (Alternate Member)

ABSENT: William de la Garza, Secretary

Shawn R. Kehoe, Chair

Joseph Kelly

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

John Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Ricki Contreras, Division Manager
Disability Retirement Services

STAFF ADVISORS AND PARTICIPANTS (Continued)

Tamara Caldwell, Specialist Supervisor
Disability Retirement Services

Francis J. Boyd, Senior Staff Counsel
Legal Division

Jason E. Waller, Senior Staff Counsel
Disability Litigation

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

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

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of July 5, 2017.

Mr. Okum made a motion, Mr. Adams seconded, to approve the minutes of the regular meeting of July 5, 2017. The motion passed with Mr. Knox abstaining.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. CONSENT AGENDA

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

- A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
- B. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for a service connected disability retirement in the case of **Luz V. Cazares**. (Memo dated July 18, 2017)

VII. FOR INFORMATION ONLY

The following item was received and filed.

- A. For information only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated July 19, 2017)

VIII. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

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

Mr. Rademacher recognized and congratulated LACERA staff members, Ruby Grundy and Nora Jackson on their recent retirement.

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement
Service-Connected Disability Applications

On a motion by Mr. Bernstein, seconded by Mr. Pryor, the Board of Retirement approved a service-connected disability retirement for the following named employees

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Continued)
Service-Connected Disability Applications

who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
672C*	DANIEL G. BROWNELL
673C	JOSE F. ARGUELLO
674C**	KIMBERLY A. FELLERS
675C	WILLIAM T. CICCHILLO
676C***	LOUIS DURAN
677C	PATRICK B. LYONS
678C	SAMUEL L. JONES II
679C	RALPH A. RUEDAS
680C	SHERRY M. GIBSON
681C	GREGORY E. MAHOOD
682C***	LYNN D. MURRAY

* Granted SCD – Retroactive Since Employer Cannot Accommodate

** Granted SCD – Employer Cannot Accommodate

*** Granted SCD – Retroactive

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Continued)
Service-Connected Disability Applications

<u>APPLICATION NO.</u>	<u>NAME</u>
683C	CHRISTOPHER A. PUETZ
684C	HECTOR M. RODRIGUEZ
685C	JOHN E. GRISBACH
686C	JEFRREY S. LESLIE

Safety-Fire, Lifeguard
Service-Connected Disability Applications

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

<u>APPLICATION NO.</u>	<u>NAME</u>
1885A	FRANK N. LOAIZA
1886A	JAMES M. WOLF
1887A	MARK R. LEPORE
1888A	JOHN F. LENIHAN

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR
General Members
Service-Connected Disability Applications

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

<u>APPLICATION NO.</u>	<u>NAME</u>
2733B*	FLORENCE I. OBASI
2734B*	CRISTINA J. SANTIAGO
2735B**	HWA L. GINANTO
2736B***	STANLEY L. WELDON
2737B****	CARLOS PEREZ
2739B	DIANE M. LUNA
2740B*	MICHELLE D. WRIGHT
2741B	RASHEL KESHMIRI

* Granted SCD – Employer Cannot Accommodate

** Granted SCD – Retroactive

*** Granted SCD – Present

**** Granted SCD – Salary Supplemental

X. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

APPLICATION NO. & NAME

BOARD ACTION

2738B – DINA G. JOHNSON –
STERLING

Mr. Muir made a motion, Mr. Adams seconded, to grant a service connected disability retirement pursuant to Government Code Sections 31720 and 31724. The motion passed unanimously.

2742B – DEBORAH E. JOHNSON*

Mr. Pryor made a motion, Mr. Adams seconded, to grant a service connected disability retirement pursuant to Government Code Sections 31720.

Mr. Muir made a substitute motion, Mr. Bernstein seconded, to deny a service connected disability retirement.

Mr. Okum made a substitute motion, Mr. Muir seconded, to return to staff for additional information. The motion passed unanimously.

6955A – MAGDALENA T. AGUILAR

Mr. Okum made a motion, Mr. Knox seconded, to grant a non-service connected disability retirement pursuant to Government Code Sections 31720 and 31724 since the employer cannot accommodate. The motion passed unanimously.

6956A – OFELIA SANTOYO –
HURTADO

Mr. Okum made a motion, Mr. Pryor seconded, to deny a service connected disability retirement since the employer can accommodate. The motion passed unanimously.

* Applicant Present

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

<u>APPLICATION NO. & NAME</u>	<u>BOARD ACTION</u>
6957A – JANIS M. RAIFORD *	Mr. Muir made a motion, Mr. Pryor seconded, to grant a non- service connected disability retirement pursuant to Government Code Sections 31720 and 31724. The motion passed unanimously.
6958A – JUANITA A. MOSS	Mr. Okum made a motion, Mr. Muir seconded, to find the applicant not permanently incapacitated. The motion passed unanimously.
6959A – KIMBERLY D. TAYLOR*	Mr. Muir made a motion, Mr. Adams seconded, to grant a non-service connected disability retirement pursuant to Government Code Sections 31720 and 31724. The motion passed unanimously.
6960A – MYE’NICOLE S. REED	This case was pulled from the agenda by the request of the applicant.
6968A– LILIANA V. RIVAS	Mr. Bernstein made a motion, Mr. Pryor seconded, to grant a service connected disability retirement pursuant to Government Code Sections 31720 since the employer cannot accommodate. The motion passed with Mr. Okum abstaining.

* Applicant Present

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

6942A – BELISHIA E. MCGOWAN

Ms. Gray made a motion, Mr. Adams seconded, to grant a service connected disability retirement pursuant to Government Code Sections 31720 and 31724 since the employer cannot accommodate. The motion passed (roll call) with Messrs. Adams, Bravo, Bernstein, Muir and Ms. Gray voting yes and Messrs. Knox, Okum and Pryor voting no.

6952A – TRINA C. NEWMAN

Ms. Gray made a motion, Mr. Okum seconded, to deny a service connected disability retirement pursuant to Government Code Sections 31720 and 31724 and to find the applicant ineligible for a non-service disability retirement. The motion passed unanimously.

6910A – LUCIA A. GONZALEZ

Mr. Okum made a motion, Mr. Muir seconded, to grant a service connected disability retirement pursuant to Government Code Sections 31720 and 31724 since the employer cannot accommodate. The motion passed unanimously.

B. Referee Reports

APPLICATION NO. & NAME

BOARD ACTION

DONALD J. MCCARTER – Thomas L. Hoegh for the applicant
Allison E. Barrett for the respondent

Mr. Adams made a motion, Mr. Bernstein seconded, to deny a service connected disability retirement since the applicant is not permanently incapacitated. The motion passed unanimously.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

Nancy C. Yu, Deceased – Yu Zhang, Survivor for applicant
Yu Zhang, Survivor* Jason E. Waller for the respondent

Mr. Pryor made a motion, Mr. Adams seconded, to deny a service connected disability retirement with survivor benefits.

Mr. Pryor withdrew his motion.

Mr. Muir made a substitute motion, Mr. Adams seconded, to refer back to staff for additional information.

Ms. Gray made a substitute motion, Mr. Pryor seconded. The Board voted, under Rule 28(c) of LACERA's Procedures for Disability Retirement Hearings, to refer the appeal back to the referee. The referee is to instruct the parties to select an Agreed Medical Examiner from the Board's list of active-panel psychiatrists under Rule 18 of the hearing procedures. The motion passed with (roll call) with Messrs. Adams, Bravo, Muir, Pryor and Ms. Gray voting yes; and Messrs. Knox and Bernstein voting no and Mr. Okum abstaining.

* Applicant's Spouse Present

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

C. Staff Recommendation

1. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board reject the application of **Sheila Emanuel** for processing.
(Memo dated July 20, 2017)

Mr. Adams made a motion, Mr. Muir seconded, to approve the following agenda item. The motion passed unanimously.

2. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the 2017 Quarterly Reports of Paid Invoices. (Memo dated July 14, 2017) (For Information Only)

This item was for information only.

XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:56 a.m.

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

1. Retirement Board Listing dated August 1, 2017

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR

MINUTES OF THE 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, AUGUST 10, 2017

PRESENT: Shawn R. Kehoe, Chair

 Vivian H. Gray, Vice Chair

 Marvin Adams

 Alan Bernstein

 Anthony Bravo

 Keith Knox, (Chief Deputy to Joseph Kelly)

 Ronald A. Okum

ABSENT: William de la Garza, Secretary

 Joseph Kelly

 David L. Muir (Alternate Retired)

 William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

John Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Barry W. Lew, Legislative Affairs Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

John Nogales, Director of Human Resources

Michael Herrera, Senior Staff Counsel

Johanna Fontenot, Senior Staff Counsel

I. CALL TO ORDER

The meeting was called to order by Chair Kehoe at 9:04 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

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

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of July 13, 2017

Mr. Adams made a motion, Ms. Gray seconded, to approve the regular meeting minutes of July 13, 2017. The motion passed with Mr. Kehoe and Mr. Knox abstaining.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. OTHER COMMUNICATIONS

A. For Information

1. June 2017 All Stars

Mr. Popowich announced the eight winners for the month of June: Glen Musson,

V. OTHER COMMUNICATIONS

A. For Information (Continued)

Christina Tung, Courtney Cook, Anh Huynh, Steve Salinas, Eduardo Ascencio, Eddie Paz and Linda Ghazarian for the Employee Recognition Program and Gina Massarotti for the Webwatcher Program. Alisa M. Gavaller, Steven Alexander, Iveta Brecko, and James Hepker were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report (Memo dated August 1, 2017)

Mr. Rademacher provided a brief overview of his Chief Executive Officer's Report with a quick update on what transpired at the previous Board of Investments meeting.

(Board of Investments minutes are available to view on LACERA's Website

www.lacera.com.)

Mr. Rademacher recognized several Board members for their service on LACERA's Boards. Mr. Ronald Okum, Mr. Anthony Bravo, Mr. David Muir and Mr. William De la Garza were recognized for their term ending in 2017 on the Board of Retirement.

Mr. Rademacher also recognized newly elected Board members, Mr. Herman Santos, Mr. Les Robbins and Mr. JP Harris to the Board of Retirement.

Mr. Rademacher thanked the Systems Division for their continuous hard work.

VI. PUBLIC COMMENT

There were no requests from the public to speak.

VII. CONSENT AGENDA

Ms. Gray made a motion, Mr. Okum seconded, to approve the following agenda items. The motion passed unanimously.

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at NACD's Advanced Director Professionalism Foundation Course on December 4-5, 2017 in Miami, Florida, approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy, and approve the payment of NACD Individual Director Membership fees. (Placed on the agenda at the request of Mr. Kehoe)

- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Intelligence Support Systems World America's Conference on September 11-13, 2017 in Washington, D.C. and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Bernstein)
(Memo dated July 25, 2017)

- C. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Nossaman's Public and Investments Fiduciaries' Forum conference on November 30 – December 1, 2017 in San Francisco, California, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated July 26, 2017)
(Placed on the agenda at the request of Mr. Muir)

- D. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Public Pension Trustees Fiduciary Conference on October 3 – 4, 2017 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.
(Memo dated July 26, 2017) (Place on agenda at the request of Ms. Gray)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by William de la Garza, Chair, Insurance, Benefits & Legislative Committee: That the Board approve a “Watch” position on Assembly Bill 526, which provides for the Sacramento County Employees’ Retirement System to become a district.
(Memo dated May 19, 2017) (Supplemental Memo dated May 19, 2017)

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

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

- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board direct management to join the Represented Employees in signing the Memorandums of Understanding incorporating the Tentative Agreements for LACERA Administrative, Technical, Clerical, and Blue Collar Bargaining Unit (Unit 850) and LACERA Supervisory Bargaining Unit (Unit 851). The Memorandums of Understanding will be effective January 1, 2017 through December 31, 2019. (Memo dated July 31, 2017)

Messrs. Rademacher, Popowich and Nogales were present to answer questions from the Board.

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

- C. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve salary adjustments for the LACERA's Non-Represented and Management Appraisal and Performance Plan (MAPP) classes to mirror those salary adjustments granted to LACERA Represented Employees. (Memo dated July 31, 2017)

Messrs. Rademacher, Popowich and Nogales were present to answer questions from the Board.

VIII. NON-CONSENT AGENDA (Continued)

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

IX. REPORT ON STAFF ACTION ITEMS

There was nothing to report.

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

Mr. Kehoe thanked the following Board members for their service on the Board of Retirement, Messrs. De la Garza, Muir, Okum and Bravo. Mr. Kehoe also asked to adjourn the meeting in honor of Los Angeles County Sheriff's Deputy, Michael Haak.

XI. EXECUTIVE SESSION

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

1. United States of America v. Gary Ordog
Case 2:17-CV-01664-FMO

The Board met in Executive Session pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report at this time.

B. Conference with Legal Counsel - Anticipated Litigation
Initiation of Litigation (Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

1. Number of Cases: 1

August 10, 2017

Page 7

XI. EXECUTIVE SESSION (Continued)

The Board met in Executive Session pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9. Ms. Gray made a motion, Mr. Adams seconded, the Board voted 7-0 to authorize the Legal Division to prepare an amicus brief in the case of *Cal Fire Local 2881 v. CalPERS et al.*, Case No. S239958. Messrs. Adams, Bravo, Bernstein, Kehoe, Knox and Okum and Ms. Gray voted yes in favor of the motion.

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

1. LACERA Legislative Report – Other (Dated August 10, 2017)
2. LACERA Legislative Report - Bills Amending CERL/PEPRA (Dated August 10, 2017)
3. Article from PERS – Public Agency Coalition (PAC) Publication, *The Alert* (Memo dated July 28, 2017)

XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was Adjourned in honor of Los Angeles County Sheriff's Deputy, Michael Haak at 9:46 a.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR



August 28, 2017

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.

Defensive Driving Training for Member Services & Administrative Services Staff

LACERA's most valuable resource is our caring staff who give their all to Produce, Protect and Provide the Promised Benefits to our members. We are committed to ensuring staff have all the tools and resources they need to perform their jobs safely.

The Member Services Outreach staff travel throughout the County providing workshops, benefit tables, hospital visits, and one-on-one support to survivors and beneficiaries of deceased active members. There are 16 Outreach team members who provide these services, and at any given time, as many as three to seven staff could be traveling throughout the County providing services to members. The Administrative Services division, also has two messenger drivers that make daily trips to pick up mail at the Post Office and deliver message packages to the Hall of Administration as needed. Los Angeles County is a large county and staff can travel significant distances in often congested traffic conditions.

Each new MS Outreach and Administrative Services staff member whose job includes regular driving is provided defensive driving training to help ensure they develop safe driving habits and understand how to handle themselves in emergency situations. This year, all LACERA Outreach staff who provide services in the field, and the two messenger drivers from Administrative Services, will be participating in a four-hour National Safety Council Driver Safety Course on August 30th. This specially designed course helps participants define defensive driving, identify and recognize causes of collisions, and develop techniques for preventing collisions.

The Human Resources Employee Development Unit (EOD) will be providing this refresher course to all Outreach staff who work in the field, and the Administrative Services messenger drivers, every two years as part of our ongoing safety program. The EOD will also be looking at offering this class to any other LACERA staff who drive as a regular part of their normal job duties.

Survivor Income Benefits Mailing

LACERA will be mailing our annual Survivor Income Benefits reminder to all eligible Plan E participants the week of September 11, 2016.

Plan E members who are MegaFlex participants have the option of electing the County-administered Survivor Income Benefit (SIB), an optional life insurance plan available only to Plan E MegaFlex participants.

This is important as Plan E does not include pre-retirement death benefits through LACERA and MegaFlex participants are not eligible for continuing survivor benefits administered through the County. Members interested in enrolling in the County's Survivor Income Benefit may do so only during the annual enrollment period, October 1 through October 31. For additional information, members are to refer to the County's *MegaFlex 2018 Enrollment Highlights Guide*, mailed by the County to its employees, and to the County's online benefit web portal - mylacountybenefits.com.

Although LACERA does not administer the Survivor Income Benefit, we partner with the County in mailing the annual reminder to Plan E members before the enrollment period begins. A copy of the letter has been placed in your green folder.

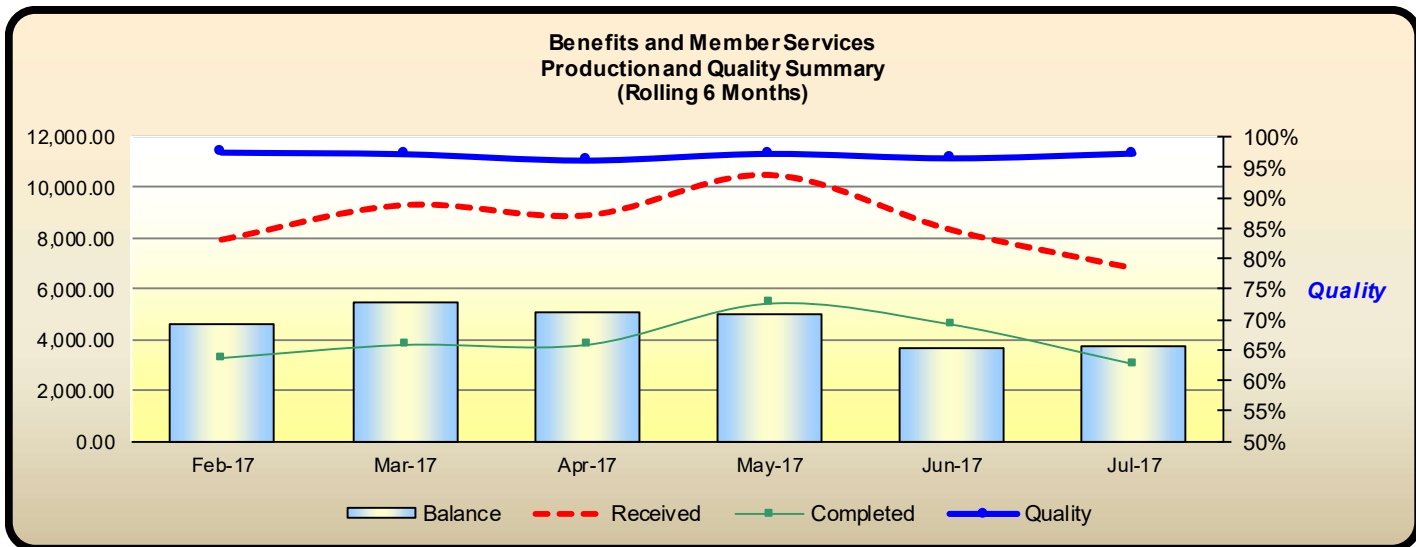
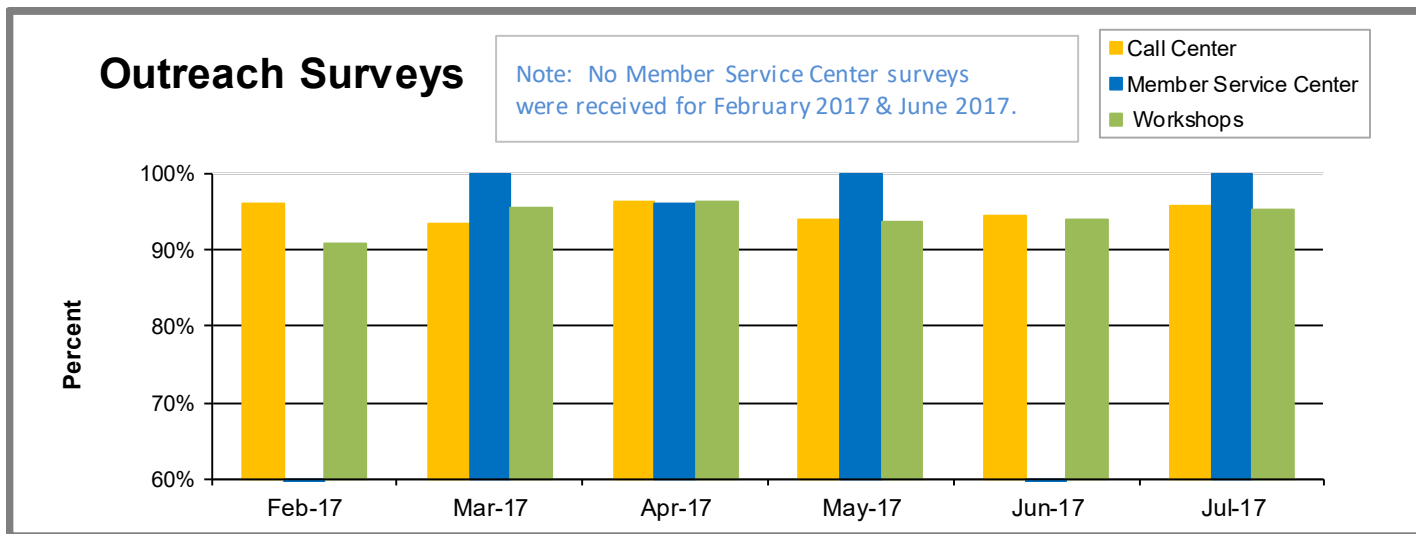
GR: jp
CEO report Sept 2017.doc

Attachments

LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE

Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	13	13	487	487
Mid Career	0	0	0	0
New Member	12	12	302	302
Pre-Retirement	5	5	139	139
General Information	1	1	100	100
Retiree Events	0	0	0	0
Member Service Center	Daily	Daily	1,290	1,290
TOTALS	31	31	2,318	2,318



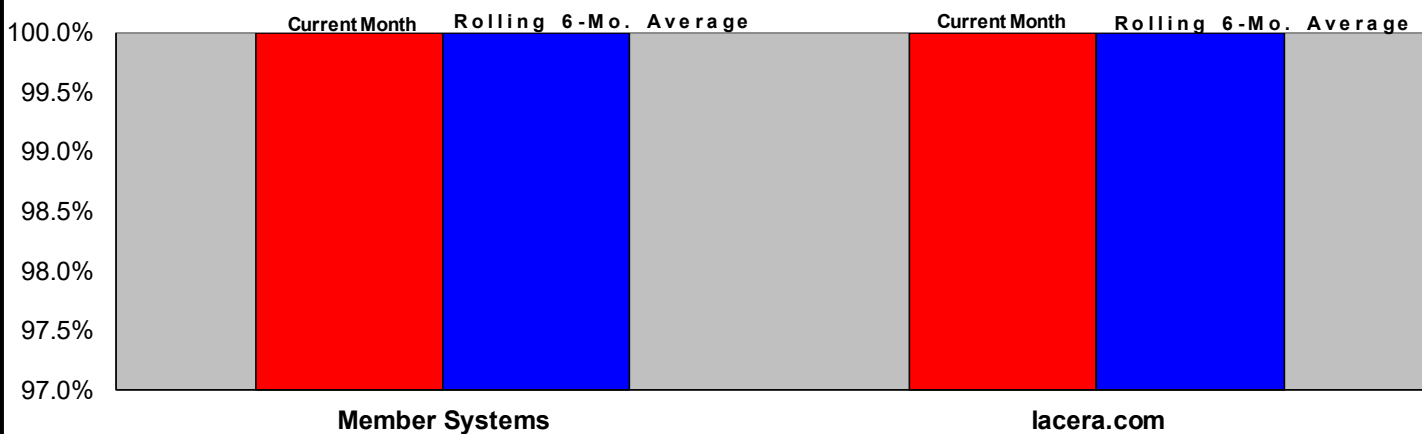
Member Services Contact Center		RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)	91.92%		
Category	Goal	Rating	
Call Center Monitoring Score	95%	91.42%	98%
Grade of Service (80% in 60 seconds)	80%	57%	54%
Call Center Survey Score	90%	98.84	xxxxx
Agent Utilization Rate	65%	70%	79%
Number of Calls	10,071	3,637	
Number of Calls Answered	9,281	3,375	
Number of Calls Abandoned	790	262	
Calls-Average Speed of Answer (hh:mm:ss)	00:01:53	00:02:20	
Number of Emails	297	116	
Emails-Average Response Time (hh:mm:ss)	05:02:24	(Days) 1	
			Member Services
			1) Workshop Inform./Appoints: Inquiry
			2) Benefit Pmts.: Gen. Inq. Payday Info
			3) Retirement Counseling: Estimate
			Retiree Health Care
			1) Medical Benefits - General Inquiries
			2) Medical-New Enroll./Change/Cancel
			3) Dental/Vision Benefits Gen. Inquiries
			Adjusted for weekends

LACERA's KEY BUSINESS METRICS

Fiscal Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assets-Market Value	\$40.9	\$38.7	\$30.5	\$33.4	\$39.5	\$41.2	\$43.7	\$51.1	\$51.4	\$50.9
Funding Ratio	93.8%	94.5%	88.9%	83.3%	80.6%	76.8%	75.0%	79.5%	83.3%	79.4%
Investment Return	19.1%	-1.4%	-18.2%	11.8%	20.4%	0.3%	12.1%	16.8%	4.3%	1.1%

DISABILITY INVESTIGATIONS						
APPLICATIONS	TOTAL	YTD		APPEALS	TOTAL	YTD
On Hand	589	xxxxxxx		On Hand	125	xxxxxxx
Received	51	51		Received	0	0
Re-opened	0	0		Administratively Closed/Rule 32	2	2
To Board – Initial	36	36		Referee Recommendation	1	1
Closed	6	6		Revised/Reconsidered for Granting	0	0
In Process	598	598		In Process	124	124

SYSTEMS AVAILABILITY - JULY 2017



Active Members as of 8/28/17		Retired Members/Survivors as of 8/28/17			Retired Members		
		Retirees	Survivors	Total			
General-Plan A	174	18,408	4,608	23,016	Monthly Payroll	263.00 Million	
General-Plan B	61	689	66	755	Payroll YTD	0.3 Billion	
General-Plan C	68	424	60	484	No. Monthly Added	265	
General-Plan D	45,120	12,985	1,209	14,194	Seamless %	99.25%	
General-Plan E	19,516	11,747	998	12,745	No. YTD Added	265	
General-Plan G	19,706	8	0	8	Seamless YTD %	99.25%	
Total General	84,645	Total General	44,261	6,941	51,202	Direct Deposit %	95.00%
Safety-Plan A	7	Safety-Plan A	5,637	1,572	7,209		
Safety-Plan B	10,751	Safety-Plan B	4,833	245	5,078		
Safety-Plan C	2,057	Safety-Plan C	3	0	3		
Total Safety	12,815	Total Safety	10,473	1,817	12,290		
TOTAL ACTIVE	97,460	TOTAL RETIRED	54,734	8,758	63,492		

Health Care Program (YTD Totals)		
	Employer Amount	Member Amount
Medical	39,610,402	3,341,967
Dental	3,519,374	363,247
Med Part B	4,676,798	xxxxxxxxxx
Total Amount	\$47,806,574	\$3,705,214

Health Care Program Enrollments (Monthly)	
Medical	48,818
Dental	49,893
Med Part B	32,405
Long Term Care (LTC)	722

Funding Metrics as of 6/30/16	
Employer Normal Cost	9.97%
UAAL	9.73%
Assumed Rate	7.25%
Star Reserve	\$614 million
Total Assets	\$47.8 billion

Member Contributions as of 6/30/16	
Annual Additions	\$458.7 million
% of Payroll	6.65%

Employer Contributions as of 6/30/16	
Annual Addition	\$1,443.1 million
% of Payroll	19.70%

Date	Conference
October, 2017	
3-4	Public Pension Trustees Fiduciary Conference New York, NY
16-18	PREA (Pension Real Estate Association) Annual Institutional Investor Real Estate Conference Chicago, IL
22-25	IFEBC (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Las Vegas, NV
23-25	CRCEA (California Retired County Employees Association) Fall Conference Emeryville, CA
27	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees DoubleTree Hotel San Jose
27	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits DoubleTree Hotel San Jose
29-November 1	NCPERS (National Conference on Public Employee Retirement Systems) Public Safety Employees Pension and Benefits Conference San Antonio, TX
November, 2017	
5-7	Pacific Pension Institute (PPI) Executive Seminar (PES) New Delhi, India
8-9	Institutional Limited Partners Association (ILPA) Summit New York, NY
8-10	Pacific Pension Institute (PPI) Asia Roundtable Mumbai, India
14-17	SACRS Burlingame, CA
30-Dec. 1	Nossaman’s Public and Investments Fiduciaries’ Forum San Francisco, CA
December, 2017	
4-5	NACD (National Association of Corporate Directors) Advanced Director Professionalism Foundation Course Miami, FL
6-7	International Corporate Governance Network (ICGN) Paris Conference Paris, England



August 23, 2017

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager
Disability Retirement Services

SUBJECT: **APPEALS FOR THE BOARD OF RETIREMENT'S MEETING
OF SEPTEMBER 6, 2017**

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

6954A	Etta M. Collier	In Pro Per	Deny SCD
6893A	Judit Harris	In Pro Per	Deny SCD - Employer Can Accommodate
2726B	Lida D. Cheng	Nathan F. Howser	Grant SCD – Option of Earlier Effective Date; Employer Cannot Accommodate
6955A	Magdalena T. Aguilar	In Pro Per	Deny SCD – Grant NSCD Option of Earlier Effective Date; Employer Cannot Accommodate
6952A	Trina C. Newman	In Pro Per	Deny SCD – Ineligible for NSCD
6958A	Juanita A. Moss	In Pro Per	Deny SCD

RC:kw

Memo. New Appeals.docx



August 22, 2017

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division

FOR: September 6, 2017 Board of Retirement Meeting

SUBJECT: **DISMISS WITH PREJUDICE THE APPEAL OF DIANA CAZARES**

Ms. Diana Cazares applied for service-connected disability retirement on January 5, 2016. On March 3, 2017, the Board denied her application for service-connected disability retirement.

Ms. Diana Cazares filed a timely appeal. On August 7, 2017, Ms. Cazares signed a voluntary withdrawal letter advising LACERA that she does not wish to proceed with her appeal.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Dismiss with prejudice Diana Cazares' appeal for service-connected disability retirement.

FJB: RC: mb

Cazares, Diana_inProPer_withdrawal.docx

Attachment

NOTED AND REVIEWED:




Francis J. Boyd, Sr. Staff Counsel

Date: 8/24/17



August 24, 2017

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager 
Disability Retirement Services

FOR: September 6, 2017 Board of Retirement Meeting

SUBJECT: **DISMISS WITH PREJUDICE THE APPEAL OF DUANE G. JOHNSON**

Mr. Duane G. Johnson applied for a service-connected disability retirement on July 8, 2015. On November 2, 2016, the Board granted his application for a service-connected disability retirement.

Mr. Johnson filed a timely appeal regarding the effective date of his service-connected disability retirement. On August 24, 2017, Mr. Johnson signed a voluntary withdrawal letter advising LACERA that he does not wish to proceed with his appeal.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Dismiss with prejudice Duane G. Johnson's appeal for an earlier effective date.

FJB: RC: mb

Johnson, Duane G_withdrawal.doc

Attachment

NOTED AND REVIEWED:



Francis J. Boyd, Sr. Staff Counsel

Date: 8/25/17



August 28, 2017

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Retirement Meeting of September 6, 2017

SUBJECT: Toigo Groundbreakers Summit: Women in Leadership
October 27, 2017 in New York, New York

The Toigo Groundbreakers Summit: Women in Leadership will be held on October 27, 2017 at Time Warner Center in New York, New York. Toigo's forum is designed to bring together a combination of featured speakers with great leadership skills training, offering a setting of dynamic exchange with very smart and savvy peers. It is a one-day gathering of 200+ amazing leaders from finance, philanthropy, media and more.

The main conference highlights include the following:

- In the Lead: Find Your Circle of Strength
- Career Crossroads: Why Leaders Stay and Go
- Negotiations Workshop Session
- Claiming Your Power

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rate at The Sheraton New York Times Square Hotel is \$305 per night plus applicable taxes and the registration fee is \$300.00.

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 Toigo Groundbreakers Summit: Women in Leadership on October 27, 2017 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

GR/lg
Attachment



10.27.17

10 ON THE PARK CONFERENCE CENTER
TIME WARNER CENTER
NEW YORK

MENU

PROGRAM

ON THE AGENDA: FRIDAY, OCTOBER 27, 2017

8:00 – 9:00 am **Registration & Networking Breakfast**

8:50 – 8:55 am **Welcome: Get Ready to Break New Ground**

8:55 – 9:00 am **In the Lead: Circle of Strength**
Groundbreaker MC: [Ali Wentworth](#)
Actress, Author, Comedian & Producer

Proof that humor and a fresh perspective helps us view our work—and ourselves—differently, Toigo welcomes Ali Wentworth back to the stage as our Groundbreakers 2017 master of ceremonies. As our guide for the day, Ali weaves her own keen observations, warmth and a lot of levity into our leadership topics. Careers, community, family, failure and outrageous success, nothing is out of bounds for this actress, comedian, author, and producer.

9:00 – 9:45 am **In the Lead: Find Your Circle of Strength**
The elegance, simplicity and strength of a circle is unparalleled—making it the perfect metaphor for our “**In the Lead**” TED-style discussions. Discover how others have forged their own circles of strength and how, when challenged, they’ve rebuilt and become even stronger. In the Lead is an opportunity to stretch our thinking, challenge our beliefs and dispel long-held myths about ourselves and others.

[Ana Navarro](#)

Republican Strategist & Political Commentator
CNN, CNN en Español, ABC News, Telemundo, The View

When Nicaraguan-American Republican strategist and political commentator Ana Navarro denounced her political party and leader (then presidential nominee Donald Trump) for his actions and comments about women, she had a national audience. She

then topped her brave breach of loyalty by voting for the leader of the opposing party (Clinton). Finding your courage and voice in face of mounting issues is a challenge each of us faces—albeit usually not before a national audience of millions. And the aftermath can be equally challenging. Listen in as Navarro shares her story and lessons learned.

[Luvvie Ajayi](#)

Activist & Author, *I'm Judging You: The Do Better Manual*

Founder, AwesominglyLuvvie.com; Founder, The Red Pump Project

Known as the Olivia Pope of social media for fixing eLives and inspiring students at her popular, frequently sold-out classes, Luvvie is an activist, blogger, brander, digital marketing and nonprofit communications pro. With her privilege exercise, she'll help us understand the power we walk into rooms with, and how it can affect dynamics and relationships in a work environment. We'll then learn how to use that power to speak the truth—regardless of the obstacles.

In the Lead: Third Speaker

Invitation is out—we'll keep you posted once confirmed.

9:45 – 10:35 am

In the Lead Exchange: Audience Q&A

Moderated by Ali Wentworth

Past Groundbreakers attendees have described the “In the Lead” speaker exchange as the most inspiring gab session—ever. Listen in as Ali Wentworth chats with and challenges our morning guests to share more insights and inspiration.

10:35 – 11:05 am

Networking Break: “In the Lead” Meet & Greet

11:00 am – 12:15 pm

Negotiations Workshop Session

[Professor Jeanne Brett](#)

DeWitt W. Buchanan, Jr. Distinguished Professor of Dispute Resolution and Organizations, Kellogg School of Management, Northwestern University

Your state of mind matters when negotiating for what you want. Professor Jeanne Brett will lead us in a productive, interactive workshop on negotiations. Tapping a 25+ year track record teaching negotiations and arbitration techniques, Jeanne will show us how we can shift from being monetary-mindset negotiators to interest-driven negotiators. It's a shift that will transform the way you think and interact at work, at home, and beyond. She'll explore important areas of negotiations, including where women often stumble, how cultural influences factor into the mix and more. She'll then arm us with the tools to teach those we work with how to put the interests mindset first and foremost.

12:15 – 1:30 pm

Power Lunch: Keynote and Q&A

Sarah Robb O'Hagan

Author, *Extreme You: Step Up. Stand Out. Kick Ass. Repeat*; and CEO, Flywheel Sports

Executive, activist and entrepreneur, Sarah Robb O'Hagan has been called everything from "Superwoman undercover" to the "Pied Piper of Potential." A high-energy combination of disruptive business leader, fitness fanatic, and cheerleading mom, Sarah started a movement she calls Extreme Living. Provoked by the cultural shift that gave us kids with shelves of participation trophies, unfounded expectations in the workplace and tragically suppressed potential, she has created a manifesto for change. Her book, **Extreme You** provides the tools and support to discover their most exploitable traits, take big risks, deal with big failures and kick ass all the way to success. It is an inspiring and fiercely practical roadmap for Groundbreakers in the room and the teams and organizations they lead to get the most out of their own unique capabilities.

1:30 – 1:40 pm

Afternoon Stretch

1:40 – 2:30 pm

Career Crossroads: Why Leaders Stay—and Go

Suzanne Donohoe

Member & Head of Client and Partner Group, KKR

With Toigo's 2017 [Career Crossroads](#) study findings as a spring board, we'll explore the issues prompting professionals to explore new career opportunities beyond finance. What's real and what's headline hype? Is talent simply adopting a "grass is greener" mindset or are there fundamental disconnects between what rising leaders are seeking and what finance firms deliver. Issues ranging from a feeling of inclusion—and having work and personal values be more closely aligned—will be debated from different viewpoints. Learn why some firms do not recognize misalignment between talent recruitment and retention efforts, and what we can do to build on positive elements to create a strong, engaging culture of inclusion.

2:30 – 4:00 pm

Claiming Your Power: 10 Coins

Susan Hodgkinson

Principal, The Personal Brand Company

Author, *The Leader's Edge: Using Personal Branding to Drive Performance and Profit*

Where does it come from—the origins of power and gender around the world: men and women? Susan Hodgkinson is back—by popular demand. She'll take us through an engaging exploration and exercises of power as a dynamic in roles and responsibilities at work. We'll dive into power and ambition as a dynamic on your team:

Who's right? Who's wrong? And we'll look at when power is used to destabilize women. Through interactive exercises, the dynamic will become clear—and you'll leave armed with 10 coins and a rich trove of techniques and skills for leading like a true Groundbreaker.

4:00 – 4:10 pm

Closing Remarks

Nancy Sims

President, Toigo Foundation



August 30, 2017

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Retirement Meeting of September 6, 2017

SUBJECT: USC Marshall Corporate Directors Symposium
November 8, 2017 in Los Angeles, California

The National Association of Corporate Directors (NACD) - Southern California Chapter and USC Marshall School of Business present Navigating in Chaotic Times: Board Leadership Matters on November 8, 2017 at the California Club in Los Angeles, California. The event will provide you with the opportunity to meet with experts and board colleagues from throughout the West and examine today's turbulent times and the impact of steady board leadership in steering challenges.

The main conference highlights include the following:

- Compensation Roundtable
- Artificial Intelligence/Robotics
- Public Policy/Talent Management
- Energy/Material Science
- Audit/Risk Roundtable

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The registration fee to attend is \$675.00.

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 USC Marshall Corporate Directors Symposium on November 8, 2017 in Los Angeles, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

GR/lg
Attachment



USC Marshall Corporate Directors Symposium

Wednesday, November 8, 2017 The California Club, 538 S. Flower Street, Los Angeles	
TIME	DETAILS
8:00 a.m. - 8:50 a.m.	Nominating / Corporate Governance Roundtable
8:00 a.m. - 8:50 a.m.	Compensation Roundtable
8:00 a.m. - 8:50 a.m.	Audit / Risk Roundtable
9:00 a.m. - 9:50 a.m.	Cyber Roundtable
9:00 a.m. - 9:50 a.m.	D&O
9:00 a.m. - 9:50 a.m.	Crisis Management
10:00 a.m.	Welcome and Symposium Overview
10:15 a.m. - 11:00 a.m.	Tim Armour - Opening Keynote Speaker
11:10 a.m. - 12:10 p.m.	Breakout Session #1 - Mobility / Autonomous Vehicles
11:10 a.m. - 12:10 p.m.	Breakout Session #2 - Energy / Material Science
12:15 p.m. - 1:15 p.m.	<i>Lunch / Lunch Keynote Presenter</i>
12:30 p.m. - 1:15 p.m.	Lunch Keynote Speaker
1:25 p.m. - 2:25 p.m.	Breakout Session #3 - Artificial Intelligence / Robotics
1:25 p.m. - 2:25 p.m.	Breakout Session #4 - Genomics / Health Personalization
2:25 p.m. - 2:45 p.m.	<i>Afternoon Session Break</i>
2:45 p.m. - 3:45 p.m.	Plenary Panel - Public Policy / Talent Management
3:50 p.m. - 4:35 p.m.	Ron Sugar - Closing Keynote Speaker
4:35 p.m. - 4:45 p.m.	Symposium Wrap Up / Closing Comments
4:45 p.m. - 6:00 p.m.	Cocktail Reception / Appetizers



August 7, 2017

TO: Each Board Member
Board of Retirement

FROM: Operations Oversight Committee
Alan Bernstein, Chair
Anthony Bravo, Vice Chair
Joseph Kelly
Ronald Okum
David Muir, Alternate

FOR: September 6, 2017 Board of Retirement Meeting

SUBJECT: Fiduciary Liability Insurance Renewal

RECOMMENDATION

That the Board of Retirement approve the purchase of Fiduciary Liability Insurance effective October 6, 2017 with the following insurance carrier:

Fiduciary Insurance - **LACERA Trust Fund**

- Hudson Insurance Company
A.M. Best Rating: A, XV
Limit: \$25 million
Premium: \$199,500

EXECUTIVE SUMMARY

For nearly two decades, LACERA has been purchasing various types of insurance coverage to mitigate the risk of unforeseen damages. As part of this insurance, LACERA has been purchasing Fiduciary Liability Insurance for the organization to protect the Trust Funds against potential losses resulting from any breach of fiduciary duty claims. The current fiduciary insurance policy with Hudson Insurance Company is set to expire on October 6, 2017.

LACERA contracts with Kaercher Campbell & Associates Insurance (KCAIB) as our insurance broker. Their purpose is to research appropriate insurance plans, conduct

Fiduciary Liability Insurance Renewal
Board of Retirement
Page 2 of 4

competitive bidding processes, and provide recommendations on packages for LACERA to consider.

Based on the Procurement Policy, the Fiduciary Liability Insurance premium exceeds the CEO's signature authority of \$75,000 and requires Board approval prior to purchasing the policy. Fiduciary Insurance coverage will be purchased for all the OPEB Trust Funds during this renewal period; however, the cost of each coverage is below the threshold for the CEO's signature and the information about the selection is not included in this memorandum.

SELECTION

KCAIB's marketing strategy focused on obtaining the most comprehensive coverage for the most competitive price. To achieve the desired results, KCAIB sought quotes from various insurance carriers for LACERA's consideration.

The review team (team) consisted of representatives from the Administrative Services Division, Legal Office, and Executive Office. The team performed a comprehensive comparative analysis of each quotation for the Fiduciary Liability Insurance to determine the coverage that best protects the Trust Fund while still opting for the most competitive price.

Fiduciary Liability Insurance

Fiduciary Liability limits, retentions, and premiums are primarily based on the following factors, as of June 30, 2016:

- Amount of net plan assets - \$47.8 billion net position
- Number of participants – 165,575 members
- Funding status – 79.4% Funded Ratio

In order to protect the Trust Fund from liability due to a claim of breach of fiduciary duty, it is recommended LACERA obtain a plan with coverage of \$25 million. This is the same amount of coverage recommended and purchased in October 2016. The team reviewed changes to LACERA's plan assets and determined that even though the plan assets slightly decreased from the previous year, \$25 million remains the recommended coverage amount. To meet LACERA's insurance needs, KCAIB

Fiduciary Liability Insurance Renewal
Board of Retirement
Page 3 of 4

obtained quotes utilizing standard industry criteria which enabled them to successfully negotiate competitive options for renewal.

For this renewal, LACERA's current Fiduciary Insurance carrier, Hudson Insurance Company, has agreed to underwrite the \$25 million policy with the same premium as the expiring policy. Hudson Insurance Company's proposed premiums are lower than other carriers under consideration due to a multiple policy discount based on Hudson underwriting the OPEB Trust Fund Fiduciary policies as well.

Based on coverage requirements for LACERA's insurance program, Administrative Services and the Legal Division conducted a comparative analysis of each proposed carrier policy against the expiring policies using the following criteria:

- Thorough review of each policy (side-by-side comparison)
- Best protects the LACERA Trust Fund
- Cost (most comprehensive coverage for the most competitive price)

LACERA's evaluation team compared the proposed coverage policies, and determined Hudson Insurance Company's policy was more comprehensive than the other qualifying competitor. The team identified the following advantages offered by Hudson Insurance Company's proposal:

- Choice of legal counsel versus being required to use carrier panel counsel
- Cancellation - Non rescindable nor cancellable by Insurer during the policy year (except for nonpayment of premium)
- Coverage for Benefits Miscalculation (overpayment)

The following are the qualifying insurers that provided quotes of \$25 million coverage in a combined or single limit:

<u>Carrier</u>	<u>Coverage</u>	<u>Premium</u>
• Chubb/Hartford	Combined Limit	\$194,000/\$70,000
• Hudson	Single Limit	\$199,500

Fiduciary Liability Insurance Renewal
Board of Retirement
Page 4 of 4

The recommendation for the LACERA Trust Fund is to purchase the Hudson Insurance Company policy with policy limits of \$25 million.

ADDITIONAL PROTECTION

Waiver of Recourse

A waiver of recourse is an endorsement to a Fiduciary Liability Insurance policy that prevents an insurance carrier from exercising its subrogation rights against an insured fiduciary (Board Member/Employee). Unlike most other forms of insurance, under fiduciary liability policies, insurers have the right to exercise subrogation rights against insureds for non-willful or criminal acts.

Members of both Boards and specific staff may have some exposure to Fiduciary Liability since they make decisions that could affect all of the Trust Funds. Per Government Code Section 7511, Trust Fund assets cannot be used to purchase a Waiver of Recourse endorsement. The cost of this coverage is a flat fee of \$100.00 for each Trust Fund. The fee per person is dependent on the number of enrollees and will be determined and communicated to Board Members and Staff at a later date.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD approve the purchase of Fiduciary Liability Insurance effective October 6, 2017 with the following insurance carrier:

Fiduciary Insurance - **LACERA Trust Fund**

- Hudson Insurance Company
A.M. Best Rating: A, XV
Limit: \$25 million
Premium: \$199,500

August 10, 2017

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FOR: September 6, 2017 Board of Retirement Meeting

SUBJECT: **S. 915—Social Security Fairness Act of 2017**

Author: Brown [D]
Sponsor: Author and 8 co-sponsors
Introduced: April 24, 2017
Status: Referred to Senate Committee on Finance (04/24/2017)

IBLC Recommendation: Support (08/10/2017)
Staff Recommendation: Support

RECOMMENDATION

That the Board of Retirement adopt a “Support” position on S. 915, which would enact the “Social Security Fairness Act of 2017.”

LEGISLATIVE POLICY STANDARD

LACERA’s legislative policy standard is to support proposals that have a positive impact upon LACERA’s members (page 6). In addition, the Board Policy on Engagement (pages 2-3) provides that the Board has a full range of positions that may be lawfully taken to further Board objectives, including preventing adverse impact upon existing rights and interests. S. 915 would repeal the Windfall Elimination Provision and the Government Pension Offset, which reduce or eliminate the Social Security benefits that LACERA members may have earned through service with the County of Los Angeles before January 1, 1983 (the effective date that the County withdrew its employees from Social Security) or through employment outside of the County.

SUMMARY

S. 915 would repeal the Windfall Elimination Provision and the Government Pension Offset of the Social Security Act. S. 915 is identical to H.R. 1205, which was introduced in the United States House of Representatives.

ANALYSIS

Participation in Social Security by the County of Los Angeles

Prior to July 1, 1964. Employees of the County were not covered under Social Security because the County did not participate in Social Security.

July 1, 1964 through December 31, 1982. The County elected to participate in the Social Security system effective July 1, 1964. General members who were hired before July 1, 1964 were given the option to elect Social Security coverage and pay Social Security taxes retroactive to January 1, 1959. General members who were hired on or after July 1, 1964 were mandatorily covered under Social Security. Safety members were never participants under Social Security.

After January 1, 1983. The County withdrew its participation from Social Security effective January 1, 1983. As a result, some LACERA members may not have earned sufficient credits under County employment to be fully insured under Social Security, unless they had other employment that was covered by Social Security.

Windfall Elimination Provision (WEP)

Social Security benefits are designed to replace a percentage of a worker's pre-retirement earnings. A Social Security benefit is calculated by separating average monthly earnings into three amounts known as "bend points." Each bend point is multiplied by a percentage, and the total of the three amounts is the Social Security benefit.

For example, in 2017, the first \$885 of average monthly earnings is multiplied by 90 percent, earnings between \$885 and \$5,336 are multiplied by 32 percent, and the earnings over \$5,336 are multiplied by 15 percent.

For workers who qualify for a pension from a government employer that does not participate in Social Security, the percentage that is multiplied against the first \$885 of average monthly earnings is reduced from 90 percent to as low as 40 percent, based on years of substantial earnings. Those who have 30 years or more of substantial earnings do not see a reduction of the 90-percent factor. Note that to protect workers who receive a low government pension, the reduction of the Social Security benefit under the WEP cannot exceed more than one-half of the worker's government pension amount.

Government Pension Offset (GPO)

Under the GPO, dependent benefits paid by Social Security to a spouse, widow, or widower would be offset by two-thirds of the government pension paid to that person. Therefore, in some cases, if a person receives a government pension and two-thirds of the pension is greater than his or her own Social Security dependent benefits, the GPO will completely eliminate the Social Security dependent benefit.

Conclusion

For LACERA members who are eligible for a pension, the WEP and GPO reduce and in some cases eliminate the Social Security benefits that they earned through covered employment with the County of Los Angeles or become eligible for through their spouses. LACERA has traditionally supported legislation to repeal the WEP and GPO as well as resolutions by the California legislature urging the President and Congress of the United States to repeal the provisions.

IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE recommend that the Board of Retirement adopt a “Support” position on S. 915, which would enact the “Social Security Fairness Act of 2017.”

Attachments

Attachment 1—Board Positions Adopted on Related Legislation
Attachment 2—Support and Opposition
S. 915 (Brown) as introduced on April 24, 2017
Windfall Elimination Provision Fact Sheet
Government Pension Offset Fact Sheet

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

SJR 1 (Resolution Chapter 92, Statutes of 2015) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 711 (2015, held in committee) would have amended the Social Security Act to replace the Windfall Elimination Provision with a new formula for the treatment of noncovered earnings in determining Social Security benefits for individuals who become eligible for benefits after 2016. It would have established a second formula to modify the Windfall Elimination Provision for current beneficiaries. The Board of Retirement adopted a “Watch” position.

H.R. 973 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 1651 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

H.R. 1332 (2011, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 10 (Resolution Chapter 103, Statutes of 2009) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

S. 484 (2009, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 5 (Resolution Chapter 116, Statutes of 2007) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

S. 915
Attachment 2—Support and Opposition
Board of Retirement
August 10, 2017
Page 1

SUPPORT

American Federation of State, County and Municipal Employees
Fraternal Order of Police
National Education Association

OPPOSITION

None

115TH CONGRESS
1ST SESSION

S. 915

To amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

IN THE SENATE OF THE UNITED STATES

APRIL 24, 2017

Mr. BROWN (for himself, Ms. COLLINS, Ms. MURKOWSKI, Ms. BALDWIN, Mr. HELLER, and Mrs. MCCASKILL) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security Fair-
5 ness Act of 2017”.

1 **SEC. 2. REPEAL OF GOVERNMENT PENSION OFFSET PROVI-**
2 **SION.**

3 (a) IN GENERAL.—Section 202(k) of the Social Secu-
4 rity Act (42 U.S.C. 402(k)) is amended by striking para-
5 graph (5).

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 202(b)(2) of the Social Security Act
8 (42 U.S.C. 402(b)(2)) is amended by striking “sub-
9 sections (k)(5) and (q)” and inserting “subsection
10 (q)”.

11 (2) Section 202(c)(2) of such Act (42 U.S.C.
12 402(c)(2)) is amended by striking “subsections
13 (k)(5) and (q)” and inserting “subsection (q)”.

14 (3) Section 202(e)(2)(A) of such Act (42
15 U.S.C. 402(e)(2)(A)) is amended by striking “sub-
16 section (k)(5), subsection (q),” and inserting “sub-
17 section (q)”.

18 (4) Section 202(f)(2)(A) of such Act (42 U.S.C.
19 402(f)(2)(A)) is amended by striking “subsection
20 (k)(5), subsection (q)” and inserting “subsection
21 (q)”.

22 **SEC. 3. REPEAL OF WINDFALL ELIMINATION PROVISIONS.**

23 (a) IN GENERAL.—Section 215 of the Social Security
24 Act (42 U.S.C. 415) is amended—

25 (1) in subsection (a), by striking paragraph (7);

1 (2) in subsection (d), by striking paragraph (3);

2 and

3 (3) in subsection (f), by striking paragraph (9).

4 (b) CONFORMING AMENDMENTS.—Subsections (e)(2)
5 and (f)(2) of section 202 of such Act (42 U.S.C. 402) are
6 each amended by striking “section 215(f)(5), 215(f)(6),
7 or 215(f)(9)(B)” in subparagraphs (C) and (D)(i) and in-
8 serting “paragraph (5) or (6) of section 215(f)”.

9 **SEC. 4. EFFECTIVE DATE.**

10 The amendments made by this Act shall apply with
11 respect to monthly insurance benefits payable under title
12 II of the Social Security Act for months after December
13 2017. Notwithstanding section 215(f) of the Social Secu-
14 rity Act, the Commissioner of Social Security shall adjust
15 primary insurance amounts to the extent necessary to take
16 into account the amendments made by section 3.

○



Windfall Elimination Provision

Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2017, the first \$885 of average monthly earnings is multiplied by 90 percent; earnings between \$885 and \$5,336 by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA which is then decreased or increased depending

on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2017, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,473 (49 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,620 (32 percent) plus COLAs. However, if either of these workers start benefits earlier, we'll reduce their monthly benefit.

Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983;
- You were employed on December 31, 1983, by a nonprofit organization that didn't withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes;
- Your only pension is for railroad employment;
- The only work you performed for which you didn't pay Social Security taxes was before 1957; or
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce widows or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit www.socialsecurity.gov/retire2/wep-chart.htm.

A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit www.socialsecurity.gov. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement 1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Year	Substantial earnings	Year	Substantial earnings
1937–1954	\$900	1991	\$9,900
1955–1958	\$1,050	1992	\$10,350
1959–1965	\$1,200	1993	\$10,725
1966–1967	\$1,650	1994	\$11,250
1968–1971	\$1,950	1995	\$11,325
1972	\$2,250	1996	\$11,625
1973	\$2,700	1997	\$12,150
1974	\$3,300	1998	\$12,675
1975	\$3,525	1999	\$13,425
1976	\$3,825	2000	\$14,175
1977	\$4,125	2001	\$14,925
1978	\$4,425	2002	\$15,750
1979	\$4,725	2003	\$16,125
1980	\$5,100	2004	\$16,275
1981	\$5,550	2005	\$16,725
1982	\$6,075	2006	\$17,475
1983	\$6,675	2007	\$18,150
1984	\$7,050	2008	\$18,975
1985	\$7,425	2009–2011	\$19,800
1986	\$7,875	2012	\$20,475
1987	\$8,175	2013	\$21,075
1988	\$8,400	2014	\$21,750
1989	\$8,925	2015–2016	\$22,050
1990	\$9,525	2017	\$23,625

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent



Securing today
and tomorrow

Social Security Administration
Publication No. 05-10045 | ICN 460275 | Unit of Issue — HD (one hundred)
January 2017 (Recycle prior editions)
Windfall Elimination Provision
Produced and published at U.S. taxpayer expense



Government Pension Offset

A law that affects spouses and widows or widowers

If you receive a retirement or disability pension from a federal, state, or local government based on your own work for which you didn't pay Social Security taxes, we may reduce your Social Security spouses or widows or widowers benefits. This fact sheet provides answers to questions you may have about the reduction.

How much will my Social Security benefits be reduced?

We'll reduce your Social Security benefits by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you're eligible for a \$500 spouses, widows, or widowers benefit from Social Security, you'll get \$100 a month from Social Security ($\$500 - \$400 = \$100$). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero.

If you take your government pension annuity in a lump sum, Social Security will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Why will my Social Security benefits be reduced?

Benefits we pay to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse. It's now common for both spouses to work, each earning their own Social Security retirement benefit. The law requires a person's spouse, widow, or widower benefit to be offset by the dollar amount of their own retirement benefit.

For example, if a woman worked and earned her own \$800 monthly Social Security benefit, but was also due a \$500 wife's benefit on her husband's record, we couldn't pay that wife's benefit because her own benefit offset it. But, before enactment of the Government Pension Offset, if that same woman was a government employee who didn't pay into Social Security and earned an \$800 government pension, there was no offset. We had to pay her a full wife's benefit and her full government pension.

If this person's government work had been subject to Social Security taxes, we would reduce any spouse, widow, or widower benefit because of their own Social Security benefit. The Government Pension Offset ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

When won't my Social Security benefits be reduced?

Generally, we won't reduce your Social Security benefits as a spouse, widow, or widower if you:

- Receive a government pension that's not based on your earnings; or
- Are a federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes; and:
 - Your last day of employment (that your pension is based on) is before July 1, 2004; or
 - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time); or
 - You paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain conditions, we require fewer than 60

months for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

There are other situations for which we won't reduce your Social Security benefits as a spouse, widow, or widower; for example, if you:

- Are a federal employee who switched from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and:
 - Your last day of service (that your pension is based on) is before July 1, 2004; or
 - You paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or
 - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time).
- Received, or were eligible to receive, a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or
- Received, or were eligible to receive, a federal, state, or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

Note: A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

What about Medicare?

Even if you don't get cash benefits from your spouse's work, you can still get Medicare at age 65 on your spouse's record if you aren't eligible for it on your own record.

Can I still get Social Security benefits from my own work?

The offset applies only to Social Security benefits as a spouse, or widow, or widower. However, we may reduce your own benefits because of another provision. For more information, ask for *Windfall Elimination Provision* (Publication No. 05-10045).

Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit www.socialsecurity.gov. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement 1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.



Securing today
and tomorrow

Social Security Administration
Publication No. 05-10007 | ICN 451453 | Unit of Issue — HD (one hundred)
February 2017 (Recycle prior editions)
Government Pension Offset
Produced and published at U.S. taxpayer expense

August 10, 2017

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FOR: September 6, 2017 Board of Retirement Meeting

SUBJECT: **H.R. 1205—Social Security Fairness Act of 2017**

Author: Davis [R]
Sponsor: Author and 144 co-sponsors
Introduced: February 21, 2017
Status: Referred to House Subcommittee on Social Security
(03/06/2017)

IBLC Recommendation: Support (08/10/2017)
Staff Recommendation: Support

RECOMMENDATION

That the Board of Retirement adopt a “Support” position on H.R. 1205, which would enact the “Social Security Fairness Act of 2017.”

LEGISLATIVE POLICY STANDARD

LACERA’s legislative policy standard is to support proposals that have a positive impact upon LACERA’s members (page 6). In addition, the Board Policy on Engagement (pages 2-3) provides that the Board has a full range of positions that may be lawfully taken to further Board objectives, including preventing adverse impact upon existing rights and interests. H.R. 1205 would repeal the Windfall Elimination Provision and the Government Pension Offset, which reduce or eliminate the Social Security benefits that LACERA members may have earned through service with the County of Los Angeles before January 1, 1983 (the effective date that the County withdrew its employees from Social Security) or through employment outside of the County.

SUMMARY

H.R. 1205 would repeal the Windfall Elimination Provision and the Government Pension Offset of the Social Security Act. H.R. 1205 is identical to S. 915, which was introduced in the United States Senate.

ANALYSIS

Participation in Social Security by the County of Los Angeles

Prior to July 1, 1964. Employees of the County were not covered under Social Security because the County did not participate in Social Security.

July 1, 1964 through December 31, 1982. The County elected to participate in the Social Security system effective July 1, 1964. General members who were hired before July 1, 1964 were given the option to elect Social Security coverage and pay Social Security taxes retroactive to January 1, 1959. General members who were hired on or after July 1, 1964 were mandatorily covered under Social Security. Safety members were never participants under Social Security.

After January 1, 1983. The County withdrew its participation from Social Security effective January 1, 1983. As a result, some LACERA members may not have earned sufficient credits under County employment to be fully insured under Social Security, unless they had other employment that was covered by Social Security.

Windfall Elimination Provision (WEP)

Social Security benefits are designed to replace a percentage of a worker's pre-retirement earnings. A Social Security benefit is calculated by separating average monthly earnings into three amounts known as "bend points." Each bend point is multiplied by a percentage, and the total of the three amounts is the Social Security benefit.

For example, in 2017, the first \$885 of average monthly earnings is multiplied by 90 percent, earnings between \$885 and \$5,336 are multiplied by 32 percent, and the earnings over \$5,336 are multiplied by 15 percent.

For workers who qualify for a pension from a government employer that does not participate in Social Security, the percentage that is multiplied against the first \$885 of average monthly earnings is reduced from 90 percent to as low as 40 percent, based on years of substantial earnings. Those who have 30 years or more of substantial earnings do not see a reduction of the 90-percent factor. Note that to protect workers who receive a low government pension, the reduction of the Social Security benefit under the WEP cannot exceed more than one-half of the worker's government pension amount.

Government Pension Offset (GPO)

Under the GPO, dependent benefits paid by Social Security to a spouse, widow, or widower would be offset by two-thirds of the government pension paid to that person. Therefore, in some cases, if a person receives a government pension and two-thirds of the pension is greater than his or her own Social Security dependent benefits, the GPO will completely eliminate the Social Security dependent benefit.

Conclusion

For LACERA members who are eligible for a pension, the WEP and GPO reduce and in some cases eliminate the Social Security benefits that they earned through covered employment with the County of Los Angeles or become eligible for through their spouses. LACERA has traditionally supported legislation to repeal the WEP and GPO as well as resolutions by the California legislature urging the President and Congress of the United States to repeal the provisions.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a “Support” position on H.R. 1205, which would enact the “Social Security Fairness Act of 2017.”

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

H.R. 1205 (Davis) as introduced on February 21, 2017

Windfall Elimination Provision Fact Sheet

Government Pension Offset Fact Sheet

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

SJR 1 (Resolution Chapter 92, Statutes of 2015) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

H.R. 711 (2015, held in committee) would have amended the Social Security Act to replace the Windfall Elimination Provision with a new formula for the treatment of noncovered earnings in determining Social Security benefits for individuals who become eligible for benefits after 2016. It would have established a second formula to modify the Windfall Elimination Provision for current beneficiaries. The Board of Retirement adopted a “Watch” position.

H.R. 973 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

S. 1651 (2015, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

H.R. 1332 (2011, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 10 (Resolution Chapter 103, Statutes of 2009) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

S. 484 (2009, held in committee) would have amended the Social Security Act to repeal the Government Pension Offset and the Windfall Elimination Provision. The Board of Retirement adopted a “Support” position.

AJR 5 (Resolution Chapter 116, Statutes of 2007) requested the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and Windfall Elimination Provision from the Social Security Act. The Board of Retirement adopted a “Support” position.

HR 1205
Attachment 2—Support and Opposition
Board of Retirement
August 10, 2017
Page 1

SUPPORT

American Postal Workers Union
Fraternal Order of Police
National Association of Police Organizations
National Education Association

OPPOSITION

None

115TH CONGRESS
1ST SESSION

H. R. 1205

To amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 21, 2017

Mr. RODNEY DAVIS of Illinois (for himself, Miss RICE of New York, Mr. CICILLINE, Mr. TURNER, Mr. PASCRELL, Mr. GARAMENDI, Ms. CLARK of Massachusetts, Mr. CUMMINGS, Ms. LEE, Mr. CALVERT, Mr. LANGEVIN, Mr. CONNOLLY, Mr. MULLIN, Ms. SCHAKOWSKY, Ms. TSONGAS, Mr. JOYCE of Ohio, Mr. SHIMKUS, Mr. SHERMAN, Mr. LARSEN of Washington, Mr. PRICE of North Carolina, Mr. RYAN of Ohio, Mr. TED LIEU of California, Mr. VEASEY, Mr. GUTHRIE, Ms. DELBENE, Mrs. DAVIS of California, Mrs. DINGELL, Mrs. NAPOLITANO, Ms. ESHOO, Mr. WITTMAN, Mr. POCAN, Ms. JUDY CHU of California, Mr. GRIJALVA, Mr. KATKO, Mr. SWALWELL of California, Mr. POLIQUIN, Mr. KINZINGER, Mr. BOST, Mr. VALADAO, Mr. LOEBSACK, Mr. MCNERNEY, Mr. BRADY of Pennsylvania, Ms. LOFGREN, Ms. ROYBAL-ALLARD, Mr. CONYERS, Mr. FOSTER, Mr. ROYCE of California, Mr. LIPINSKI, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. DEFazio, Mr. MURPHY of Pennsylvania, Mr. AGUILAR, Mr. MICHAEL F. DOYLE of Pennsylvania, Ms. PINGREE, Ms. SPEIER, Mr. RUPPERSBERGER, Ms. BROWNLEY of California, Mr. O'ROURKE, Ms. SÁNCHEZ, Mr. MCGOVERN, Ms. MCCOLLUM, Mr. RUSH, Mrs. BUSTOS, Mr. YOUNG of Iowa, Mr. BERA, Ms. KAPTUR, Mr. COSTA, Mr. MASSIE, Mr. LOBIONDO, Mr. SARBANES, Mrs. BEATTY, Mr. PALLONE, Mr. NADLER, Mr. TAKANO, Mr. SIRES, Mr. HIMES, Ms. FRANKEL of Florida, and Mr. RICHMOND) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security Fair-

5 ness Act of 2017”.

6 **SEC. 2. REPEAL OF GOVERNMENT PENSION OFFSET PROVI-**
7 **SION.**

8 (a) IN GENERAL.—Section 202(k) of the Social Secu-

9 rity Act (42 U.S.C. 402(k)) is amended by striking para-

10 graph (5).

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 202(b)(2) of the Social Security Act

13 (42 U.S.C. 402(b)(2)) is amended by striking “sub-

14 sections (k)(5) and (q)” and inserting “subsection

15 (q)”.

16 (2) Section 202(c)(2) of such Act (42 U.S.C.

17 402(c)(2)) is amended by striking “subsections

18 (k)(5) and (q)” and inserting “subsection (q)”.

19 (3) Section 202(e)(2)(A) of such Act (42

20 U.S.C. 402(e)(2)(A)) is amended by striking “sub-

21 section (k)(5), subsection (q),” and inserting “sub-

22 section (q)”.

23 (4) Section 202(f)(2)(A) of such Act (42 U.S.C.

24 402(f)(2)(A)) is amended by striking “subsection

1 (k)(5), subsection (q)” and inserting “subsection
2 (q)”.

3 **SEC. 3. REPEAL OF WINDFALL ELIMINATION PROVISIONS.**

4 (a) IN GENERAL.—Section 215 of the Social Security
5 Act (42 U.S.C. 415) is amended—

6 (1) in subsection (a), by striking paragraph (7);

7 (2) in subsection (d), by striking paragraph (3);

8 and

9 (3) in subsection (f), by striking paragraph (9).

10 (b) CONFORMING AMENDMENTS.—Subsections (e)(2)
11 and (f)(2) of section 202 of such Act (42 U.S.C. 402) are
12 each amended by striking “section 215(f)(5), 215(f)(6),
13 or 215(f)(9)(B)” in subparagraphs (C) and (D)(i) and in-
14 serting “paragraph (5) or (6) of section 215(f)”.

15 **SEC. 4. EFFECTIVE DATE.**

16 The amendments made by this Act shall apply with
17 respect to monthly insurance benefits payable under title
18 II of the Social Security Act for months after December
19 2017. Notwithstanding section 215(f) of the Social Secu-
20 rity Act, the Commissioner of Social Security shall adjust
21 primary insurance amounts to the extent necessary to take
22 into account the amendments made by section 3.

○



Windfall Elimination Provision

Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2017, the first \$885 of average monthly earnings is multiplied by 90 percent; earnings between \$885 and \$5,336 by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA which is then decreased or increased depending

on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2017, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,473 (49 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,620 (32 percent) plus COLAs. However, if either of these workers start benefits earlier, we'll reduce their monthly benefit.

Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983;
- You were employed on December 31, 1983, by a nonprofit organization that didn't withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes;
- Your only pension is for railroad employment;
- The only work you performed for which you didn't pay Social Security taxes was before 1957; or
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce widows or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit www.socialsecurity.gov/retire2/wep-chart.htm.

A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit www.socialsecurity.gov. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement 1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Year	Substantial earnings	Year	Substantial earnings
1937–1954	\$900	1991	\$9,900
1955–1958	\$1,050	1992	\$10,350
1959–1965	\$1,200	1993	\$10,725
1966–1967	\$1,650	1994	\$11,250
1968–1971	\$1,950	1995	\$11,325
1972	\$2,250	1996	\$11,625
1973	\$2,700	1997	\$12,150
1974	\$3,300	1998	\$12,675
1975	\$3,525	1999	\$13,425
1976	\$3,825	2000	\$14,175
1977	\$4,125	2001	\$14,925
1978	\$4,425	2002	\$15,750
1979	\$4,725	2003	\$16,125
1980	\$5,100	2004	\$16,275
1981	\$5,550	2005	\$16,725
1982	\$6,075	2006	\$17,475
1983	\$6,675	2007	\$18,150
1984	\$7,050	2008	\$18,975
1985	\$7,425	2009–2011	\$19,800
1986	\$7,875	2012	\$20,475
1987	\$8,175	2013	\$21,075
1988	\$8,400	2014	\$21,750
1989	\$8,925	2015–2016	\$22,050
1990	\$9,525	2017	\$23,625

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent



Securing today
and tomorrow

Social Security Administration
Publication No. 05-10045 | ICN 460275 | Unit of Issue — HD (one hundred)
January 2017 (Recycle prior editions)
Windfall Elimination Provision
Produced and published at U.S. taxpayer expense



Government Pension Offset

A law that affects spouses and widows or widowers

If you receive a retirement or disability pension from a federal, state, or local government based on your own work for which you didn't pay Social Security taxes, we may reduce your Social Security spouses or widows or widowers benefits. This fact sheet provides answers to questions you may have about the reduction.

How much will my Social Security benefits be reduced?

We'll reduce your Social Security benefits by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you're eligible for a \$500 spouses, widows, or widowers benefit from Social Security, you'll get \$100 a month from Social Security ($\$500 - \$400 = \$100$). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero.

If you take your government pension annuity in a lump sum, Social Security will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Why will my Social Security benefits be reduced?

Benefits we pay to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse. It's now common for both spouses to work, each earning their own Social Security retirement benefit. The law requires a person's spouse, widow, or widower benefit to be offset by the dollar amount of their own retirement benefit.

For example, if a woman worked and earned her own \$800 monthly Social Security benefit, but was also due a \$500 wife's benefit on her husband's record, we couldn't pay that wife's benefit because her own benefit offset it. But, before enactment of the Government Pension Offset, if that same woman was a government employee who didn't pay into Social Security and earned an \$800 government pension, there was no offset. We had to pay her a full wife's benefit and her full government pension.

If this person's government work had been subject to Social Security taxes, we would reduce any spouse, widow, or widower benefit because of their own Social Security benefit. The Government Pension Offset ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

When won't my Social Security benefits be reduced?

Generally, we won't reduce your Social Security benefits as a spouse, widow, or widower if you:

- Receive a government pension that's not based on your earnings; or
- Are a federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes; and:
 - Your last day of employment (that your pension is based on) is before July 1, 2004; or
 - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time); or
 - You paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain conditions, we require fewer than 60

months for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

There are other situations for which we won't reduce your Social Security benefits as a spouse, widow, or widower; for example, if you:

- Are a federal employee who switched from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and:
 - Your last day of service (that your pension is based on) is before July 1, 2004; or
 - You paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or
 - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time).
- Received, or were eligible to receive, a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or
- Received, or were eligible to receive, a federal, state, or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

Note: A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

What about Medicare?

Even if you don't get cash benefits from your spouse's work, you can still get Medicare at age 65 on your spouse's record if you aren't eligible for it on your own record.

Can I still get Social Security benefits from my own work?

The offset applies only to Social Security benefits as a spouse, or widow, or widower. However, we may reduce your own benefits because of another provision. For more information, ask for *Windfall Elimination Provision* (Publication No. 05-10045).

Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit www.socialsecurity.gov. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement 1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.



Securing today
and tomorrow

Social Security Administration
Publication No. 05-10007 | ICN 451453 | Unit of Issue — HD (one hundred)
February 2017 (Recycle prior editions)
Government Pension Offset
Produced and published at U.S. taxpayer expense



August 10, 2017

TO: Each Member
Board of Retirement

FROM: Bernie Buenaflor *BB*
Division Manager, Benefits Division

FOR: Meeting of September 6, 2017

SUBJECT: **Application of Jill L. Gottlieb for Reinstatement to Active Membership Pursuant to Government Code Section 31680.4 and 31680.5**

Government Code Sections 31680.4 and 31680.5 permit a retired member to be re-employed by the County and reinstated as an active member of LACERA if the Board of Retirement, based upon medical examination, determines that the member is not incapacitated for the assigned duties. The member's retirement allowance would be suspended immediately upon re-employment. Reinstatement to active membership becomes effective the first day of the month following the date of re-employment. The returning member would only be eligible for a retirement plan that is currently available for the reinstated position, regardless of the member's prior retirement plan.

Jill L. Gottlieb retired from service December 1, 2015. The County of Los Angeles now wishes to re-employ Jill L. Gottlieb as a Mental Health Clinical Supervisor, (Item #9038).

Under Section 31680.5, all reinstated general members are entitled to a retirement allowance, upon subsequent retirement, "determined as if the member were first entering the system." Thus, this member is only eligible for Retirement Plan G General. Note that the member was in Plan D General for her past membership period and will be in Plan G General for her new membership period, if approved for reinstatement.

Attached are copies of documents prepared in support of the member's application for reinstatement:

- The July 27, 2017 letter from the County of Los Angeles, Chief Executive Office confirming the Board of Supervisors' Constructive Approval of the request to re-employ the member. (Attachment 1)



Each Member, Board of Retirement
August 10, 2017
Page 2

- The Department of Mental Health letter to LACERA dated July 28, 2017, requesting the reinstatement of the member and outlining the job duties for a Mental Health Clinical Supervisor. (Attachment 2)
- The member's letter to LACERA dated August 1, 2017 requesting reinstatement into active membership as a Mental Health Clinical Supervisor with the Department of Mental Health. (Attachment 3)
- The member's Medical Clearance report signed on June 8, 2017, finding the member not incapacitated for the proposed duties. (Attachment 4)
- A copy of the Class Specification for a Mental Health Clinical Supervisor. (Attachment 5)

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Determine, based upon medical evaluation conducted June 8, 2017, that Jill L. Gottlieb is not incapacitated for the duties assigned to her in the position of Mental Health Clinical Supervisor; and
2. Grant the application of Jill L. Gottlieb for reinstatement to active membership.

REVIEWED AND APPROVED:



Robert Hill
Assistant Executive Officer

BB:bb
Div\ben\retstaff\Gottlieb,Jill.doc

Attachments





County of Los Angeles
CHIEF EXECUTIVE OFFICE

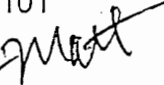
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

SACHI A. HAMAI
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District
MARK RIDLEY-THOMAS
Second District
SHEILA KUEHL
Third District
JANICE HAHN
Fourth District
KATHRYN BARGER
Fifth District

July 27, 2017

To: Manager, Claims Processing Division
Los Angeles County Employees Retirement Association
300 N. Lake Avenue
Pasadena, CA 91101

From: Matthew McGloin 
Senior Assistant, Chief Executive Officer
Budget and Operations Management Branch

RE: Jill L. Gottlieb Retiree Rehire

To whom it may concern:

The Chief Executive Office submitted a memorandum to the Los Angeles County Board of Supervisors on July 6, 2017, requesting authorization to re-employ and reinstate the above-referenced retired employee.

There was no inquiry, formal action, nor objection from Board offices by the two-week deadline of July 20, 2017. Therefore, in accordance with Board of Supervisors Policy 9.150, all parties should understand that the Board's constructive approval to proceed has been obtained, and the County Department of Mental Health and the Los Angeles County Employees Retirement Association may proceed with associated arrangements for re-employment and reinstatement of the above mentioned employee.

County of Los Angeles
Board of Supervisors
Policy 9.150 - Hiring Retired County Employees To Permanent Positions

The County may hire former retired County employees to permanent positions on an indefinite basis. The Board's action provides the County with an additional management tool to fill critical, emergent or hard to fill positions which require special skills, training and experience or certification and may not be reasonably filled by other than the County retiree. Such authorizations must be approved by the Board of Supervisors. Departments are to submit a Board memo to their Chief Executive Office (CEO) budget analyst prior to filling any position on an indefinite basis with a County retiree. The memo, with CEO recommendation, will

Attachment 1

Manager, Claims Processing Division
July 27, 2017
Page 2

be forwarded to the Board for approval, stating that a two-week period exists for a Board member to request formal action prior to filling the position.

The retired employee being hired must cancel his/her retirement allowance through the Board of Retirement until termination of the new re-employment. This policy does not replace the statute which allows rehiring retired county employees temporarily for up to 960 hours (120 working days) per fiscal year.

Retirees under the Early Separation Plan are not eligible to fill these positions without direct Board approval.

If you have any questions or need additional information, please contact James Sokalski at jsokalski@ceo.lacounty.gov or (213) 974-1274.

MM:MM:
JS:cg



**LOS ANGELES COUNTY
DEPARTMENT OF MENTAL HEALTH**

JONATHAN E. SHERIN, M.D., Ph.D., Director
ROBIN KAY, Ph.D., Chief Deputy Director
RODERICK SHANER, M.D., Medical Director



July 28, 2017

Los Angeles County Employee's Retirement Association
Manager, Claims Processing Division
P.O. Box 7060
Pasadena, CA 91109

Dear Manager, Claims Processing, LACERA:

Jill L. Gottlieb retired on December 1, 2015

The Department of Mental Health (DMH) would like to re-employ Jill L. Gottlieb as a permanent Mental Health Clinical Supervisor, in accordance with Government Code Section 31680.4. On July 27, 2017, DMH secured from the Chief Executive Office and the Board of Supervisors all the necessary approvals. Ms. Gottlieb has 22 years of experience, 11 years as a supervisor working with youth in high-level residential treatment, and 12 years as a clinician facilitating placement and transition into the community for hundreds of youth. She is a subject matter expert in the area of Continuum of Care Reform (CCR). Her knowledge and skills will be beneficial to the Department.

I understand that the Department may re-employ Ms. Gottlieb only upon approval of the Chief Executive Office, the Board of Supervisors, and Board of Retirement.

If you have any questions or require additional information, please call me at (213) 972-7082 or you can contact Patsy Ayala, Administrative Services Manager at (213) 972-7088.

Sincerely,

Yanela Soutier
Acting Departmental Human Resources Manager

YS:pa

c:
Patsy Ayala

August 1, 2017

Manager, Benefits Division
P.O.Box 7060
Pasadena, Ca 91109

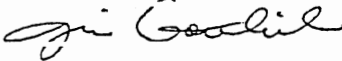
RE: Jill Gottlieb – Return to Service

Dear Manager,

I wish to be re-employed as a permanent employee. This letter is to request that my monthly retirement benefit be suspended and that I be re-employed as a Mental Health Clinical Supervisor with the Los Angeles County Department of Mental Health pursuant to Government Code Section 31680.

Enclosed is a medical evaluation stating that I am not incapacitated for the duties I will be performing.

Respectfully,



Jill Gottlieb, LCSW

RECEIVED
AUG - 4 2017
MAILROOM



Attachment 3

**REEMPLOYMENT AND REINSTATEMENT TO ACTIVE LACERA
MEMBERSHIP**

SECTION C-MEDICAL AFFIDAVIT PURSUANT TO CERL SECTION 31680.4 or 31680.8

On June 8, 2017, I, the undersigned, conducted or oversaw the
<date of medical examination>,

medical examination of Jill Gottlieb
<Name of Retiree>


pursuant to Section 31680.4 or 31680.8 of the County Employees Retirement Law, in connection with
this Retiree's application to be re-employed as:

Mental Health Clinical Supervisor
<Prospective Job Title>.

I have also reviewed the Class Specification for this position. Based on this examination, I find that this
individual is not incapacitated for the duties assigned to this position. A copy of the medical
examination report is retained at Los Angeles County's Occupational Health Programs.

RECEIVED
JUN 12 2017
SCANNING ROOM

Signature of Physician performing or overseeing medical examination:



Print Name and Title of Physician:
Ken Carrigan, M.D.

JUN 08 2017

Date Signed:

Page 3 of 3

F
GOTTLIEB, JILL

MENTAL-PSYCH SOC
REINSTATEMENT LACERA



MENTAL HEALTH CLINICAL SUPERVISOR

Class Code:
9038

COUNTY OF LOS ANGELES
Established Date: Aug 16, 2011
Revision Date: Aug 23, 2016

DEFINITION/STANDARDS:

DEFINITION:

At the full professional level and under the general direction of a licensed clinical program manager, supervises and coordinates multidisciplinary and ancillary support staff in the provision of mental health services to clients. Provides daily administrative oversight to the team, with technical supervision of licensed clinical staff exercised in accordance with scope-of-practice guidelines.

CLASSIFICATION STANDARDS:

Positions allocable to this class report to a higher-level licensed clinical program manager and are assigned to community mental health facilities, psychiatric hospitals, outpatient mental health clinics, and specialized mental health treatment programs. Incumbents supervise multidisciplinary and ancillary support staff to plan and organize a mental health services program for mentally or emotionally disturbed adults, children, youth, or elderly clients; and assist in coordinating social work and treatment activities with medical, psychological, and other professional services. Incumbents in this class oversee a staff of three or more licensed clinicians as well as professional, paraprofessional and/or general service staff; administer and interpret policies and procedures; supervise teaching programs; and present orientation lectures.

EXAMPLES OF DUTIES:

Trains, instructs, and evaluates workers and makes work assignments.

Effectively communicates program, administrative, and clinical direction to subordinate staff.

Discusses problem cases with workers and makes suggestions and recommendations.

Reviews case records for completeness, consistency, and quality of mental health services provided including application of proper techniques; ensures compliance with state and federal mandates.

Consults with individual workers to promote staff development and to suggest solutions to problem cases.

Studies and makes suggestions and recommendations on special, complicated, or problem cases.

Confers with program manager concerning human resources and work problems.

Assists in planning, developing, and implementing mandatory and discretionary mental health programs in accordance with applicable laws, ordinances, and regulations by determining type and level of services to be provided; measures of quality-assurance to be employed; and formulating and carrying out policies and procedures.

Keeps informed of new developments in the field of psychiatric social work or marriage and family therapy.

Identifies staff training and development requirements and provides training and guidance to administrative and clinical staff to ensure mental health services delivery effectiveness.

May carry a caseload that includes the more complicated or emergency casework assignments as required.

May review and/or approve treatment authorization requests from hospitals, contracted network and/or legal entity community-based providers/programs and recommend approval or denial of requests per specified state and Department of Mental Health contract compliance requirements.

REQUIREMENTS:

MINIMUM REQUIREMENTS:

TRAINING AND EXPERIENCE:

Option I: Two years of post-licensure social work experience in a recognized social services or mental health care setting involving problems of mental or emotional adjustment and the use of psychiatric consultation.

Option II: Two years of post-licensure marriage and family therapy experience in a recognized social services or mental health care setting involving problems of mental or emotional adjustment and the use of techniques of family systems therapy.

LICENSE:

A valid, active license as a Licensed Clinical Social Worker issued by the State of California Department of Consumer Affairs, Board of Behavioral Sciences.

OR

A valid, active license as a Marriage and Family Therapist or Marriage, Family, and Child Counselor issued by the State of California Department of Consumer Affairs, Board of Behavioral Sciences.

A valid California Class C Driver License or the ability to utilize an alternative method of transportation when needed to carry out job-related essential functions may be required.

PHYSICAL CLASS:

2 - Light.

OTHER REQUIREMENTS:

SPECIALTY REQUIREMENTS:

COMMENTS:

Title change effective August 16, 2011 FROM: Supervising Psychiatric Social Worker TO: Mental Health Clinical Supervisor.

August 30, 2017

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Retirement Meeting of September 6, 2017

SUBJECT: **BOARD OF RETIREMENT MEETING CALENDAR**

RECOMMENDATION

It is recommended the Board of Retirement review the October 2017 meeting schedule and consider rescheduling the Wednesday, October 4, 2017 meeting.

DISCUSSION

The Board approved attendance at the Public Pension Trustees Fiduciary Conference on October 3-4, 2017 in New York City, New York. The conference dates overlap with the Board of Retirement's October 4, 2017 disability agenda meeting date. Staff understands there may be one or more Board members attending this conference.

Following are potential meeting dates for our October 2017 disability agenda meeting.

Friday, October 6, 2017
Thursday, October 12, 2017 (combined with the Board of Retirement Administrative agenda)
Friday, October 13, 2017

A copy of the October educational calendar is attached for your planning convenience.

GR:lg
BOR Board Meeting Reschedule Memo – October 2017.docx

October 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 BOR Disability/OO Com. Pub. Pen. Trustee Fiduciary Conf., NY	5	6	7
8	9	10	11 BOI Committees	12 BOR IBL Committee	13	14
15	16	17	18	19	20	21
	PREA, Chicago, IL					
22	23	24	25	26	27	28
	IFEBP, Benefits, Las Vegas, NV					
29	30	31				
	NCPERS, San Antonio, TX					

BOARD OF RETIREMENT 2017 MEETING CALENDAR

As of August 30, 2017

The rescheduled Board of Retirement meetings are in **bold**.

MONTH	MEETING	DATE
January	Administrative, Disability & Committees	Wednesday, January 4
January	Disability & Committees	Thursday, January 12
February	Disability & Committees	Wednesday, February 1
February	Administrative & Committees	Thursday, February 9
March	Administrative, Disability & Committee	Friday, March 3
April	Disability & Committees	Wednesday, April 5
April	Administrative & Committees	Thursday, April 13
May	Administrative, Disability & Committees	Thursday, May 11
June	Disability & Committee	Thursday, June 1
June	Administrative & Committees	Thursday, June 15
July	Disability & Committee	Wednesday, July 5
July	Administrative & Committees	Thursday, July 13
August	Disability & Committee	Wednesday, August 2
August	Administrative & Committees	Thursday, August 10
September	Administrative, Disability & Committee	Wednesday, September 6
October	Disability & Committee	Wednesday, October 4
October	Administrative & Committees	Thursday, October 12
November	Administrative, Disability & Committee	Thursday, November 9
December	Disability & Committee	Wednesday, December 6
December	Administrative & Committees	Thursday, December 14
January	Administrative, Disability & Committees	Thursday, January 11, 2018

**FOR INFORMATION ONLY**

August 21, 2017

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Retirement Meeting of September 6, 2017

SUBJECT: **LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS
PROGRAM – EXPERIENCE STUDY AND ACTUARIAL VALUATION**

Attached for your review are the June 30, 2016 Los Angeles County Other Postemployment Benefits Program (OPEB) experience study, actuarial valuation, and audit reports thereof. The experience study is a review of the OPEB related assumptions, including a discussion of the demographic actuarial assumptions and the economic assumptions, some of which are derived from the retirement benefits program administered by the Los Angeles County Employees Retirement Association (LACERA). The actuarial assumptions are critical components used in calculating OPEB valuation results.

The actuarial valuation, commonly referred to as the GASB 43/45 report or the OPEB report, estimates the long-term funding liability for retiree medical, dental/vision, and life insurance benefits promised to active and retired Los Angeles County workers, who participate in the LACERA retirement benefits program.

The valuation was performed at the request of Los Angeles County to satisfy financial statement reporting guidelines applicable to sponsoring employers, such as Los Angeles County, and those organizations who administer the benefits program, such as LACERA. The reporting guidelines are intended to improve program cost disclosures and do not require any funding arrangements. A valuation is required at least every two years. LACERA engaged the consulting actuary, Milliman, to perform the 2016 OPEB experience study and valuation.

LACERA's valuation policy requires periodic actuarial audits of the OPEB experience study and valuation at regular intervals. LACERA engaged the retirement benefits program audit actuary, Segal Consulting, to perform such concurrent audits of Milliman's 2016 OPEB experience study and valuation report.

In the review of the OPEB experience study, Segal Consulting concluded "Our overall assessment of Milliman's 2016 Investigation of Experience for the OPEB Program is that all major actuarial functions are being appropriately addressed. Milliman has employed generally accepted actuarial practices and principles in studying plan experience, selecting assumptions, and presenting the results of their work. We believe that the actuarial assumptions as recommended by Milliman are reasonable for use in the LACERA OPEB program actuarial valuation."

Additionally, Segal's parallel audit of the OPEB valuation indicates "Our overall assessment of Milliman's actuarial work for LACERA is that, after reflecting the changes recommended as part of

Each Member, Board of Retirement

August 21, 2017

Page 2 of 2

the concurrent audit, all major actuarial functions are being appropriately addressed. Milliman has employed generally accepted actuarial practices and principles in computing actuarial liabilities and costs, and in presenting the results of their work.” It should be noted that Segal recommended that Milliman include the probability of initial enrollment for members selecting a LACERA-administered Medicare health plan and adjust the related trend rates. Milliman agreed with Segal’s recommendations. Both actuaries calculated the net impact of these changes and determined that the actuarial accrued liability decreased by approximately 1.5%, or \$400 million. These recommendations are included in Milliman’s final valuation results.

While Milliman and Segal both opined the effect of omission of the recommended enrollment and trend assumption was not material, staff has retained Cavanaugh Macdonald Consulting to perform an independent actuarial review of this issue. Staff is working with Milliman, Segal, and Cavanaugh to understand the effect, if any, on prior valuations and audits.

The lead consulting actuary, Robert L. Schmidt with Milliman, and LACERA’s auditing actuary, Paul Angelo with Segal Consulting, will be present at your September 6, 2017 meeting, to provide a high level overview of actuarial procedures, assumptions, valuation results, and audit results.

The current valuation policy calls for the next OPEB valuation to be completed as of July 1, 2018. The next OPEB experience study will coincide with the retirement benefits experience study scheduled for June 30, 2019. Audits of the experience study and valuation will be conducted in conjunction with the July 1, 2022 reporting cycle.

GR:RH:BSA:ms

Enclosures



Los Angeles County Other Post Employment Benefits Program July 1, 2016 Actuarial Experience Study and Valuation Results

Robert Schmidt, FSA, EA, MAAA
Janet Jennings, ASA, MAAA

Board of Retirement Meeting
September 6, 2017

Agenda

- Timeline
- Process
- Milliman 2016 Experience Study Results
- Milliman July 1, 2016 Valuation Results
- Segal Audit Results
- Questions and Comments

TIMELINE

Timeline

Project Milestones	Schedule
Entrance Meeting	July 2016
Data Request	August 2016
Data Received	December 2016
Census Data Work	December 2016 – January 2017
Conduct July 1, 2016 Experience Study	January 2017 – February 2017
Receive July 1, 2017 Premiums	March 2017
Conduct July 1, 2016 Valuation	April 2017 – May 2017
Valuation Report to Stakeholders	June 2017
Board of Retirement Meeting	September 2017

Concurrent audits of the experience study report and valuation report were conducted by Segal.

PROCESS

Process Summary

- Similar to the July 1, 2013 investigation of experience and July 1, 2014 valuation process
- Collaborative process
 - LA County
 - LACERA
 - SEIU
 - SCAQMD
 - Consultants
 - Aon Hewitt
 - Segal
 - Actuaries
 - Aon Hewitt
 - Cheiron
 - Rael & Letson
 - Segal
 - Milliman

Process Summary (continued)

- Experience study assumption changes
 - Retirement benefit related demographic and economic assumptions
 - Retirement of vested terminated members
 - OPEB demographic assumptions
 - Initial enrollment, plan and tier selection, and other OPEB assumptions
 - OPEB economic assumptions (discount rate and trend)
- Experience study cost method change from PUC to EAN
- Valuation assumption changes
 - Claim costs
 - Trend updated with July 1, 2017 premiums and ACA fee adjustments
- Valuation completed based on
 - June 30, 2016 census data
 - July 1, 2016 and July 1, 2017 health plan premiums

MILLIMAN 2016 EXPERIENCE STUDY RESULTS

Retirement Benefit Related Assumptions

- Based on 2016 Investigation of Experience for Retirement Benefits
- Demographic (termination of employment, disability, retirement, and mortality)
- Economic (June 30, 2014, June 30, 2015, June 30, 2016)
 - CPI: 3.00%, 3.00%, 2.75%
 - General wages: 3.50%, 3.50%, 3.25%

OPEB Assumptions

- OPEB Demographic
 - Initial enrollment
 - Plan and tier selection
 - Spouse age difference and remarriage assumptions
- Plan sponsor investment earnings rate
- Medical and Dental/Vision Claim Costs
- Health cost trend rates with adjustments for July 1, 2017 premiums and calendar year 2017 ACA health insurer fee moratorium
 - Medical
 - Medicare Part B
 - Dental/Vision

Investment Earnings Assumption

Steps in the process

1. Estimate return on County general assets
 - Allocation of 39% cash, 61% short-term U.S. bonds
 - Expected return of 3.55%
2. Estimate return on LACERA administered OPEB trust
 - Allocation of 10% cash, 9% short-term US bonds, 44% US equities, 18% developed foreign equities, 19% emerging market equities
 - Expected return of 6.72%
3. Blend steps 1 and 2
 - Based on proportion of actual trust contribution compared to the ARC for FY 2016
 - Contributions were 28.4% of ARC
 - Blended rate of 4.50% (4.45% rounded to nearest quarter percent)

Medical Trend

- Based on a model published by the Society of Actuaries (SOA) in December 2007 (most recent update in 2016)
- Incorporates the following:
 - Actual July 1, 2017 premium renewals and near term expectations
 - Calendar year 2017 moratorium on ACA Health Insurer Fee
 - Projections of 2021 health costs as a percentage of GDP (19.0%)
 - CPI Inflation (2.75% per year, decreased from 3.00% in 2014)
 - Real per-capita GDP growth (1.6% per year, decreased from 1.7% in 2014)
 - Excess Medical Cost Growth (taste, technology, etc.) (1.4% per year)
 - GDP resistance point (slower growth after health costs reach 25% of GDP)
 - GDP limit year (after 2075, health costs are assumed to grow at the rate of GDP growth)

Medical Trend (continued)

- Adjustments to SOA model
 - Removed the impact of projected U.S. population aging
 - 0.45% in 2016, grading down to 0% by 2061
 - Aging is already included in the claim costs
 - Trend for administrative costs of 3.50% per year
 - Projected changes in ACA fees
- Adjusted trends differ by pre and post 65 members

Analysis of Changes – Experience Study

	Actuarial Accrued Liability ⁽¹⁾	County Normal Cost Rate ⁽²⁾	County ARC Percentage ⁽²⁾
July 1, 2014 Valuation	\$ 28,546.6	17.50%	31.82%
Assumption Changes			
Retirement Demographic	\$ 2,756.5	2.63%	4.59%
Initial Enrollment	(106.3)	(0.13%)	(0.19%)
Plan and Tier Selection	435.0	0.43%	0.66%
Vested Terminated Commencement	(43.3)	0.02%	0.00%
Other OPEB Demographic	147.9	0.14%	0.21%
OPEB Economic	(6,528.5)	(5.85%)	(7.92%)
Total Assumption Changes	\$ (3,338.7)	(2.76%)	(2.65%)
July 1, 2014 Valuation with Assumption Changes	\$ 25,207.9	14.74%	29.17%
Entry Age Normal	\$ (369.4)	0.17%	(0.04%)
July 1, 2014 Valuation with Assumption and Cost Method Changes	\$ 24,838.5	14.91%	29.13%

(1) In millions of dollars

(2) Expressed as a percentage of payroll

MILLIMAN JULY 1, 2016 VALUATION RESULTS

Analysis of Changes - Valuation

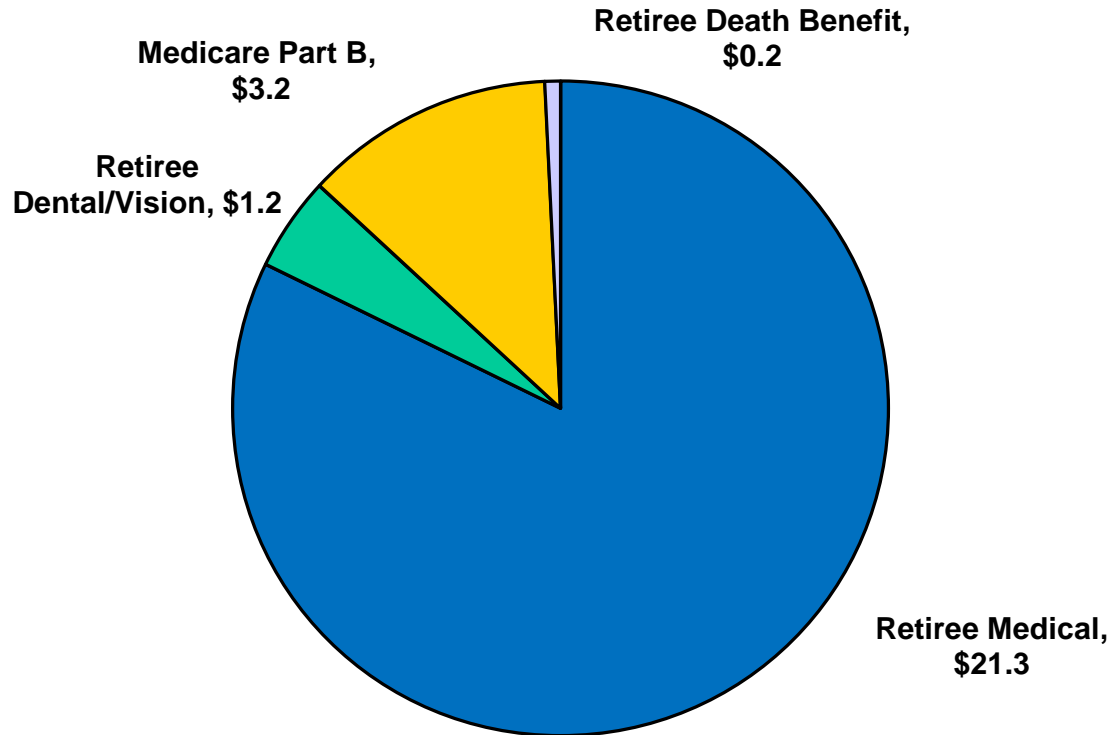
Sources of Change	Actuarial Accrued Liability	(Assets)	Unfunded Actuarial Accrued Liability	County Normal Cost Rate	County ARC Percentage
A. July 1, 2014 Valuation	\$ 28.55	\$ (0.49)	\$ 28.06	17.50%	31.82%
2016 Experience Study Changes	(3.34)	-	(3.34)	(2.76%)	(2.65%)
Expected Two-year Change	<u>3.39</u>	<u>(0.15)</u>	<u>3.24</u>	<u>0.34%</u>	<u>1.14%</u>
B. July 1, 2016 Valuation Expected	\$ 28.60	\$ (0.64)	\$ 27.96	15.08%	30.31%
Claim Cost Experience	(2.01)	-	(2.01)	(1.19%)	(2.29%)
Trend Assumption (Gain)/Loss ¹	(0.31)	-	(0.31)	(0.14%)	(0.31%)
Tier 2 Changes (Gain)/Loss	(0.05)	-	(0.05)	(0.63%)	(0.65%)
Other Experience (Gain)/Loss	0.07	-	0.07	0.52%	0.52%
Asset (Gain)/Loss	-	0.08	0.08	0.00%	0.05%
Methodology Change ²	<u>(0.39)</u>	<u>-</u>	<u>(0.39)</u>	<u>(0.38%)</u>	<u>(0.60%)</u>
C. July 1, 2016 Valuation	\$ 25.91	\$ (0.56)	\$ 25.35	13.26%	27.03%

¹ Includes impact of July 1, 2017 renewals and the Health Insurer Fee moratorium

² Includes impact of change in method of valuing Medicare Part B premium reimbursement

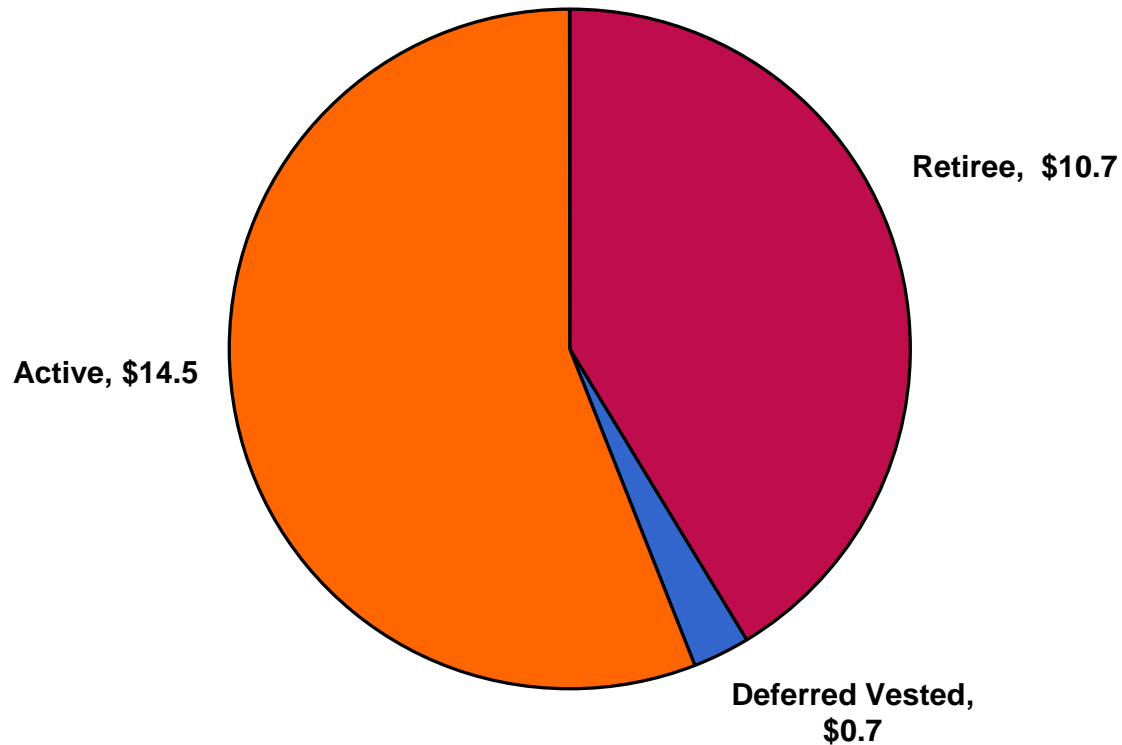
All dollar amounts are expressed in billions of dollars.

Actuarial Accrued Liability by Benefit Type



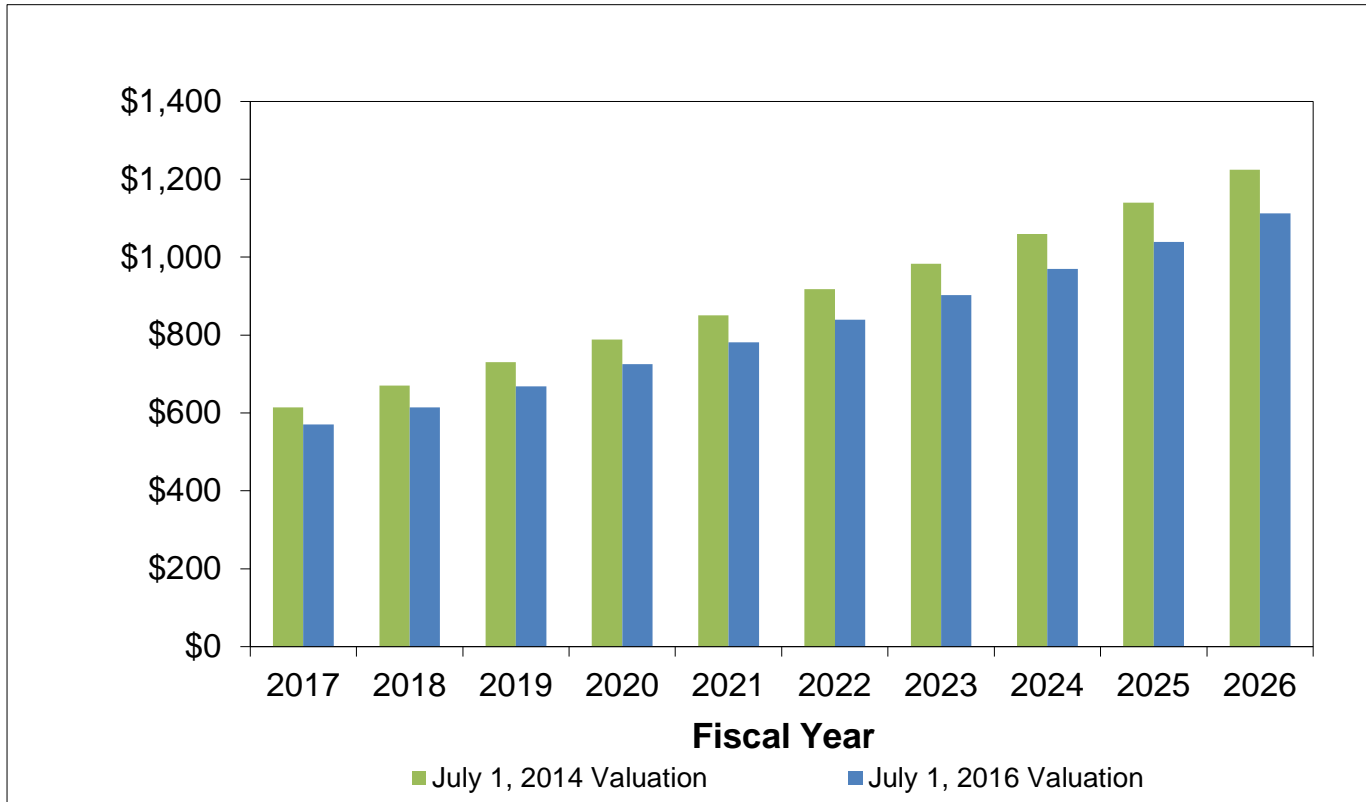
All amounts are expressed in billions of dollars.

Actuarial Accrued Liability by Member Status



All amounts are expressed in billions of dollars.

Projected LA County Paid Benefits



All amounts are expressed in millions of dollars

SEGAL AUDIT RESULTS

QUESTIONS AND COMMENTS

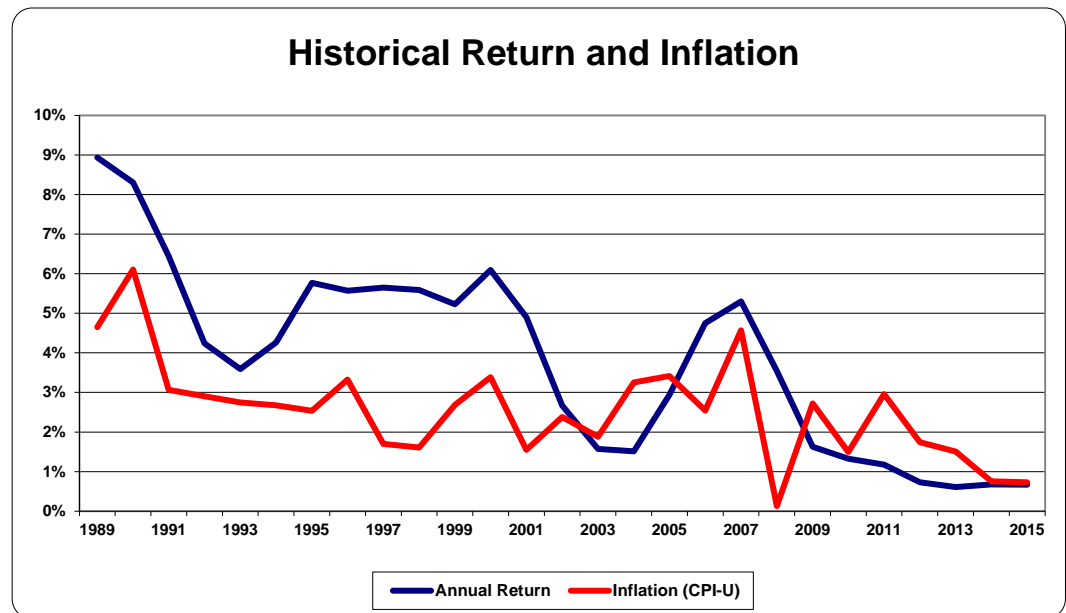


APPENDIX

Investment Earnings – General Assets

- Real returns on County general assets from 1989 through 2015 averaged 1.3% per year.

- However, current projections indicate that real returns of 0.5% to 1.0% are more likely going forward based on the current asset allocation.



Medical Trend – Excise Tax Adjustments

- “Cadillac” excise tax on high cost health plans applies beginning in 2020
- A discussion of the excise tax impacts is included in a separate section of the valuation report which will be used to update the CAFR disclosures
- Projection of tax by plan
 - Separate single and family thresholds
 - Separate pre and post 65 thresholds
- Combine trends into composite pre and post 65 trends
 - Weighted by total premiums

Excise Tax Results

	July 1, 2016 with Excise Tax	July 1, 2016 without Excise Tax
Actuarial Accrued Liability (\$ billions)	\$ 27.19	\$ 25.91
Less Assets	0.56	0.56
Unfunded Actuarial Accrued Liability	\$ 26.63	\$ 25.35
County Normal Cost Rate	14.32%	13.26%
County ARC as a Percentage of Payroll	28.79%	27.03%

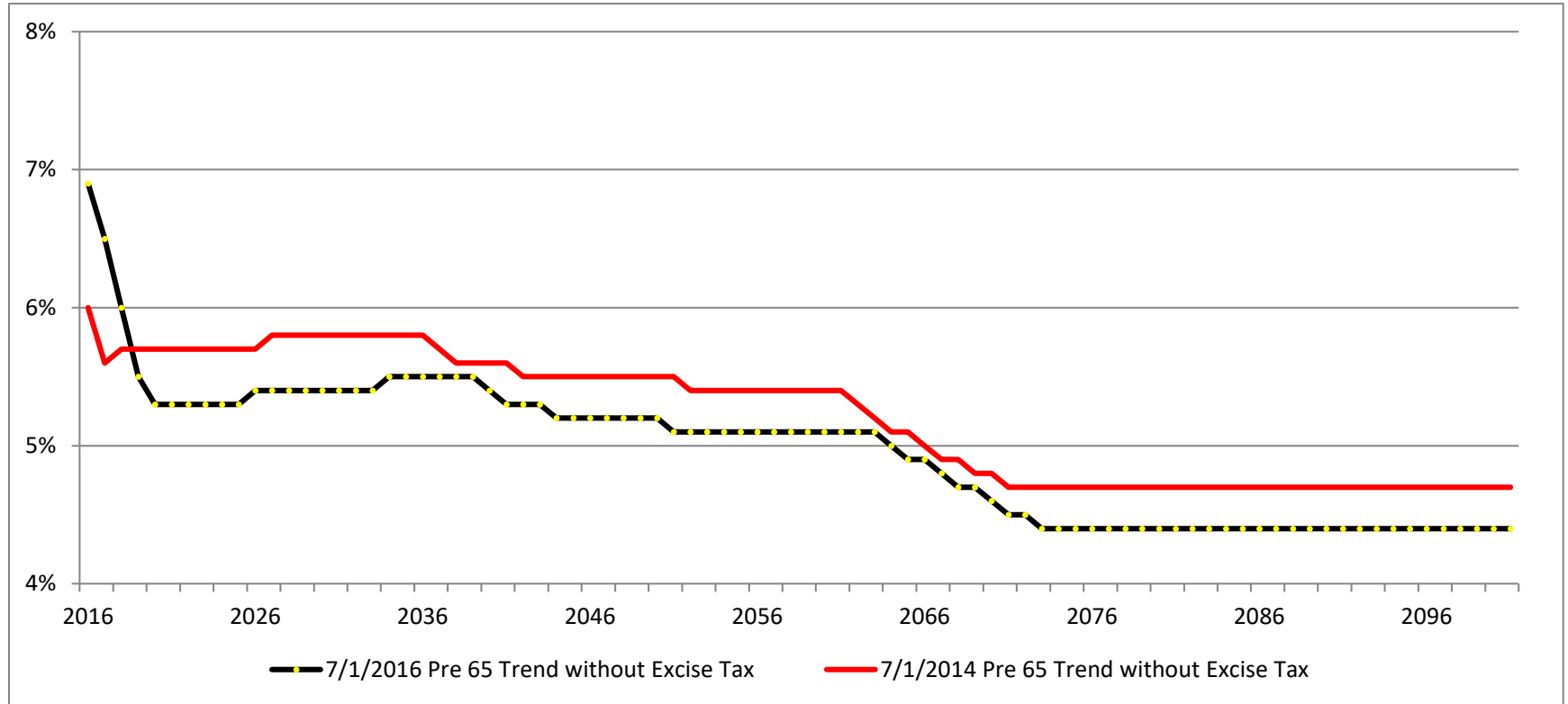
Assumptions

- Discount Rate: 4.50% (assumes partial pre-funding of OPEB benefits)
- Medical Trend: Changed to include estimated impact of Excise Tax
- Other Assumptions: Per July 1, 2016 Valuation Report

Excise Tax Results (continued)

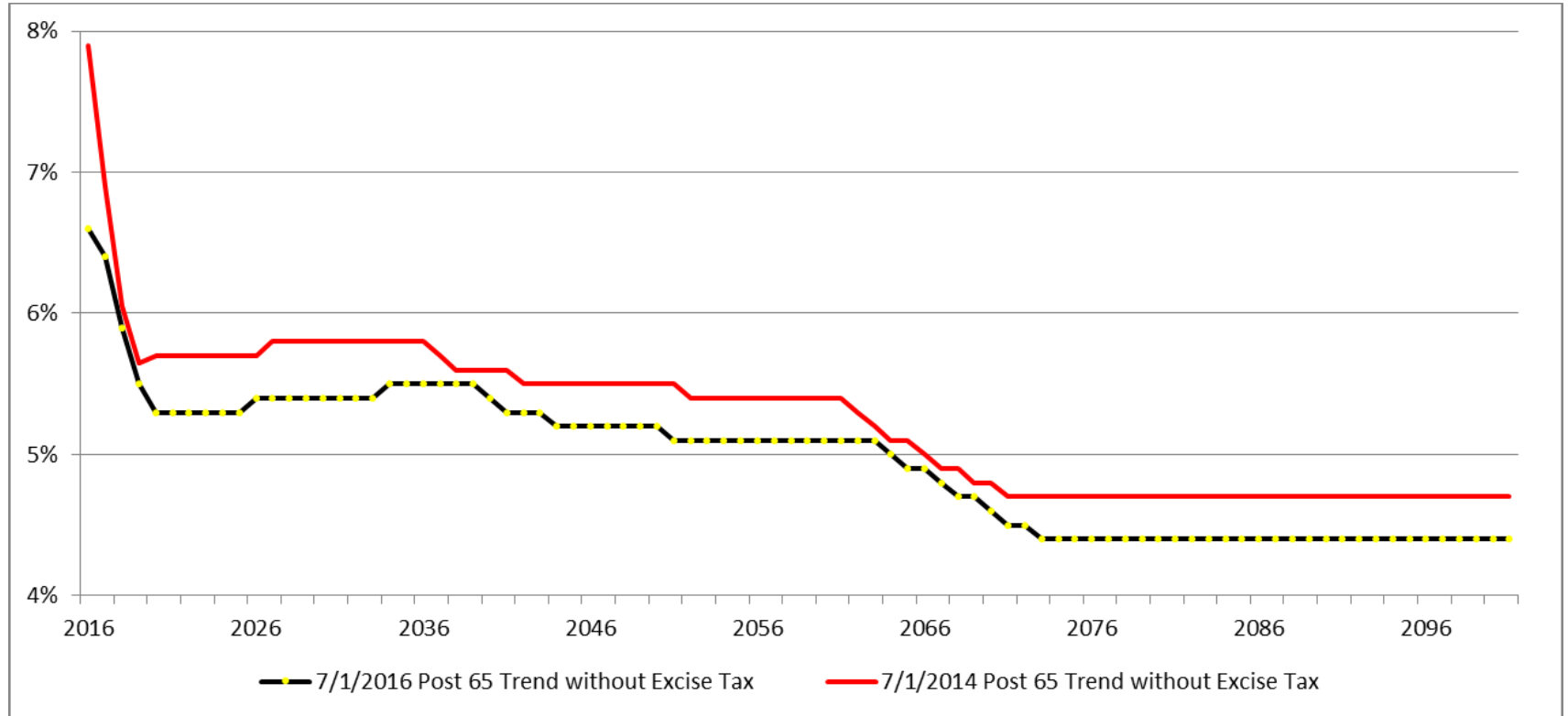
Plan	First Year Excise Tax Applies (as of 7/1/2014)	First Year Excise Tax Applies (as of 7/1/2016)
Blue Cross I	2018	2020
Blue Cross II	2018	2020
Blue Cross III	2037	2041
Blue Cross Prudent Buyer	2018	2020
Cigna Network Model	2018	2020
Cigna Healthcare for Seniors	2045	2047
Firefighters' Local 1014	2018	2020
Kaiser Basic	2019	2021
Kaiser Over 65	2046	2050
UnitedHealthcare	2018	2020
UnitedHealthcare Medicare Advantage	2049	2049
SCAN	2046	2057

Medical Trend (w/o Excise Tax Adjustment) Pre 65



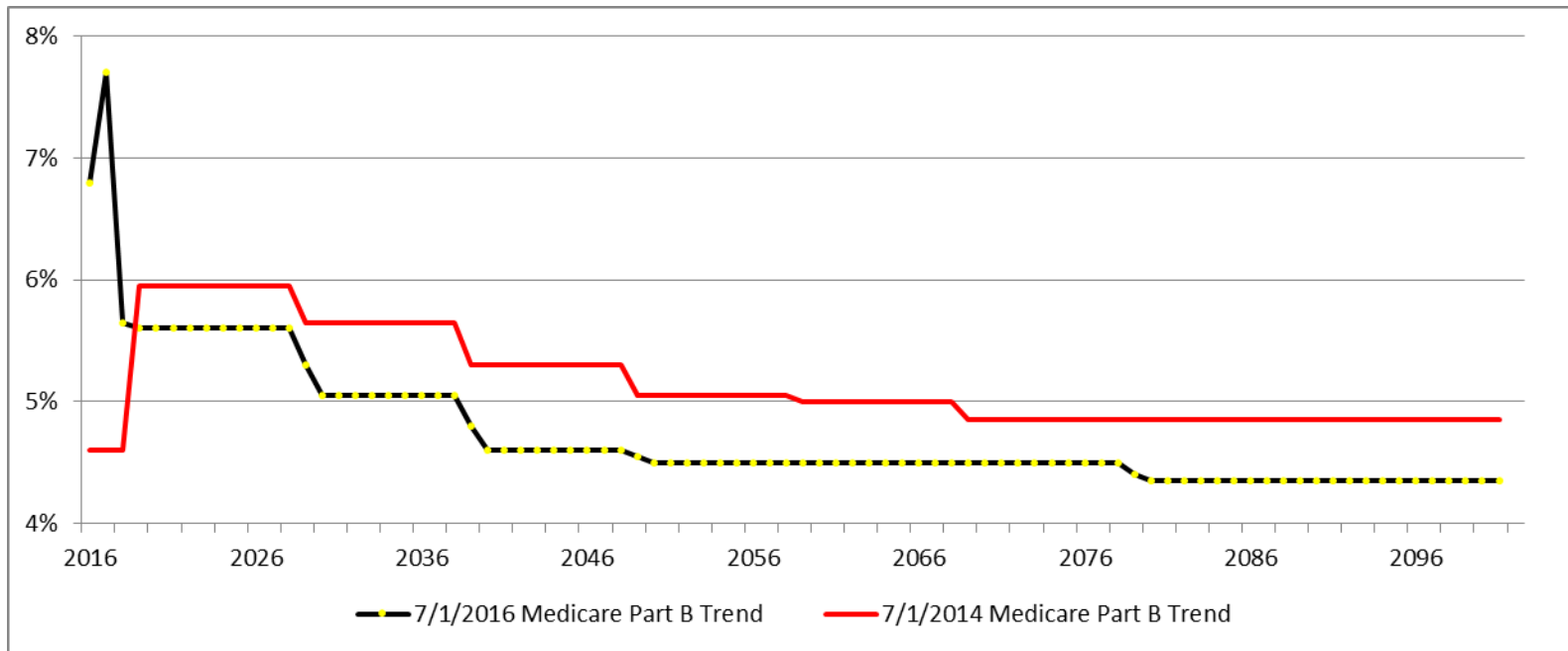
- This is from the 2016 Experience Study and does not reflect the July 1, 2017 renewals and adjustments for the health insurer fee moratorium.

Medical Trend (w/o Excise Tax Adjustment) Post 65



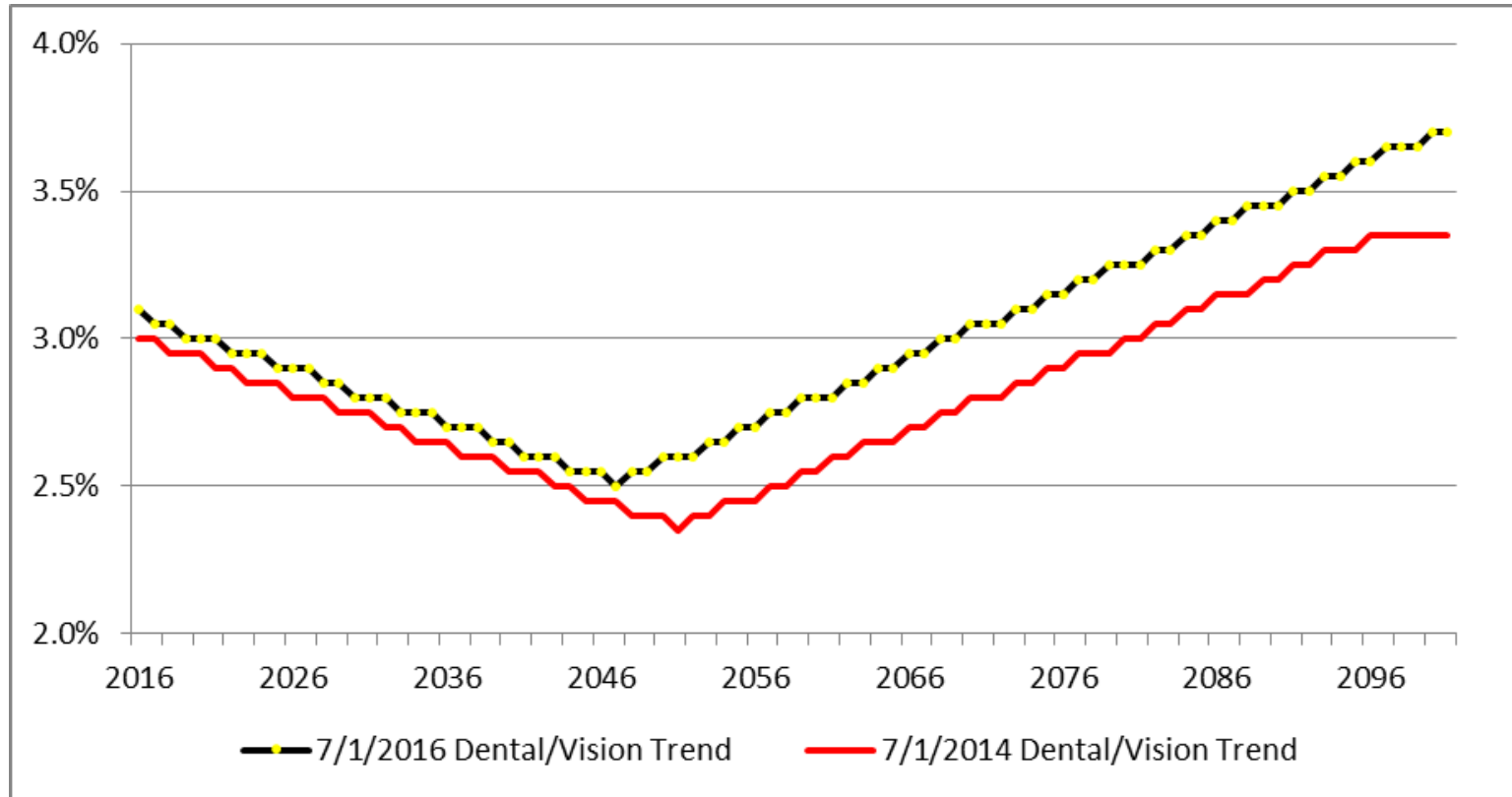
- This is from the 2016 Experience Study and does not reflect the July 1, 2017 renewals and adjustments for the health insurer fee moratorium.

Medicare Part B Trend



- Modified based on
 - 2016 Medicare Trustees Report
 - 2016 CMS Report on Medicare Expenditures with Alternative Payment Updates
 - 2016 and 2017 Part B Premiums

Dental/Vision Trend



- Underlying trend is assumed to be CPI + 1.50% (4.25%)
- CPD analysis to model indemnity plan annual maximum
- This is from the 2016 Experience Study and does not reflect the July 1, 2017 renewals and adjustments for the health insurer fee moratorium.

Tier 2 - High Level Results

	July 1, 2016 with Tier 2 Provisions	July 1, 2016 without Tier 2 Provisions
Actuarial Accrued Liability (\$ billions)	\$ 25.91	\$ 25.96
Less Assets	0.56	0.56
Unfunded Actuarial Accrued Liability	\$ 25.35	\$ 25.40
County Normal Cost Rate	13.26%	13.86%
County ARC as a Percentage of Payroll	27.03%	27.65%

	Tier 1	Tier 2	Total
Active Employees	84,303	10,992	95,295
Vested Terminated Employees	8,176	31	8,207
Retirees & Surviving Spouses (Medical)	47,903	0	47,903

Tier 2 is a new program for members hired after June 30, 2014.

Limitations and Reliances

This presentation is subject to the same data, methods, assumptions, and plan provisions as our July 1, 2016 OPEB valuation report and our 2016 Investigation of Experience for OPEB Assumptions. All caveats, limitations, and certifications from those reports apply to this presentation.



Robert Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary



Janet Jennings, ASA, MAAA
Associate Actuary



Thank you

Robert Schmidt, FSA, EA, MAAA
Janet Jennings, ASA, MAAA

September 6, 2017



Los Angeles County Employees Retirement Association

2016 Investigation of Experience for Other Postemployment Benefits Assumptions

Prepared by:

Robert L. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

Janet O. Jennings, ASA, MAAA
Associate Actuary

Milliman, Inc.
950 W. Bannock Street, Suite 510
Boise, ID 83702
Tel +1 208 342 3485
milliman.com



950 W. Bannock Street
Suite 510
Boise, ID 83702
USA

Tel +1 208 342 3485
Fax +1 208 342 5667

milliman.com

July 21, 2017

Mr. Gregg Rademacher
Chief Executive Officer
Los Angeles County Employees Retirement Association
300 North Lake Avenue
Pasadena, CA 91101-4199

Dear Gregg:

It is a pleasure to submit this report of our investigation of the experience of the Los Angeles County Retirement Association (LACERA) Other Postemployment Benefits (OPEB) Program for the three-year period ending June 30, 2016. The results of this investigation are the basis for recommended changes in OPEB related actuarial assumptions for the actuarial valuation to be performed as of July 1, 2016.

The purpose of this report is to communicate the results of our review of the OPEB related actuarial assumptions to be used in the completion of the upcoming valuation. Several of our recommendations represent changes from the prior assumptions and are designed to better anticipate the emerging experience of LACERA's OPEB Program.

We have provided financial information showing the estimated hypothetical impact of the recommended assumptions if they had been used in the July 1, 2014 actuarial OPEB valuation. We believe the recommended assumptions provide a reasonable estimate of anticipated experience affecting LACERA. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions.

In preparing this report, we relied without audit on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to benefit descriptions, membership data, and financial information. We used LACERA's benefit provisions as stated in our July 1, 2014 OPEB Actuarial Valuation report. In our examination, after discussion with LACERA and making certain adjustments, we have found the data to be reasonably consistent and comparable with data used for other purposes. Since the experience study results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our determinations might need to be revised.

Components of ACA are reflected in the trend assumption, which is evaluated in this experience study. The trend will be updated for the July 1, 2016 valuation to reflect the July 1, 2017 final renewals.

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

We certify that the assumptions developed in this report satisfy Actuarial Standards Board (ASB) Standards of Practice, in particular, No. 6 (Measuring Retiree Group Benefit Obligations). The assumptions used in this OPEB Investigation of Experience are derived from a combination of assumptions identified during the 2016 LACERA Investigation of Experience for Retirement Benefit Assumptions and collaboration among a group of stakeholder representatives. Demographic assumptions from the Retirement Benefit Investigation of Experience, conducted by Milliman and approved by LACERA's Board of Investments, are integrated into the OPEB Investigation of Experience. Assumptions unique to OPEB are identified, evaluated, and agreed upon collaboratively by the actuaries and consultants representing the OPEB program stakeholders including: Milliman, LACERA's actuary; Segal, LACERA's auditing actuary; Aon Hewitt, LACERA's Health Care Benefits Consultant; Cheiron, Los Angeles County's actuary; and Rael & Letson, actuary for SEIU Local 721. Types of OPEB specific assumptions include: initial enrollment, plan and tier selection, spouse age difference, and re-enrollment assumptions. The claim cost assumptions and final trend rates reflecting the July 1, 2017 renewals will be developed and agreed upon collaboratively with the same LACERA stakeholders during the July 1, 2016 valuation.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the program's funded status); and changes in program provisions or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations under GASB No. 43 and No. 45 are for purposes of fulfilling financial accounting requirements for LACERA and Los Angeles County (the employer) respectively. LACERA needs to report under GASB 43 since the benefit payments flow through LACERA's financial accounts. The calculations in the enclosed exhibits have been made on a basis consistent with our understanding of GASB No. 43 and No. 45, as well as the County's funding goals. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of LACERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- (a) LACERA may provide a copy of Milliman's work, in its entirety, to LACERA's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit LACERA.
- (b) LACERA may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Any third party recipient of Milliman's work product, including Los Angeles County or the South Coast Air Quality Management District, who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to their own specific needs.

We would like to express our appreciation to LACERA staff members, Los Angeles County, Aon Hewitt, Segal, Rael & Letson, and Cheiron who gave substantial assistance in supplying the data on which this report is based. We respectfully submit the following report and we look forward to discussing it with you.

The consultants who worked on this assignment are employee benefit and health actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

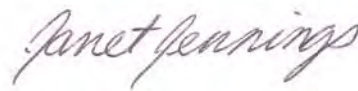
On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert L. Schmidt".

Robert L. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "Janet O. Jennings".

Janet O. Jennings, ASA, MAAA
Associate Actuary

RLS/JOJ/bh

Table of Contents

	<i>Page</i>
Section 1	Executive Summary and Recommendations.....1
Section 2	Introduction.....5
Section 3	Initial Enrollment11
Section 4	Plan and Tier Selection19
Section 5	Retirement of Vested Terminated Members35
Section 6	Other OPEB Demographic Assumptions39
Section 7	OPEB Economic Assumptions41
Appendix A	Proposed Actuarial Procedures and AssumptionsA-1



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Section 1 Executive Summary and Recommendations

Overview



This is a study of the OPEB related assumptions of the Los Angeles County OPEB Program for the period ending June 30, 2016. It includes a discussion of the OPEB related demographic actuarial assumptions. These assumptions were set initially for the July 1, 2006 inaugural OPEB valuation. An Investigation of Experience was conducted in 2008 for the July 1, 2008 OPEB valuation, in 2010 for the July 1, 2010 and July 1, 2012 OPEB valuations, and in 2013 for the July 1, 2014 OPEB Valuation. Now that three additional years have passed since the 2013 Investigation of Experience, we have more information with which to test the validity of the assumptions of the program. In addition, the retirement benefit related assumptions used for pension benefits were recently studied. Some of those assumptions are also used in the OPEB valuation. For consistency, changes to those assumptions will be made for the July 1, 2016 OPEB valuation. This report recommends several assumption changes that result in an Annual Required Contribution rate decrease of 2.65% of payroll. Where the recommended assumptions are different from the current assumptions, the recommended assumptions are highlighted in yellow.

Summary

This Section of the report includes a brief summary of each of the other sections of the report, our recommendations for changes in the current actuarial assumptions and the financial impact of the recommendations if they are adopted by LACERA's Board of Retirement.

New Healthcare Tier

There is a new retiree health insurance program for employees who are hired after June 30, 2014, called Tier 2. **Given the subsidy for members in Tier 2 applies to retiree-only coverage and the Tier 2 benchmark is different than Tier 1, we have evaluated plan and tier selection of Tier 1 members separately from Tier 2 members.**

Section 2 Introduction

Just as certain investment choices have an associated "investment risk", choices in actuarial assumptions have an associated "actuarial risk." Determining the OPEB liabilities and costs is dependent on the assumptions we use to project the future benefit payments and then to discount the value of future benefits to determine the present values. Thus, it is important that the County and LACERA understand the sensitivity of the actuarial calculations to the underlying assumptions.

Section 2 provides an introduction to the process of setting OPEB demographic and economic actuarial assumptions. It discusses the following:

- The "actuarial risk" associated with setting actuarial assumptions.
- An overview of the presentation of results you will see in this report.
- Our philosophy in setting actuarial assumptions.
- Actuarial Standard of Practice No. 6.
- Actuarial Standard of Practice No. 27.
- Actuarial Standard of Practice No. 35.

**Section 3
Initial Enrollment**

Section 3 discusses the probability of initial enrollment of current active and vested terminated Tier 1 members who are anticipated to retire in the future for both medical and dental/vision coverage. We are recommending adjustments from the current assumptions to achieve an actual-to-expected enrollment ratio of 98% for medical and 99% for dental/vision. We recommend the same initial enrollment assumptions for both Tier 1 and Tier 2.

**Section 4
Plan and Tier
Selections**

Section 4 discusses the probability of medical and dental/vision plan and tier selection upon retirement and attainment of age 65 for healthcare Tier 1. We are recommending changes to this assumption to reflect recent plan and tier selection patterns. We would like to discuss potentially different assumptions for Tier 2.

**Section 5
Retirement of Vested
Terminated Members**

Section 5 discusses the assumption for retirement of vested terminated members. For all groups including General Plans A, B, C, and D, General Plan E, and Safety Plans A and B, the actual retirements have been slightly lower than our assumptions, and we recommend small decreases to these assumptions. There is insufficient data to separately analyze experience for General Plan G and Safety Plan C for the retirement of vested terminated member's assumption. We recommend these plans use the same assumptions as General Plans A, B, C and D and Safety Plans A and B respectively. Experience from the six year period ended June 30, 2016 was used. We recommend the same assumptions for both Tier 1 and Tier 2.

**Section 6
Other OPEB
Demographic
Assumptions**

Section 6 discusses the following other OPEB demographic assumptions:

- Enrolled spouse age difference
- Medicare enrollment for members in Blue Cross Plan I, Plan II, and Prudent Buyer
- Probability of survivor and new dependent enrollment

For female retirees, we recommend the age difference assumption for male spouses be changed from two years older to one year older. We recommend no change for male retirees of the assumption that spouses are four years younger. We are recommending no change to our Medicare enrollment assumption and are recommending no changes to our survivor enrollment assumptions. We are recommending that a small change be made to the new dependent enrollment assumption.

We recommend these assumptions be the same for Tier 1 and Tier 2.

**Section 7
OPEB Economic
Assumptions**

Section 7 discusses the investment earnings and health cost trend assumptions. Based on a decision made by the Board of Investments in December 2016 to use economic alternative #1, we are proposing using retirement alternative #1 inflation and general wage increases of 2.75% and 3.25% respectively. The OPEB investment earnings assumption is based on a blend of the expected return from the general assets and the OPEB Trust. We are recommending a 4.50% investment earnings assumption. For the health cost trend rates, we utilized the updated version of the Getzen trend model sponsored by the Society of Actuaries. Based on this information, we are recommending changes to the trend assumptions. The first year trend assumptions will be updated to reflect the final July 1, 2017 renewals.

Financial Impact

The changes in total are projected to decrease the Actuarial Accrued Liability by 11.7%, decrease the Normal Cost Rate by 2.76% of payroll, and decrease the Annual Required Contribution by 2.65% of payroll.

Exhibit 1-1 summarizes the financial impact of the assumption changes. It shows the impact on the Actuarial Accrued Liability, Normal Cost Rate, and Annual Required Contribution of each individual assumption change. This is based solely on the impact the new assumptions would have had on the July 1, 2014 OPEB valuation results. Note that the relative impact of the various assumption changes by component is somewhat dependent on the order in which they are evaluated. The retirement benefit demographic assumption changes are based on the 2016 Retirement Benefit Investigation of Experience for LACERA.

Upon request from LACERA we have also shown the effect of changing the actuarial cost method from Projected Unit Credit (PUC) to Entry Age Normal (EAN). The July 1, 2016 OPEB valuation will continue to use PUC. Disclosures under new Government Accounting Standards Board (GASB) Statements Numbers 74 and 75 will require EAN.

**Exhibit 1-1
 Hypothetical Results of July 1, 2014 Valuation
 With Proposed Assumptions**

	Actuarial Accrued Liability ⁽¹⁾	County Normal Cost Rate ⁽²⁾	County ARC Percentage ⁽²⁾
July 1, 2014 Valuation	\$ 28,546.6	17.50%	31.82%
Assumption Changes			
Retirement Demographic	\$ 2,756.5	2.63%	4.59%
Initial Enrollment	(106.3)	(0.13%)	(0.19%)
Plan and Tier Selection	435.0	0.43%	0.66%
Vested Terminated Commencement	(43.3)	0.02%	0.00%
Other OPEB Demographic	147.9	0.14%	0.21%
OPEB Economic	(6,528.5)	(5.85%)	(7.92%)
Total Assumption Changes	\$ (3,338.7)	(2.76%)	(2.65%)
July 1, 2014 Valuation with Assumption Changes	\$ 25,207.9	14.74%	29.17%
Entry Age Normal	\$ (369.4)	0.17%	(0.04%)
July 1, 2014 Valuation with Assumption and Cost Method Changes	\$ 24,838.5	14.91%	29.13%

(1) In millions of dollars
 (2) Expressed as a percentage of payroll

This page intentionally left blank



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Section 2 Introduction



While our goal is to make the best possible estimate of future experience, it is important for the Board to recognize that the future will almost certainly differ from our current best efforts to forecast it. Routine scheduled reevaluations of the actuarial assumptions, such as through this experience investigation, are a sound methodology to identify where assumptions differ from emerging experience and to fine-tune the actuarial estimates to keep them as close as possible to emerging experience.

OPEB actuarial assumptions can be broken into three broad groups:

- Retirement Benefit Related Assumptions
- OPEB Demographic Assumptions
- OPEB Economic Assumptions

The Retirement Benefit Related Assumptions were studied in Milliman's 2016 Retirement Benefit Investigation of Experience for LACERA. The focus of this study is the OPEB Demographic Assumptions. This section, however, encompasses all three types of assumptions and provides an overview of the process and importance of setting actuarial assumptions.

The history of assumption studies for this program is shown below. From 2006 to 2010, OPEB assumptions have been studied on a two-year cycle.

<u>Year</u>	<u>Assumptions Studied</u>
2006	OPEB Demographic and Economic Assumptions
2008	OPEB Demographic and Economic Assumptions
2010	OPEB Demographic and Economic Assumptions
2013	OPEB Demographic Assumptions
2014	OPEB Economic Assumptions
2016	OPEB Demographic and Economic Assumptions

This report presents the results of an investigation of the recent actuarial experience of LACERA. We will refer to this investigation as an experience study.

Beginning with 2013, the experience study is performed on a three year cycle which coincides with the study of assumptions for LACERA's retirement benefit program. The 2013 experience study did not include economic assumptions because those were scheduled for review with the July 1, 2014 OPEB valuation.

Funding and Valuation Principles and “Actuarial Risk”

Just as certain investment choices have an associated “investment risk,” choices in actuarial assumptions have an associated “actuarial risk.” Our responsibility is to always consider the impact our work will have on future taxpayers and on the members of the Los Angeles County OPEB Program.

Our estimate of the OPEB liabilities and costs is dependent on the assumptions we use to project the future benefit payments and then to discount the value of future benefits to determine the present values. Thus, it is important that the County understand the sensitivity of the actuarial calculations to the underlying assumptions.

- If actual experience shows that the assumptions overestimated the true cost of the program, decisions for change may be inappropriately made based on the higher estimated cost levels. This may also result in an overstatement of cost today and the longer-term impact will not be realized until many years in the future when costs may need to be lowered due to the current overstatement.
- If actual experience shows that the assumptions underestimated the true cost of the program, decisions for change may be inappropriately made based on the lower estimated costs levels. This may result in an unexpected need to increase costs in the future and may lead to budgeting difficulties.
- The valuation presents the costs as of only one date. Further analysis illustrating the potential volatility of the cost results may be needed to fully appreciate the “actuarial risk” associated with actuarial assumptions. These further studies are beyond the scope of this project.

As stated above, the actuarial assumptions can be divided into three groups: retirement benefit related, OPEB demographic, and OPEB economic.

The retirement benefit related assumptions are based on the recommendations from the LACERA 2016 Investigation of Experience, as developed under Actuarial Standards of Practice (ASOP) Number 27 and 35.

The OPEB demographic assumptions are based on the County OPEB program’s actual experience, adjusted to reflect trends and historical experience. These are developed under ASOP Numbers 6 and 35.

The OPEB economic assumptions must not only reflect the County’s actual experience but also give even greater consideration to the long-term expectation of future economic growth for the nation, as well as the global economy. By long term, we are looking at time periods of from 20 to 40, possibly to 60, years – a much longer time frame than any period investment managers or economists would typically be discussing with you. Since the economic assumptions are for the long term, it is expected that in the short-term there will be years in which the actual investment return will exceed the actuarial assumption, and there will be years when the actual experience will not meet the assumed rate. It is the expected long-term rate that is used to project and finance the OPEB benefits. These are developed under ASOP Number 27.

Thus, the economic assumptions are much more subjective than the demographic assumptions, and the demographic assumptions are much more dependent on the results of the experience studies.

Overview

This report presents the results of an investigation of the recent actuarial experience of the County OPEB program. We will refer to this investigation as an experience study.

Throughout this report, we refer to “expected” and “proposed” actuarial assumptions. The “expected” assumptions are those used for our actuarial valuation of the County OPEB program dated July 1, 2014. They may also be referred to as the “current” or “old” assumptions. The “proposed” or “recommended” assumptions are those we recommend for use in the OPEB valuation dated July 1, 2016 and for subsequent valuations until further changes are made.

The assumptions used in this OPEB Investigation of Experience are derived from a combination of assumptions identified during the 2016 LACERA Investigation of Experience for Retirement Benefit Related Assumptions and collaboration among a group of stakeholder representatives. Economic and demographic assumptions from the Retirement Benefit Investigation of Experience, conducted by Milliman and approved by LACERA's Board of Investments, are integrated into the OPEB Investigation of Experience. Assumptions unique to OPEB are identified, evaluated, and agreed upon collaboratively by the actuaries and consultants representing the OPEB program stakeholders including: Milliman, LACERA's actuary; Segal, LACERA's auditing actuary; Aon Hewitt, LACERA's Health Care Benefits Consultant; Cheiron, Los Angeles County's actuary; and Rael & Letson, actuary for SEIU Local 721. Types of OPEB specific assumptions include: initial enrollment, plan and tier selection, spouse age difference, and re-enrollment assumptions. The OPEB Investigation of Experience is reviewed in conjunction with the approval of the OPEB Valuation by LACERA's Board of Retirement.

This report shows the results of our study of OPEB demographic and economic assumptions. The exhibits are detailed comparisons between the actual and expected experience on both the current and proposed bases.

For each type of assumption, graphs and tables show the actual, the expected (or old), and proposed rates. The exhibits also show the total numbers of actual and expected retirements from vested terminated status, and enrollment probabilities. Ratios larger than 100% on the current basis indicate that the rates may need to be raised; ratios smaller than 100% indicate that rates may need to be lowered.

For the graphical exhibits, the actual rates and actual rates from the prior 2013 study are shown as bars on the graphs on either a years-of-service basis, or, in the case of retirement rates, on an age-by-age basis. The current, or “expected”, rates used in the July 1, 2014 OPEB valuation and the new proposed assumptions are as lines on the graphs. Therefore, the assumption changes we are proposing are illustrated by the difference between the two lines in each exhibit.

For the tabular exhibits, the current assumptions, actual rates, and recommended assumptions are identified in the tables. Where the recommended assumptions are different from the current assumptions, the recommended assumptions are highlighted.

Our Philosophy

Similar to an actuarial valuation, the calculation of actual and expected experience is a fairly mechanical process. From one actuary to another, you would expect to see very little difference. However, the setting of assumptions is a different story, as it is much more subjective. In this report, we recommend new assumptions. To help you understand our thought process, here is a brief summary of our philosophy:

- **Don't Overreact:** When we see significant changes in experience, we generally do not adjust our rates to reflect the entire difference. We will generally recommend rates somewhere between the old rates and the new experience. If the experience during the next study shows the same result, we will probably recognize this trend at that point. On the other hand, if the experience returns closer to its prior level, we will not have overreacted, minimizing volatility in results.
- **Anticipate Trends:** If there is an identified trend that is expected to continue, we believe that this should be recognized. An example of this is the initial enrollment assumption. Rather than looking at where all retirees are enrolled today, we consider recent experience in developing this assumption, combined with input from LACERA staff and the stakeholders.
- **Simplify:** Where there is no material difference in results, we attempt to simplify our assumptions and methods. In general, we attempt to identify which factors are significant and eliminate the ones that do not materially improve accuracy.

Actuarial Standard of Practice No. 6

Actuarial Standard of Practice (ASOP) No. 6 *Measuring Retiree Group Benefit Obligations* provides guidance to actuaries giving advice on selecting assumptions for measuring obligations under OPEB plans.

Each individual OPEB assumption should satisfy the criteria of ASOP No. 6. In selecting OPEB assumptions, the actuary should also consider: the internal consistency between the assumptions, materiality, cost effectiveness, and the combined effect of all assumptions. At each measurement date, the actuary should consider whether the selected assumptions continue to be reasonable, but the actuary is not required to do a complete assumption study at each measurement date. In our opinion, the demographic assumptions recommended in this report have been developed in accordance with ASOP No. 6.

Actuarial Standard of Practice No. 35: Selection of Demographic Assumptions

Actuarial Standard of Practice No. 35 (ASOP No. 35) governs the selection of demographic and other non-economic assumptions for measuring pension obligations. ASOP No. 35 states that the actuary should use professional judgment to estimate possible future outcomes based on past experience and future expectations, and select assumptions based upon application of that professional judgment. The actuary should select reasonable demographic assumptions in light of the particular characteristics of the defined benefit plan that is the subject of the measurement.

A reasonable assumption is one that is expected to appropriately model the contingency being measured and is not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

ASOP No. 35 Steps

The actuary should follow the following steps in selecting the demographic assumptions which pertain to OPEB:

1. Identify the types of assumptions. Types of demographic assumptions include but are not limited to initial enrollment, plan and tier selection, spouse age difference, and re-enrollment assumptions.

The actuary should consider the purpose and nature of the measurement, the materiality of each assumption, and the characteristics of the covered group in determining which types of assumptions should be incorporated into the actuarial model.

2. Consider the relevant assumption universe. The relevant assumption universe includes experience studies or published tables based on the experience of other representative populations, the experience of the plan sponsor, the effects of plan design, and general trends.
3. Consider the assumption format. The assumption format includes whether assumptions are based on parameters such as gender, age, service or calendar year. The actuary should consider the impact the format may have on the results, the availability of relevant information, the potential to model anticipated plan experience, and the size of the covered population.
4. Select the specific assumptions. In selecting an assumption the actuary should consider the potential impact of future plan design as well as the factors listed above.
5. Evaluate the reasonableness of the selected assumption. The assumption should be expected to appropriately model the contingency being measured. The assumption should not be anticipated to produce significant actuarial gains or losses.

Actuarial Standard of Practice No. 27

The Actuarial Standards Board has adopted Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. This standard provides guidance to actuaries giving advice on selecting economic assumptions for measuring obligations under defined benefit plans such as LACERA.

Because no one knows what the future holds, the best an actuary can do is to use professional judgment to estimate possible future economic outcomes. These estimates are based on a mixture of past experience, future expectations, and professional judgment. The actuary should consider a number of factors, including the purpose and nature of the measurement, and appropriate recent and long-term historical economic data. However, the standard explicitly advises the actuary not to give undue weight to recent experience.

ASOP No. 27 states that each economic assumption selected by the actuary should be reasonable. The assumption is reasonable if it has the following characteristics:

- It is appropriate for the purpose of the measurement.
- It reflects the actuary's professional judgment.
- It takes into account relevant historical and current economic data.
- It reflects the actuary's best estimate of future experience and observation of the estimates in market data.
- It has no specific bias (i.e. it is not significantly optimistic or pessimistic), but may specifically make provision for adverse deviation.

Each economic assumption should individually satisfy this standard. Furthermore, with respect to any particular valuation, each economic assumption should be consistent with every other economic assumption over the measurement period.

In our opinion, the economic assumptions we recommend for Board of Retirement consideration in this report have been developed in accordance with ASOP No. 27.

Section 3 Initial Enrollment



The initial enrollment assumption is used to estimate the probability that a new retiree from active or vested terminated status, who is eligible for retiree health care coverage, will elect to join the OPEB program. For the retiree death benefit coverage, the enrollment assumption is 100%, since retirees do not pay for coverage and enrollment is automatic. For retiree medical and dental/vision coverage, we have reviewed recent retiree experience and used an enrollment assumption that is graded by years of service at retirement. The County subsidy for medical and dental/vision coverage is 40% of the benchmark plan rate (or 40% of the premium for the plan elected, if less) for retirees with 10 years of retirement service credit. For each year of service beyond 10 years, the County contributes an additional 4%, up to a maximum of 100% for a retiree with 25 years of service. Since the County subsidy increases with years of service, retirees with more service are more likely to enroll. A retiree with service connected disability retirement with less than 13 years of service will receive a 50% County subsidy of the benchmark plan rate (or 50% of the premium for the plan elected, if less). If a retiree with service connected disability retirement has 13 or more years of service, the County subsidy is the same as a non-disabled retiree.

Exhibits 3-1 and 3-2 show a comparison of actual medical enrollees to assumed enrollees for the three-year period ending June 30, 2016 separately for males and females. The results show those who both enrolled at the time of retirement and those who enrolled sometime after retirement.

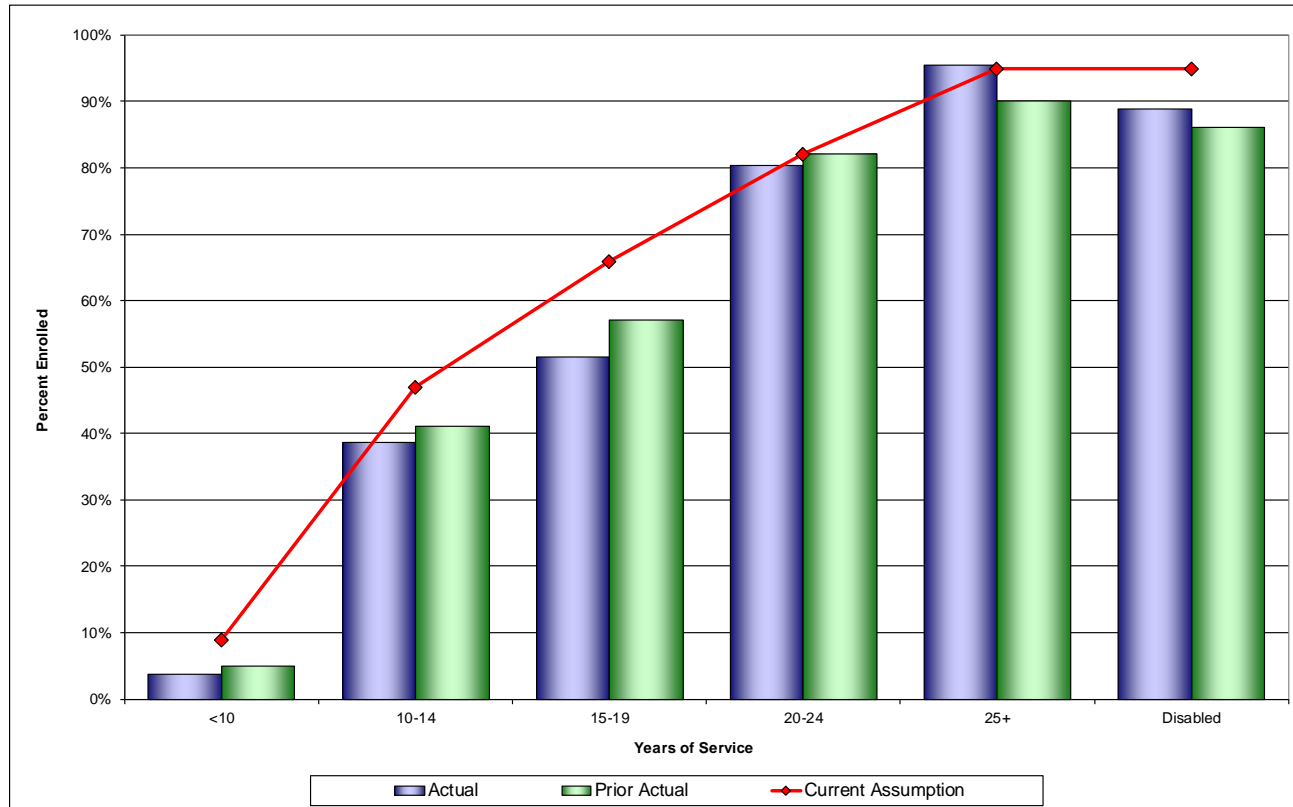
The exhibits show that patterns for males and females are similar. Therefore, we recommend using combined male/female assumptions.

Exhibit 3-3 shows the combined male and female experience, along with the current and proposed assumptions. The proposed assumptions involve adjustments from the current assumptions to achieve an actual-to-expected ratio closer to 100%.

Exhibits 3-4 through 3-6 show the results for the dental/vision enrollees. We are recommending similar assumption changes for the dental/vision enrollment as the medical enrollment.

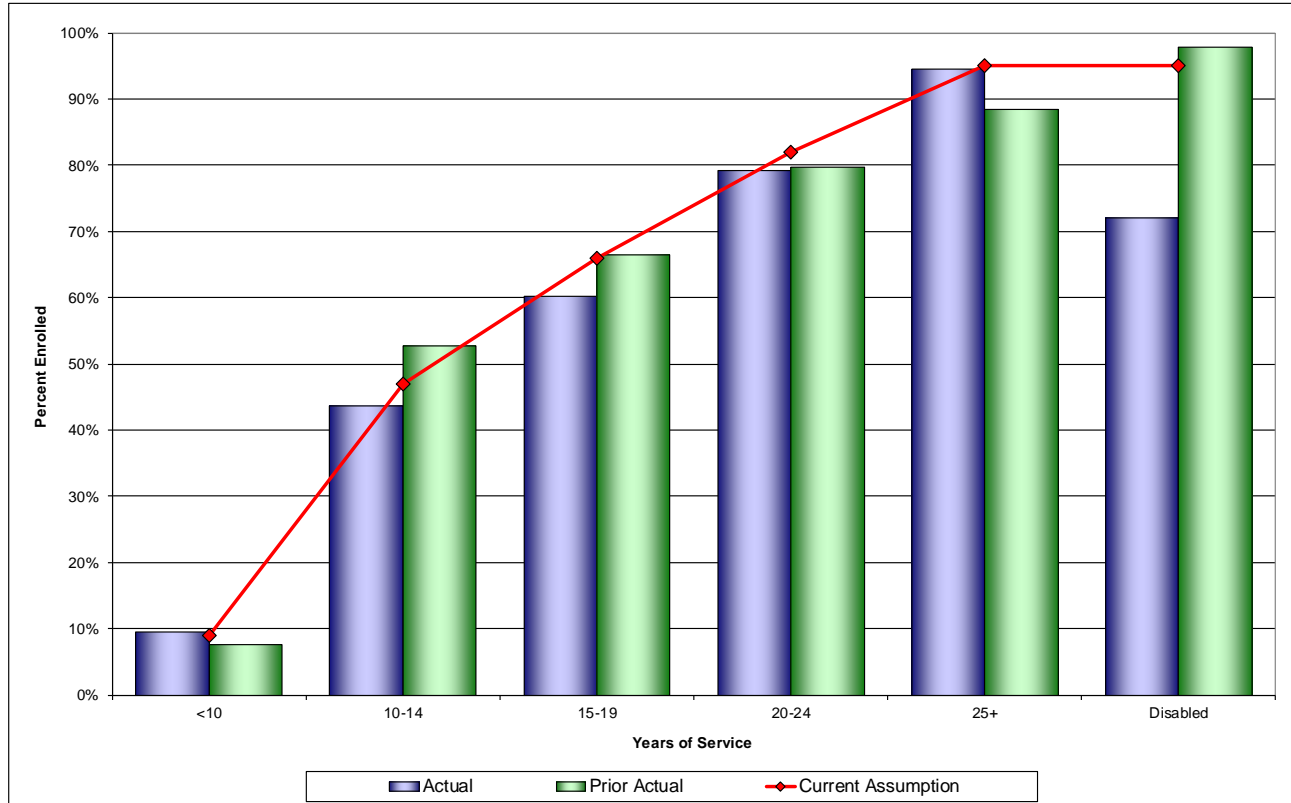
Due to lack of credible experience with respect to Tier 2 enrollees, we recommend the same initial enrollment assumptions for Tier 1 and Tier 2 enrollees.

**Exhibit 3-1
 Initial Medical Enrollment – Males**



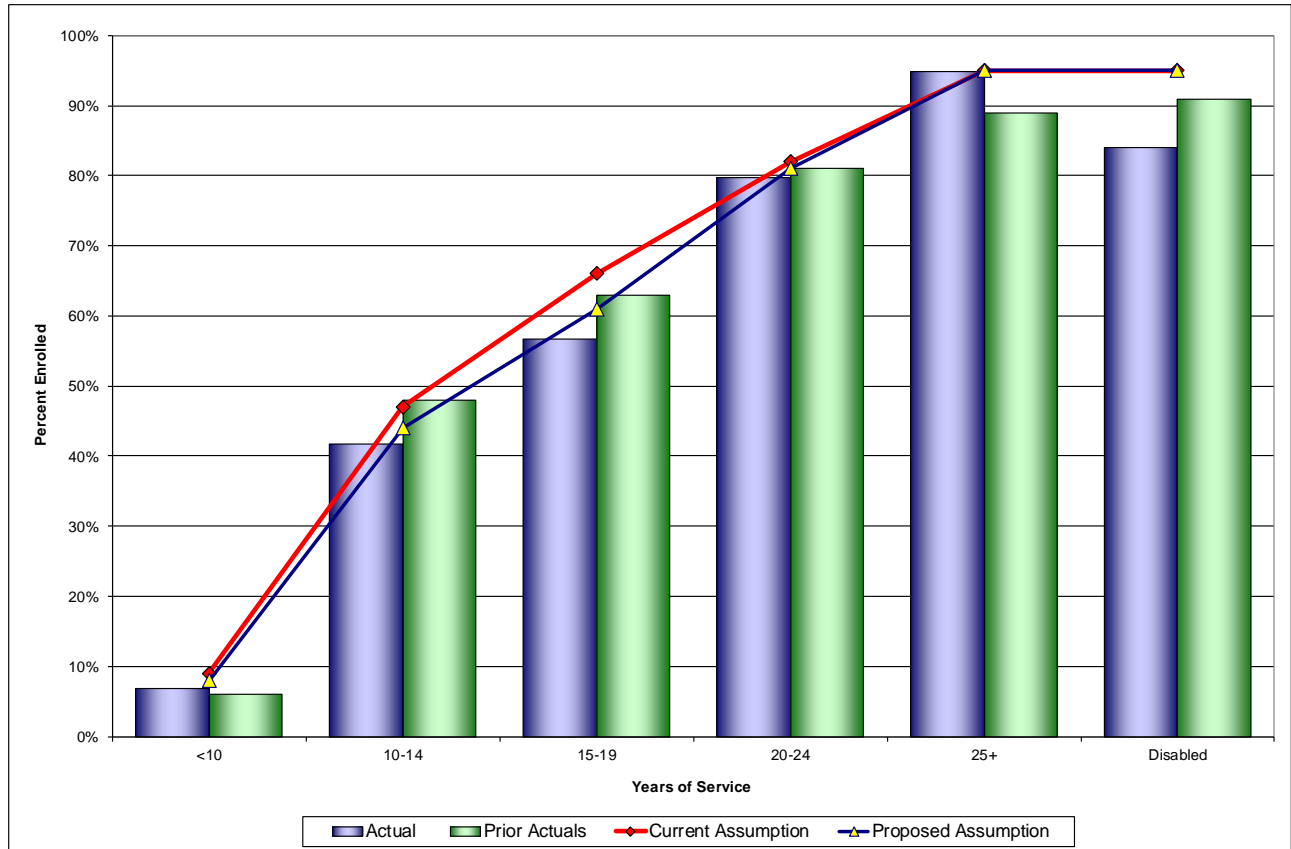
All Enrollees	Current Assumption	Actual
Total Count	2,873	2,782
Actual / Expected	97%	

**Exhibit 3-2
 Initial Medical Enrollment – Females**



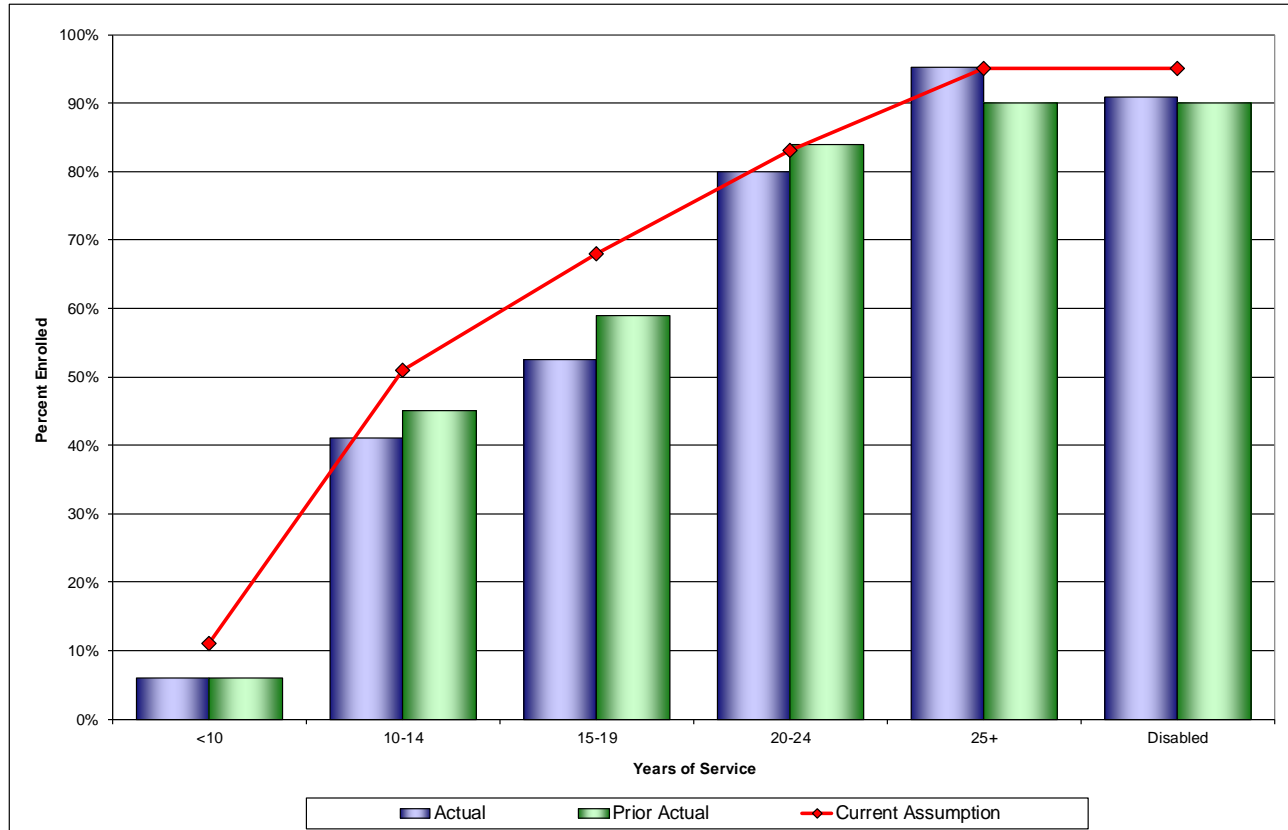
All Enrollees	Current Assumption	Actual
Total Count	3,684	3,587
Actual / Expected	97%	

Exhibit 3-3
Initial Medical Enrollment – Males and Females



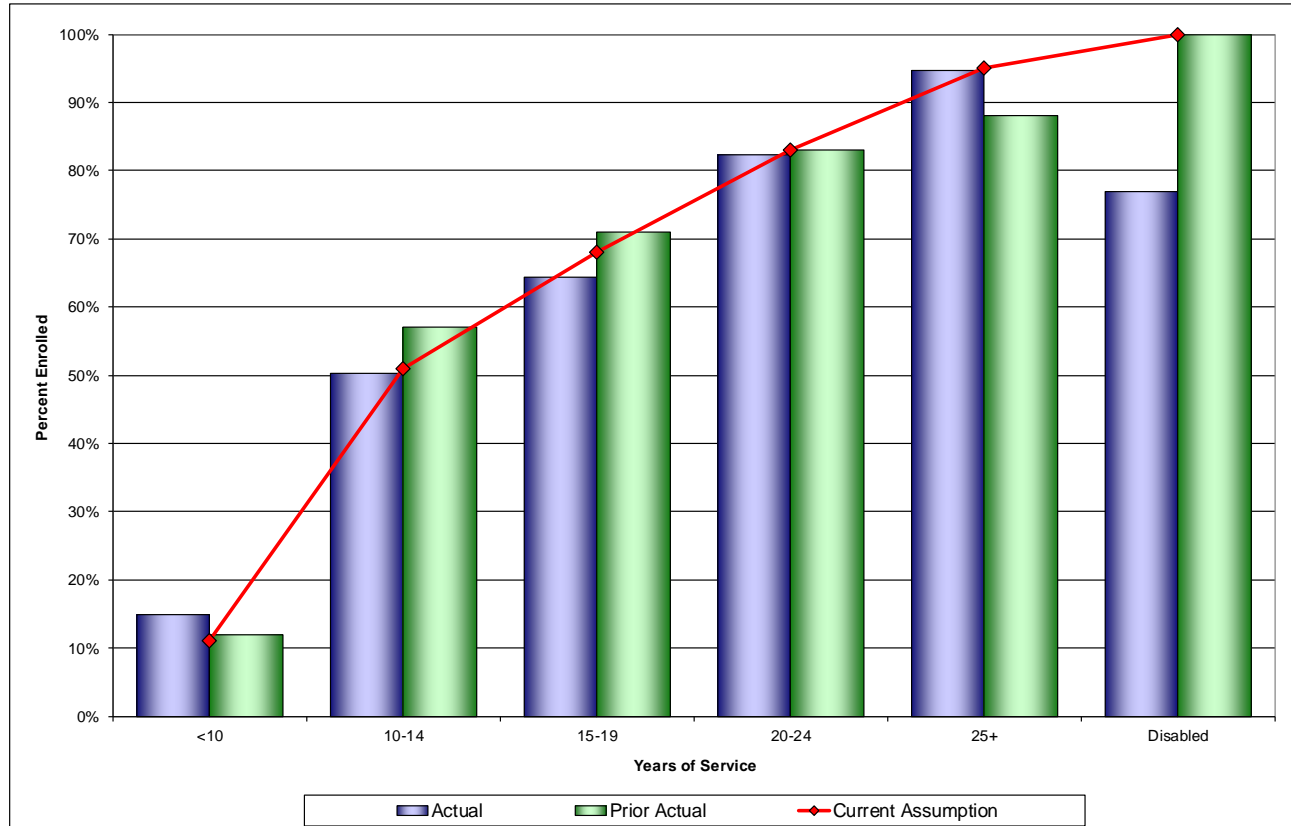
All Enrollees	Current Assumption	Actual	Proposed Assumption
Total Count	6,557	6,369	6,467
Actual / Expected	97%		98%

**Exhibit 3-4
 Initial Dental/Vision Enrollment – Males**



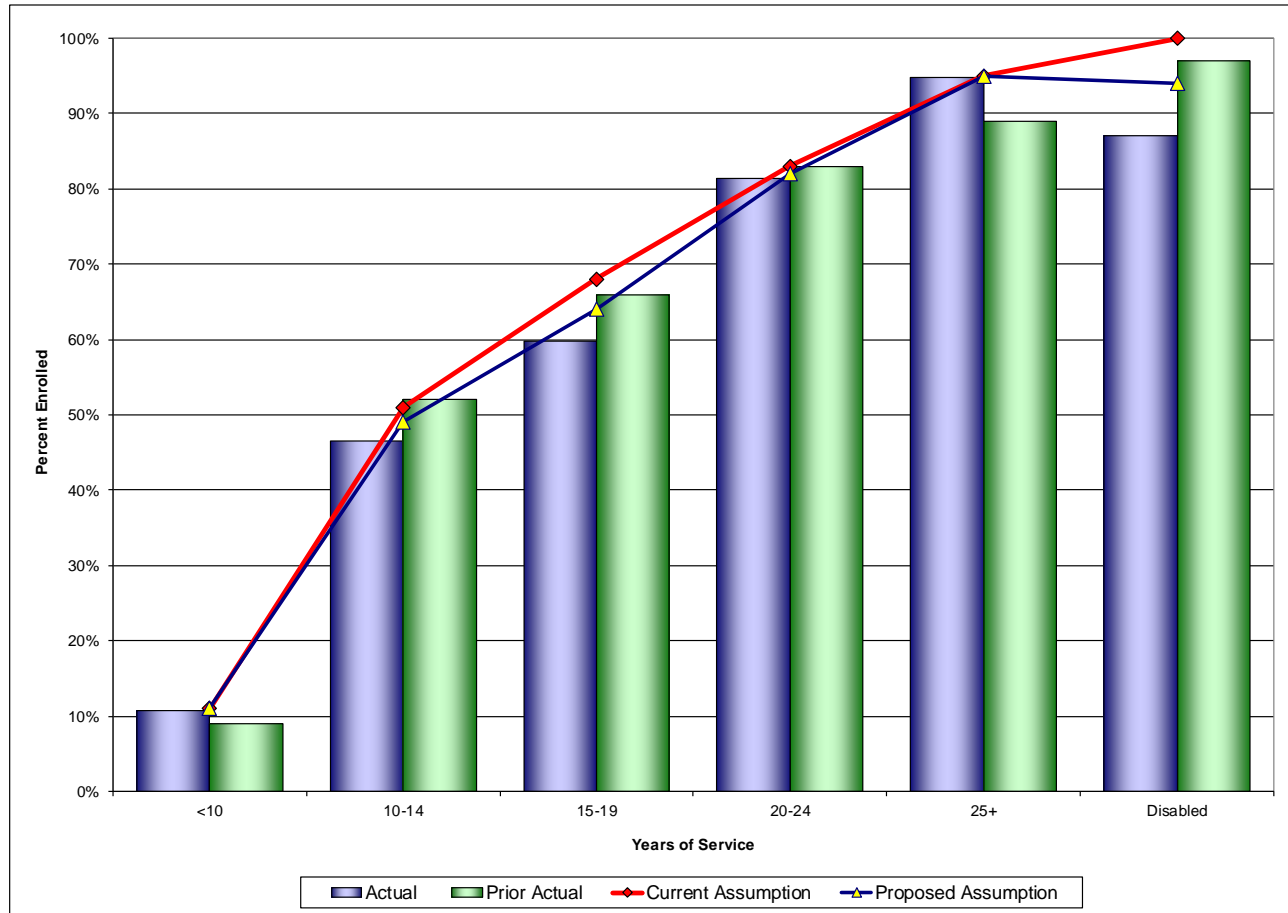
All Enrollees	Current Assumption	Actual
Total Count	2,912	2,794
Actual / Expected	96%	

**Exhibit 3-5
 Initial Dental/Vision Enrollment – Females**



All Enrollees	Current Assumption	Actual
Total Count	3,726	3,674
Actual / Expected	99%	

Exhibit 3-6
Initial Dental/Vision Enrollment – Males and Females



All Enrollees	Current Assumption	Actual	Proposed Assumption
Total Count	6,638	6,468	6,557
Actual / Expected	97%		99%

This page intentionally left blank



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Section 4 Plan and Tier Selection



The plan and tier selection assumption is used to model the range of possible selections for new enrollees. In our July 1, 2014 OPEB valuation, the selections were indexed by deduction code and gender separately for pre-65 and post-65 enrollees. We include only Tier 1 members in this evaluation since there is not yet sufficient experience for Tier 2 members. To determine Tier 2 members plan and tier selection, we considered the fact that the Tier 2 benchmark is based on the Blue Cross III retiree only premium for Medicare-eligible retirees and that it is possible that more retirees could enroll in lower cost plans such as Kaiser or United Healthcare.

Medical Selection Upon Enrollment

Exhibits 4-1 and 4-2 examine the medical plan and tier selection separately for males and females who enrolled before age 65, between July 1, 2013 and June 30, 2016. The plan and tier options were constant throughout the study period. The actual experience is compared to the expected results, along with new proposed assumptions. When the proposed assumptions differ from the current assumptions, changes are highlighted in yellow. At the bottom of the exhibits, the total enrollment for the non-single tiers is totaled. This represents the probability of enrolling at least one dependent.

Exhibits 4-3 and 4-4 are similar to Exhibits 4-1 and 4-2, except that they focus on those who enrolled after age 65. The exhibits show that patterns for males and females are quite different. Based on this, we recommend continuing with separate assumptions for males and females.

Dental/Vision Selection Upon Enrollment

Exhibit 4-5 examines the dental/vision plan and tier selection separately for males and females.

Similar to the medical exhibits, the dental/vision exhibits show that patterns for males and females are quite different, resulting in a recommendation for continuing with separate assumptions for males and females.

Medical Selection for Pre-65 Retirees When They Reach Age 65

When pre-65 retirees reach age 65, they may migrate to a different plan and/or tier. Exhibit 4-6 compares the actual experience to expected results. Based on the updated experience and future expectations, we are recommending changes in the assumed migration patterns. Note that in many cases where retirees are not the same age as their spouses, retirees migrate from a tier with two pre-65 members to a tier where the pre and post-65 members have different plans. For our modeling purposes, we encompassed these into a pure post-65 tier. This is especially evident in the Kaiser plans.

Exhibit 4-1
Initial Medical Pre-65 Enrollment – Males

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual	Actual	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	1.0%	0.6%	0.3%	0.5%	0.5%
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	2.0%	1.3%	0.7%	1.5%	1.5%
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	1.0%	1.0%	1.1%	1.0%	1.0%
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children		0.1%	0.1%		
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor					
211	Anthem Blue Cross I	Retiree Only		0.3%	0.4%	0.5%	0.5%
212	Anthem Blue Cross I	Retiree and Spouse	1.0%	0.4%	0.2%		
213	Anthem Blue Cross I	Retiree, Spouse and Children		0.2%	0.3%	0.5%	0.5%
214	Anthem Blue Cross I	Retiree and Children		0.1%	0.1%		
215	Anthem Blue Cross I	Minor Survivor					
221	Anthem Blue Cross II	Retiree Only	6.0%	5.4%	5.0%	5.5%	5.5%
222	Anthem Blue Cross II	Retiree and Spouse	15.0%	15.2%	13.5%	14.0%	14.0%
223	Anthem Blue Cross II	Retiree, Spouse and Children	10.0%	9.6%	11.2%	10.5%	10.5%
224	Anthem Blue Cross II	Retiree and Children		0.8%	1.2%	1.0%	1.0%
225	Anthem Blue Cross II	Minor Survivor					
240	Anthem Blue Cross III	One Medicare		0.1%	0.1%		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			0.1%		
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare					
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare		0.1%			
244	Anthem Blue Cross III	Retiree and Children 1 Medicare					
245	Anthem Blue Cross III	Retiree and Children 1 Medicare					
246	Anthem Blue Cross III	Retiree and Family 1 Medicare					
247	Anthem Blue Cross III	Retiree and Family 1 Medicare					
248	Anthem Blue Cross III	Retiree and Family 2 Medicare					
249	Anthem Blue Cross III	Retiree and Family 2 Medicare					
250	Anthem Blue Cross III	Retiree and Family 3 Medicare					
301	Cigna Network Model Plan	Retiree Only		0.2%	0.2%		
302	Cigna Network Model Plan	Retiree and Spouse		0.4%	0.2%		
303	Cigna Network Model Plan	Retiree and Family		0.3%	0.3%		
304	Cigna Network Model Plan	Retiree and Children		0.1%	0.1%		
305	Cigna Network Model Plan	Minor Survivor					
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					
401	Kaiser (CA)	Retiree Basic (Under 65)	13.0%	12.5%	12.2%	12.5%	12.5%
402	Kaiser (CA)	Retiree Cost ("M" Coverage)					
403	Kaiser (CA)	Retiree Risk (Senior Advantage)			0.1%		
404	Kaiser (CA)	Retiree Excess I					
405	Kaiser (CA)	Retiree Excess II - Part B					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					
411	Kaiser (CA)	Family Basic	37.0%	36.5%	33.5%	36.0%	36.0%
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic					
413	Kaiser (CA)	One Advantage, Others Basic			1.3%		
414	Kaiser (CA)	One Excess I, Others Basic					
415	Kaiser (CA)	Two+ Cost ("M" Coverage)					
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)					
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)					
418	Kaiser (CA)	Two+ Advantage		0.1%	0.1%		
419	Kaiser (CA)	One Excess I, One Advantage					
420	Kaiser (CA)	Two+ Excess I					
421	Kaiser (CA)	Survivor					
422	Kaiser (CA)	One Excess II - Part B, One Basic		0.2%			
423	Kaiser (CA)	One Excess III (MNP), One Basic					
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B					
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)					
426	Kaiser (CA)	One Risk, One Excess II - Part B					
427	Kaiser (CA)	One Risk, One Excess III (MNP)					
428	Kaiser (CA)	One Excess I, One Excess II - Part B					
429	Kaiser (CA)	One Excess I, One Excess III (MNP)					
430	Kaiser (CA)	Two Excess II - Part B					
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					
432	Kaiser (CA)	Two Excess III - Both (MNP)					

**Exhibit 4-1
 Initial Medical Pre-65 Enrollment – Males (continued)**

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic			0.1%		
451	Kaiser - Colorado	Retiree Risk					
452	Kaiser (Other)	Retiree Only					
453	Kaiser - Colorado	Retiree Basic (Two Party)			0.1%		
454	Kaiser - Colorado	Retiree Basic Family					
455	Kaiser - Colorado	One Risk, One Basic					
456	Kaiser (Other)	Retiree and Spouse					
457	Kaiser - Colorado	Two Retiree Risk					
458	Kaiser - Colorado	One Risk, Two or More Dependents					
459	Kaiser - Colorado	Two Risk, Two or More Dependents					
460	Kaiser (Other)	Retiree and Spouse					
440	Kaiser - Georgia	One Medicare Member with Part B only					
441	Kaiser - Georgia	One Medicare Member with Part A only					
442	Kaiser - Georgia	One Member without Medicare Part A&B					
443	Kaiser - Georgia	One Medicare Member (Renal Failure)					
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B					
461	Kaiser - Georgia Basic	Basic		0.1%	0.1%		
462	Kaiser - Georgia	Retiree Risk					
463	Kaiser - Georgia	Retiree (Two Party)		0.1%	0.1%		
464	Kaiser - Georgia	Retiree Basic Family					
465	Kaiser - Georgia	One Retiree Risk, One Basic					
466	Kaiser - Georgia	Two Retiree Risk					
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic					
468	Kaiser - Georgia	Two Retiree Risk, One Basic					
469	Kaiser - Georgia	Three Retiree Risk, One Basic					
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk					
471	Kaiser - Hawaii	Retiree Basic (Under 65)		0.1%			
472	Kaiser - Hawaii	Retiree Risk					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)					
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)					
476	Kaiser - Hawaii	One Retiree Risk, One Basic					
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic					
478	Kaiser - Hawaii	Two Retiree Risk					
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B					
481	Kaiser - Oregon	Retiree Basic (Under 65)			0.1%		
482	Kaiser - Oregon	Retiree Risk					
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					
484	Kaiser - Oregon	Retiree Basic (Two Party)					
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)		0.1%			
486	Kaiser - Oregon	One Retiree Risk, One Basic					
487	Kaiser - Oregon	Retiree Cost					
488	Kaiser - Oregon	Two Retiree Risk					
489	Kaiser - Oregon	Retiree w/ Part A only					
490	Kaiser - Oregon	Retiree w/ Part B only					
491	Kaiser - Oregon	One Risk, One Medicare Part A only					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare					
493	Kaiser - Oregon	One Risk, Two Basic					
494	Kaiser - Oregon	Two Risk, One Basic					
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					
496	Kaiser - Oregon	Two Medicare Part A only					
497	Kaiser - Oregon	One Basic, One Medicare Part A only					
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B					
611	SCAN Health Plan	Retiree Only		0.1%			
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					
701	United Healthcare Medicare Advantage	Retiree Only		0.1%			
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)		0.3%	0.6%	0.5%	0.5%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			0.1%		
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)			0.1%		
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)					
706	United Healthcare Medicare Advantage	Minor Survivor					
707	United Healthcare	Single	3.5%	3.4%	3.7%	3.5%	3.5%
708	United Healthcare	Two-Party	7.0%	6.8%	6.6%	7.0%	7.0%
709	United Healthcare	Family	3.5%	3.3%	6.1%	5.5%	5.5%
Total			100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	76.5%	76.9%	77.7%	77.5%	77.5%
Total New Enrollees		1,563	1,552		

* May not total to 100% due to rounding.

**Exhibit 4-1
 Initial Medical Pre-65 Enrollment – Males (continued)**

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	Firefighters Local 1014	Med-Member under 65	7.0%	5.1%	6.0%	7.0%	7.0%
802	Firefighters Local 1014	Med-Member +1 under 65	57.0%	55.0%	36.2%	47.0%	47.0%
803	Firefighters Local 1014	Med-Member +2 under 65	36.0%	38.4%	57.8%	46.0%	46.0%
804	Firefighters Local 1014	Med-Member with Medicare					
805	Firefighters Local 1014	Med-Member +1; 1 MDC		1.5%			
806	Firefighters Local 1014	Med-Member +1; 2 MDC					
807	Firefighters Local 1014	Med-Member +2; 1 MDC					
808	Firefighters Local 1014	Med-Member +2; 2 MDC					
809	Firefighters Local 1014	Med-Surv. Sp. Under 65					
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65					
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65					
812	Firefighters Local 1014	Med-Surv. Sp. With MDC					
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC					
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC					
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC					
Total			100.0%	100.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			93.0%	94.9%	94.0%	93.0%	93.0%
Total New Enrollees				198	221		

* May not total to 100% due to rounding.

Exhibit 4-2
Initial Medical Pre-65 Enrollment – Females

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual	Actual	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	1.0%	1.1%	0.7%	1.0%	1.0%
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	1.0%	0.2%	0.4%	0.5%	0.5%
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family			0.2%		
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children		0.2%	0.1%		
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor					
211	Anthem Blue Cross I	Retiree Only	1.0%	1.0%	0.4%	0.5%	0.5%
212	Anthem Blue Cross I	Retiree and Spouse	1.0%	0.5%	0.3%	0.5%	0.5%
213	Anthem Blue Cross I	Retiree, Spouse and Children			0.1%		
214	Anthem Blue Cross I	Retiree and Children			0.1%		
215	Anthem Blue Cross I	Minor Survivor					
221	Anthem Blue Cross II	Retiree Only	9.0%	8.3%	7.8%	8.0%	8.0%
222	Anthem Blue Cross II	Retiree and Spouse	7.0%	6.7%	6.6%	7.0%	7.0%
223	Anthem Blue Cross II	Retiree, Spouse and Children	1.0%	1.1%	1.9%	2.0%	2.0%
224	Anthem Blue Cross II	Retiree and Children		0.9%	0.9%	1.0%	1.0%
225	Anthem Blue Cross II	Minor Survivor					
240	Anthem Blue Cross III	One Medicare	1.0%	0.3%	0.3%	0.5%	0.5%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare					
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare					
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					
244	Anthem Blue Cross III	Retiree and Children 1 Medicare					
245	Anthem Blue Cross III	Retiree and Children 1 Medicare					
246	Anthem Blue Cross III	Retiree and Family 1 Medicare					
247	Anthem Blue Cross III	Retiree and Family 1 Medicare		0.1%			
248	Anthem Blue Cross III	Retiree and Family 2 Medicare					
249	Anthem Blue Cross III	Retiree and Family 2 Medicare					
250	Anthem Blue Cross III	Retiree and Family 3 Medicare					
301	Cigna Network Model Plan	Retiree Only		0.2%	0.2%		
302	Cigna Network Model Plan	Retiree and Spouse			0.1%	0.5%	0.5%
303	Cigna Network Model Plan	Retiree and Family			0.1%		
304	Cigna Network Model Plan	Retiree and Children		0.1%	0.1%		
305	Cigna Network Model Plan	Minor Survivor					
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					
401	Kaiser (CA)	Retiree Basic (Under 65)	33.0%	32.4%	29.6%	31.0%	31.0%
402	Kaiser (CA)	Retiree Cost ("M" Coverage)					
403	Kaiser (CA)	Retiree Risk (Senior Advantage)		0.5%	0.6%		
404	Kaiser (CA)	Retiree Excess I					
405	Kaiser (CA)	Retiree Excess II - Part B					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					
411	Kaiser (CA)	Family Basic	27.0%	28.8%	22.5%	30.0%	30.0%
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic					
413	Kaiser (CA)	One Advantage, Others Basic			7.9%		
414	Kaiser (CA)	One Excess I, Others Basic			0.2%		
415	Kaiser (CA)	Two+ Cost ("M" Coverage)					
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)					
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)					
418	Kaiser (CA)	Two+ Advantage		0.3%	0.1%		
419	Kaiser (CA)	One Excess I, One Advantage					
420	Kaiser (CA)	Two+ Excess I					
421	Kaiser (CA)	Survivor					
422	Kaiser (CA)	One Excess II - Part B, One Basic		0.2%	0.1%		
423	Kaiser (CA)	One Excess III (MNP), One Basic					
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B					
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)					
426	Kaiser (CA)	One Risk, One Excess II - Part B					
427	Kaiser (CA)	One Risk, One Excess III (MNP)					
428	Kaiser (CA)	One Excess I, One Excess II - Part B					
429	Kaiser (CA)	One Excess I, One Excess III (MNP)					
430	Kaiser (CA)	Two Excess II - Part B					
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					
432	Kaiser (CA)	Two Excess III - Both (MNP)					

**Exhibit 4-2
 Initial Medical Pre-65 Enrollment – Females (continued)**

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic					
451	Kaiser - Colorado	Retiree Risk					
452	Kaiser (Other)	Retiree Only					
453	Kaiser - Colorado	Retiree Basic (Two Party)					
454	Kaiser - Colorado	Retiree Basic Family					
455	Kaiser - Colorado	One Risk, One Basic					
456	Kaiser (Other)	Retiree and Spouse					
457	Kaiser - Colorado	Two Retiree Risk					
458	Kaiser - Colorado	One Risk, Two or More Dependents					
459	Kaiser - Colorado	Two Risk, Two or More Dependents					
460	Kaiser (Other)	Retiree and Spouse					
440	Kaiser - Georgia	One Medicare Member with Part B only					
441	Kaiser - Georgia	One Medicare Member with Part A only					
442	Kaiser - Georgia	One Member without Medicare Part A&B					
443	Kaiser - Georgia	One Medicare Member (Renal Failure)					
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B					
461	Kaiser - Georgia Basic	Basic		0.2%	0.2%		
462	Kaiser - Georgia	Retiree Risk					
463	Kaiser - Georgia	Retiree (Two Party)			0.2%		
464	Kaiser - Georgia	Retiree Basic Family					
465	Kaiser - Georgia	One Retiree Risk, One Basic					
466	Kaiser - Georgia	Two Retiree Risk					
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic					
468	Kaiser - Georgia	Two Retiree Risk, One Basic					
469	Kaiser - Georgia	Three Retiree Risk, One Basic					
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk					
471	Kaiser - Hawaii	Retiree Basic (Under 65)			0.1%		
472	Kaiser - Hawaii	Retiree Risk					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)					
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)					
476	Kaiser - Hawaii	One Retiree Risk, One Basic					
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic					
478	Kaiser - Hawaii	Two Retiree Risk					
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B					
481	Kaiser - Oregon	Retiree Basic (Under 65)		0.1%			
482	Kaiser - Oregon	Retiree Risk					
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					
484	Kaiser - Oregon	Retiree Basic (Two Party)					
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)					
486	Kaiser - Oregon	One Retiree Risk, One Basic					
487	Kaiser - Oregon	Retiree Cost					
488	Kaiser - Oregon	Two Retiree Risk					
489	Kaiser - Oregon	Retiree w/ Part A only					
490	Kaiser - Oregon	Retiree w/ Part B only					
491	Kaiser - Oregon	One Risk, One Medicare Part A only					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare					
493	Kaiser - Oregon	One Risk, Two Basic					
494	Kaiser - Oregon	Two Risk, One Basic					
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					
496	Kaiser - Oregon	Two Medicare Part A only					
497	Kaiser - Oregon	One Basic, One Medicare Part A only					
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B					
611	SCAN Health Plan	Retiree Only			0.1%		
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					
701	United Healthcare Medicare Advantage	Retiree Only		0.1%	0.2%		
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	2.0%	1.8%	2.1%	2.0%	2.0%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)		0.1%	0.1%		
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.1%	0.3%	0.5%	0.5%
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)					
706	United Healthcare Medicare Advantage	Minor Survivor					
707	United Healthcare	Single	10.0%	9.5%	8.8%	9.0%	9.0%
708	United Healthcare	Two-Party	5.0%	4.1%	4.9%	5.0%	5.0%
709	United Healthcare	Family	1.0%	1.1%	1.7%	1.0%	1.0%
Total			100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	45.0%	46.3%	51.0%	50.0%	50.0%
Total New Enrollees		2,021	1,875		

* May not total to 100% due to rounding.

**Exhibit 4-2
 Initial Medical Pre-65 Enrollment – Females (continued)**

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	Firefighters Local 1014	Med-Member under 65	7.0%			7.0%	7.0%
802	Firefighters Local 1014	Med-Member +1 under 65	57.0%			47.0%	47.0%
803	Firefighters Local 1014	Med-Member +2 under 65	36.0%	20.0%		46.0%	46.0%
804	Firefighters Local 1014	Med-Member with Medicare					
805	Firefighters Local 1014	Med-Member +1; 1 MDC		20.0%			
806	Firefighters Local 1014	Med-Member +1; 2 MDC					
807	Firefighters Local 1014	Med-Member +2; 1 MDC					
808	Firefighters Local 1014	Med-Member +2; 2 MDC					
809	Firefighters Local 1014	Med-Surv. Sp. Under 65		60.0%			
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65					
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65					
812	Firefighters Local 1014	Med-Surv. Sp. With MDC					
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC					
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC					
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC					
Total			100.0%	100.0%	0.0%	100.0%	100.0%

Probability of enrolling at least one dependent	93.0%	40.0%	0.0%	93.0%	93.0%
Total New Enrollees		5	0		

* May not total to 100% due to rounding.

Exhibit 4-3
 Initial Medical Post-65 Enrollment – Males

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual	Actual	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only			0.2%		
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse		0.5%	0.2%		
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family			0.1%		
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children					
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor					
211	Anthem Blue Cross I	Retiree Only		0.2%			
212	Anthem Blue Cross I	Retiree and Spouse		0.4%	0.2%		
213	Anthem Blue Cross I	Retiree, Spouse and Children					
214	Anthem Blue Cross I	Retiree and Children					
215	Anthem Blue Cross I	Minor Survivor					
221	Anthem Blue Cross II	Retiree Only	2.0%	1.5%	1.2%	1.0%	
222	Anthem Blue Cross II	Retiree and Spouse	5.0%	4.7%	3.3%	3.5%	
223	Anthem Blue Cross II	Retiree, Spouse and Children		0.2%	0.8%	1.0%	
224	Anthem Blue Cross II	Retiree and Children			0.1%		
225	Anthem Blue Cross II	Minor Survivor					
240	Anthem Blue Cross III	One Medicare	7.0%	7.1%	6.0%	6.5%	7.5%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare		0.4%	0.2%		
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	6.0%	5.4%	6.3%	6.5%	10.0%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare	7.0%	6.6%	6.6%	6.5%	6.5%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.1%		
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		0.1%	0.3%	0.5%	0.5%
246	Anthem Blue Cross III	Retiree and Family 1 Medicare			0.1%		
247	Anthem Blue Cross III	Retiree and Family 1 Medicare		0.8%	1.1%		1.0%
248	Anthem Blue Cross III	Retiree and Family 2 Medicare			0.1%		
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		0.1%	0.2%		
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		0.3%	0.1%		
301	Cigna Network Model Plan	Retiree Only		0.1%	0.1%		
302	Cigna Network Model Plan	Retiree and Spouse		0.1%	0.2%		
303	Cigna Network Model Plan	Retiree and Family					
304	Cigna Network Model Plan	Retiree and Children					
305	Cigna Network Model Plan	Minor Survivor					
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					
401	Kaiser (CA)	Retiree Basic (Under 65)		0.1%	1.9%		
402	Kaiser (CA)	Retiree Cost ("M" Coverage)					
403	Kaiser (CA)	Retiree Risk (Senior Advantage)	20.0%	16.7%	15.8%	20.0%	23.0%
404	Kaiser (CA)	Retiree Excess I	1.0%	1.5%	0.6%	1.0%	
405	Kaiser (CA)	Retiree Excess II - Part B	2.0%	1.9%	1.1%	2.0%	
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)		0.1%			
411	Kaiser (CA)	Family Basic		0.5%	1.8%		
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic					
413	Kaiser (CA)	One Advantage, Others Basic	18.0%	19.3%	20.9%	19.5%	23.5%
414	Kaiser (CA)	One Excess I, Others Basic	2.0%	1.7%	0.6%	1.0%	
415	Kaiser (CA)	Two+ Cost ("M" Coverage)					
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)					
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)					
418	Kaiser (CA)	Two+ Advantage	13.0%	14.6%	13.7%	14.0%	15.0%
419	Kaiser (CA)	One Excess I, One Advantage	1.0%	0.7%	0.1%	0.5%	
420	Kaiser (CA)	Two+ Excess I	1.0%	0.7%	0.2%	0.5%	
421	Kaiser (CA)	Survivor					
422	Kaiser (CA)	One Excess II - Part B, One Basic	2.0%	1.6%	1.5%	2.0%	
423	Kaiser (CA)	One Excess III (MNP), One Basic	1.0%	0.9%		1.0%	
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B					
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)					
426	Kaiser (CA)	One Risk, One Excess II - Part B		0.1%			
427	Kaiser (CA)	One Risk, One Excess III (MNP)		0.2%	0.2%		
428	Kaiser (CA)	One Excess I, One Excess II - Part B					
429	Kaiser (CA)	One Excess I, One Excess III (MNP)					
430	Kaiser (CA)	Two Excess II - Part B		0.2%	0.2%		
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)		0.1%			
432	Kaiser (CA)	Two Excess III - Both (MNP)			0.1%		

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



Exhibit 4-3
Initial Medical Post-65 Enrollment – Males (continued)

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic					
451	Kaiser - Colorado	Retiree Risk					
452	Kaiser (Other)	Retiree Only					
453	Kaiser - Colorado	Retiree Basic (Two Party)					
454	Kaiser - Colorado	Retiree Basic Family					
455	Kaiser - Colorado	One Risk, One Basic					
456	Kaiser (Other)	Retiree and Spouse					
457	Kaiser - Colorado	Two Retiree Risk					
458	Kaiser - Colorado	One Risk, Two or More Dependents					
459	Kaiser - Colorado	Two Risk, Two or More Dependents					
460	Kaiser (Other)	Retiree and Spouse					
440	Kaiser - Georgia	One Medicare Member with Part B only					
441	Kaiser - Georgia	One Medicare Member with Part A only			0.1%		
442	Kaiser - Georgia	One Member without Medicare Part A&B					
443	Kaiser - Georgia	One Medicare Member (Renal Failure)					
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B					
461	Kaiser - Georgia Basic	Basic					
462	Kaiser - Georgia	Retiree Risk		0.1%			
463	Kaiser - Georgia	Retiree (Two Party)					
464	Kaiser - Georgia	Retiree Basic Family			0.1%		
465	Kaiser - Georgia	One Retiree Risk, One Basic					
466	Kaiser - Georgia	Two Retiree Risk					
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic					
468	Kaiser - Georgia	Two Retiree Risk, One Basic					
469	Kaiser - Georgia	Three Retiree Risk, One Basic					
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk					
471	Kaiser - Hawaii	Retiree Basic (Under 65)					
472	Kaiser - Hawaii	Retiree Risk					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)					
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)					
476	Kaiser - Hawaii	One Retiree Risk, One Basic					
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic					
478	Kaiser - Hawaii	Two Retiree Risk					
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B					
481	Kaiser - Oregon	Retiree Basic (Under 65)					
482	Kaiser - Oregon	Retiree Risk		0.1%			
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					
484	Kaiser - Oregon	Retiree Basic (Two Party)					
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)					
486	Kaiser - Oregon	One Retiree Risk, One Basic					
487	Kaiser - Oregon	Retiree Cost					
488	Kaiser - Oregon	Two Retiree Risk			0.1%		
489	Kaiser - Oregon	Retiree w/ Part A only					
490	Kaiser - Oregon	Retiree w/ Part B only					
491	Kaiser - Oregon	One Risk, One Medicare Part A only					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare					
493	Kaiser - Oregon	One Risk, Two Basic					
494	Kaiser - Oregon	Two Risk, One Basic					
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					
496	Kaiser - Oregon	Two Medicare Part A only					
497	Kaiser - Oregon	One Basic, One Medicare Part A only					
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B					
611	SCAN Health Plan	Retiree Only	1.0%	0.7%	0.2%	0.5%	0.5%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)	1.0%	0.7%	0.7%	0.5%	0.5%
701	United Healthcare Medicare Advantage	Retiree Only	2.5%	2.2%	3.2%	3.0%	3.0%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	3.5%	2.9%	3.8%	3.5%	3.5%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)	3.0%	2.9%	3.9%	3.5%	3.5%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)	1.0%	0.9%	1.6%	1.5%	1.5%
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)		0.1%	0.2%	0.5%	0.5%
706	United Healthcare Medicare Advantage	Minor Survivor					
707	United Healthcare	Single					
708	United Healthcare	Two-Party					
709	United Healthcare	Family					
Total			100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	64.5%	67.7%	69.5%	66.0%	66.0%
Total New Enrollees		804	1,003		

* May not total to 100% due to rounding.

**Exhibit 4-3
 Initial Medical Post-65 Enrollment – Males (continued)**

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	Firefighters Local 1014	Med-Member under 65			16.7%		
802	Firefighters Local 1014	Med-Member +1 under 65					
803	Firefighters Local 1014	Med-Member +2 under 65					
804	Firefighters Local 1014	Med-Member with Medicare	7.0%			7.0%	7.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC			33.3%		
806	Firefighters Local 1014	Med-Member +1; 2 MDC	57.0%		16.7%	47.0%	47.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC			33.3%		
808	Firefighters Local 1014	Med-Member +2; 2 MDC	36.0%			46.0%	46.0%
809	Firefighters Local 1014	Med-Surv. Sp. Under 65					
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65					
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65					
812	Firefighters Local 1014	Med-Surv. Sp. With MDC					
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC					
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC					
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC					
Total			100.0%	0.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	93.0%	0.0%	83.3%	93.0%	93.0%
Total New Enrollees		0	6		

* May not total to 100% due to rounding.

Exhibit 4-4
Initial Medical Post-65 Enrollment – Females

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual	Actual	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only		0.3%	0.4%		
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse		0.1%	0.1%		
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family					
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children					
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor					
211	Anthem Blue Cross I	Retiree Only	1.0%	0.6%	0.2%	0.5%	
212	Anthem Blue Cross I	Retiree and Spouse		0.2%	0.2%		
213	Anthem Blue Cross I	Retiree, Spouse and Children					
214	Anthem Blue Cross I	Retiree and Children					
215	Anthem Blue Cross I	Minor Survivor					
221	Anthem Blue Cross II	Retiree Only	3.0%	2.2%	1.5%	2.0%	
222	Anthem Blue Cross II	Retiree and Spouse	1.0%	1.2%	0.5%	1.0%	
223	Anthem Blue Cross II	Retiree, Spouse and Children		0.1%			
224	Anthem Blue Cross II	Retiree and Children					
225	Anthem Blue Cross II	Minor Survivor					
240	Anthem Blue Cross III	One Medicare	11.0%	10.5%	10.5%	10.5%	13.0%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare		0.2%	0.1%		
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	1.0%	0.5%	0.9%	1.0%	2.0%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare	4.0%	4.5%	3.7%	4.0%	4.0%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.1%		
245	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.1%		
246	Anthem Blue Cross III	Retiree and Family 1 Medicare					
247	Anthem Blue Cross III	Retiree and Family 1 Medicare					
248	Anthem Blue Cross III	Retiree and Family 2 Medicare					
249	Anthem Blue Cross III	Retiree and Family 2 Medicare			0.2%		
250	Anthem Blue Cross III	Retiree and Family 3 Medicare					
301	Cigna Network Model Plan	Retiree Only		0.2%	0.1%		
302	Cigna Network Model Plan	Retiree and Spouse					
303	Cigna Network Model Plan	Retiree and Family					
304	Cigna Network Model Plan	Retiree and Children		0.1%			
305	Cigna Network Model Plan	Minor Survivor					
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					
401	Kaiser (CA)	Retiree Basic (Under 65)		0.6%	3.4%		
402	Kaiser (CA)	Retiree Cost ("M" Coverage)					
403	Kaiser (CA)	Retiree Risk (Senior Advantage)	36.0%	35.9%	37.2%	39.5%	44.5%
404	Kaiser (CA)	Retiree Excess I	3.0%	2.5%	1.3%	2.0%	
405	Kaiser (CA)	Retiree Excess II - Part B	4.0%	3.7%	1.8%	3.0%	
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)	1.0%	0.1%			
411	Kaiser (CA)	Family Basic		0.1%	0.4%		
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic					
413	Kaiser (CA)	One Advantage, Others Basic	4.0%	4.4%	5.1%	4.5%	5.0%
414	Kaiser (CA)	One Excess I, Others Basic		0.1%	0.2%		
415	Kaiser (CA)	Two+ Cost ("M" Coverage)					
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)					
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)					
418	Kaiser (CA)	Two+ Advantage	15.0%	15.4%	15.7%	15.5%	16.0%
419	Kaiser (CA)	One Excess I, One Advantage	1.0%	0.6%	0.1%	0.5%	
420	Kaiser (CA)	Two+ Excess I		0.2%			
421	Kaiser (CA)	Survivor					
422	Kaiser (CA)	One Excess II - Part B, One Basic	1.0%	0.8%	0.3%	0.5%	
423	Kaiser (CA)	One Excess III (MNP), One Basic					
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B					
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)					
426	Kaiser (CA)	One Risk, One Excess II - Part B		0.3%	0.2%		
427	Kaiser (CA)	One Risk, One Excess III (MNP)		0.1%	0.1%		
428	Kaiser (CA)	One Excess I, One Excess II - Part B					
429	Kaiser (CA)	One Excess I, One Excess III (MNP)					
430	Kaiser (CA)	Two Excess II - Part B		0.4%	0.1%		
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					
432	Kaiser (CA)	Two Excess III - Both (MNP)					

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



Exhibit 4-4
Initial Medical Post-65-Enrollment – Females (continued)

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic		0.1%			
451	Kaiser - Colorado	Retiree Risk					
452	Kaiser (Other)	Retiree Only					
453	Kaiser - Colorado	Retiree Basic (Two Party)					
454	Kaiser - Colorado	Retiree Basic Family					
455	Kaiser - Colorado	One Risk, One Basic			0.1%		
456	Kaiser (Other)	Retiree and Spouse					
457	Kaiser - Colorado	Two Retiree Risk					
458	Kaiser - Colorado	One Risk, Two or More Dependents					
459	Kaiser - Colorado	Two Risk, Two or More Dependents					
460	Kaiser (Other)	Retiree and Spouse					
440	Kaiser - Georgia	One Medicare Member with Part B only					
441	Kaiser - Georgia	One Medicare Member with Part A only					
442	Kaiser - Georgia	One Member without Medicare Part A&B			0.1%		
443	Kaiser - Georgia	One Medicare Member (Renal Failure)					
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B					
461	Kaiser - Georgia Basic	Basic					
462	Kaiser - Georgia	Retiree Risk			0.1%		
463	Kaiser - Georgia	Retiree (Two Party)					
464	Kaiser - Georgia	Retiree Basic Family					
465	Kaiser - Georgia	One Retiree Risk, One Basic					
466	Kaiser - Georgia	Two Retiree Risk					
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic					
468	Kaiser - Georgia	Two Retiree Risk, One Basic					
469	Kaiser - Georgia	Three Retiree Risk, One Basic					
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk					
471	Kaiser - Hawaii	Retiree Basic (Under 65)					
472	Kaiser - Hawaii	Retiree Risk					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)					
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)					
476	Kaiser - Hawaii	One Retiree Risk, One Basic					
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic					
478	Kaiser - Hawaii	Two Retiree Risk					
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B					
481	Kaiser - Oregon	Retiree Basic (Under 65)					
482	Kaiser - Oregon	Retiree Risk					
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					
484	Kaiser - Oregon	Retiree Basic (Two Party)					
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)					
486	Kaiser - Oregon	One Retiree Risk, One Basic					
487	Kaiser - Oregon	Retiree Cost					
488	Kaiser - Oregon	Two Retiree Risk		0.1%			
489	Kaiser - Oregon	Retiree w/ Part A only					
490	Kaiser - Oregon	Retiree w/ Part B only					
491	Kaiser - Oregon	One Risk, One Medicare Part A only					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare					
493	Kaiser - Oregon	One Risk, Two Basic					
494	Kaiser - Oregon	Two Risk, One Basic					
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					
496	Kaiser - Oregon	Two Medicare Part A only					
497	Kaiser - Oregon	One Basic, One Medicare Part A only					
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B					
611	SCAN Health Plan	Retiree Only	1.0%	0.9%	0.6%	1.0%	1.0%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)	1.0%	0.6%	0.4%	0.5%	0.5%
701	United Healthcare Medicare Advantage	Retiree Only	7.5%	8.0%	9.5%	9.5%	9.5%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	1.0%	0.8%	1.2%	1.0%	1.0%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)	3.5%	3.3%	3.2%	3.5%	3.5%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.1%	0.1%		
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)		0.1%	0.1%		
706	United Healthcare Medicare Advantage	Minor Survivor					
707	United Healthcare	Single		0.1%	0.1%		
708	United Healthcare	Two-Party					
709	United Healthcare	Family					
Total			100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	32.5%	34.2%	33.2%	32.0%	32.0%
Total New Enrollees		1,406	1,709		

* May not total to 100% due to rounding.

Exhibit 4-4
Initial Medical Post-65-Enrollment – Females (continued)

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Current Assumption	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	Firefighters Local 1014	Med-Member under 65			33.3%		
802	Firefighters Local 1014	Med-Member +1 under 65					
803	Firefighters Local 1014	Med-Member +2 under 65					
804	Firefighters Local 1014	Med-Member with Medicare	7.0%		33.3%	7.0%	7.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC					
806	Firefighters Local 1014	Med-Member +1; 2 MDC	57.0%		33.3%	47.0%	47.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC					
808	Firefighters Local 1014	Med-Member +2; 2 MDC	36.0%			46.0%	46.0%
809	Firefighters Local 1014	Med-Surv. Sp. Under 65					
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65					
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65					
812	Firefighters Local 1014	Med-Surv. Sp. With MDC					
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC					
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC					
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC					
Total			100.0%	0.0%	99.9%	100.0%	100.0%

Probability of enrolling at least one dependent	93.0%	0.0%	33.3%	93.0%	93.0%
Total New Enrollees		0	3		

* May not total to 100% due to rounding.

**Exhibit 4-5
 Initial Dental/Vision Enrollment**

Tier Deduction Code	CIGNA Indemnity Dental/Vision			CIGNA HMO Dental/Vision		
	Retiree Only	Retiree and Dependents	Survivor	Retiree Only	Retiree and Dependents	Survivor
	501	502	503	901	902	903
Current Assumption Percentage:						
Males	21%	65%	0%	5%	9%	0%
Females	46%	37%	0%	11%	6%	0%

Prior Actual:

Tier Deduction Code	Cigna Indemnity Dental/Vision			CIGNA HMO Dental/Vision		
	Retiree Only	Retiree and Dependents	Survivor	Retiree Only	Retiree and Dependents	Survivor
	501	502	503	901	902	903
Male						
Count	501	1,724	0	133	238	0
Percentage	19.3%	66.4%	0.0%	5.1%	9.2%	0.0%
Female						
Count	1,606	1,332	0	355	203	0
Percentage	45.9%	38.1%	0.0%	10.2%	5.8%	0.0%

Actual:

Tier Deduction Code	Cigna Indemnity Dental/Vision			CIGNA HMO Dental/Vision		
	Retiree Only	Retiree and Dependents	Survivor	Retiree Only	Retiree and Dependents	Survivor
	501	502	503	901	902	903
Male						
Count	540	1,911	0	100	243	0
Percentage	19.3%	68.4%	0.0%	3.6%	8.7%	0.0%
Female						
Count	1,711	1,446	0	316	201	0
Percentage	46.6%	39.3%	0.0%	8.6%	5.5%	0.0%

Proposed Assumption Percentage:

Tier Deduction Code	Cigna Indemnity Dental/Vision			CIGNA HMO Dental/Vision		
	Retiree Only	Retiree and Dependents	Survivor	Retiree Only	Retiree and Dependents	Survivor
	501	502	503	901	902	903
Male	20%	67%	0%	4%	9%	0%
Female	46%	39%	0%	9%	6%	0%

Exhibit 4-6
 Pre-65 to Post-65 Migration *

Pre-Medicare Elig Plan	Count	Post-Medicare Elig Plan	Current Assumptions	Prior Actual	Actual	Proposed Assumptions Tier 1	Proposed Assumptions Tier 2
Anthem Blue Cross I	48 Anthem Blue Cross I 3 Anthem Blue Cross II 74 Anthem Blue Cross III 2 Other 127 Total		40.0% 0.0% 60.0% 0.0% 100.0%	38.3% 1.1% 59.5% 1.1% 100.0%	37.8% 2.4% 58.2% 1.6% 100.0%	40.0% 0.0% 60.0% 0.0% 100.0%	0.0% 0.0% 100.0% 0.0% 100.0%
Anthem Blue Cross II	0 Anthem Blue Cross I 395 Anthem Blue Cross II 431 Anthem Blue Cross III 0 United Healthcare 1 Excess II 1 2+ Advantage 11 Other 839 Total		0.0% 40.0% 60.0% 0.0% 0.0% 0.0% 0.0% 100.0%	0.1% 45.1% 53.2% 0.0% 0.0% 0.4% 1.2% 100.0%	0.0% 47.1% 51.4% 0.0% 0.1% 0.1% 1.3% 100.0%	0.0% 45.0% 55.0% 0.0% 0.0% 0.0% 0.0% 100.0%	0.0% 0.0% 100.0% 0.0% 0.0% 0.0% 0.0% 100.0%
Anthem Blue Cross Prudent Buyer Plan	0 Anthem Blue Cross I 2 Anthem Blue Cross II 62 Anthem Blue Cross III 80 Anthem Blue Cross Prudent Buyer Plan 1 Other 145 Total		0.0% 0.0% 45.0% 55.0% 0.0% 100.0%	0.0% 1.3% 39.9% 57.0% 1.8% 100.0%	0.0% 1.4% 42.8% 55.2% 0.7% 100.0%	0.0% 0.0% 45.0% 55.0% 0.0% 100.0%	0.0% 0.0% 100.0% 0.0% 0.0% 100.0%
CIGNA Network Model Plan	1 Anthem Blue Cross I 1 Anthem Blue Cross II 14 Anthem Blue Cross III 6 Cigna Medicare Select Plus Rx (AZ) 30 CIGNA Network Model Plan 11 United Healthcare Medicare Advantage 1 Senior Advantage 1 One Advantage, Others Basic 5 SCAN Health Plan 0 Other 70 Total		0.0% 1.0% 12.0% 2.0% 53.0% 22.0% 6.0% 0.0% 4.0% 0.0% 100.0%	0.0% 1.3% 14.1% 3.2% 47.5% 22.4% 2.6% 3.8% 3.8% 1.3% 100.0%	1.4% 1.4% 20.0% 8.6% 43.0% 15.7% 1.4% 1.4% 7.1% 0.0% 100.0%	1.0% 1.0% 18.0% 6.0% 46.0% 18.0% 4.0% 0.0% 6.0% 0.0% 100.0%	0.0% 0.0% 20.0% 0.0% 0.0% 80.0% 0.0% 0.0% 0.0% 0.0% 100.0%
United Healthcare	300 United Healthcare Medicare Advantage 2 CIGNA Network Model Plan 1 Anthem Blue Cross I 9 Anthem Blue Cross II 28 Anthem Blue Cross III 4 SCAN Health Plan 2 Senior Advantage 2 One Advantage, Others Basic 0 One Advantage, One Excess II 3 Excess II 2 One Excess II, One Basic 0 One Excess III (MNP), One Basic 2 Other 355 Total		85.0% 4.0% 0.0% 0.0% 6.0% 2.0% 0.0% 0.0% 1.0% 0.0% 0.0% 0.0% 100.0%	79.6% 2.9% 0.7% 1.0% 6.2% 2.3% 2.0% 0.7% 2.3% 1.3% 0.0% 1.0% 100.0%	84.5% 0.6% 0.3% 2.5% 7.8% 1.1% 0.6% 0.6% 0.8% 0.6% 0.0% 0.0% 100.0%	85.0% 2.0% 0.0% 2.0% 6.0% 2.0% 0.0% 0.0% 1.0% 0.0% 0.0% 0.0% 100.0%	87.0% 0.0% 0.0% 0.0% 8.0% 2.0% 3.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%
Kaiser Retiree Basic	884 Senior Advantage 37 Excess I 106 Excess II 32 Excess III (MNP) 2 Anthem Blue Cross I 16 Anthem Blue Cross III 1 United Healthcare Medicare Advantage 5 Kaiser Retiree Basic 6 One Advantage, Others Basic 0 One Excess III (MNP), One Basic 10 Other 1,099 Total		81.0% 4.0% 7.0% 6.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%	82.4% 3.8% 6.8% 3.2% 0.2% 1.8% 0.4% 0.1% 0.4% 0.0% 0.9% 100.0%	80.4% 3.4% 9.6% 2.9% 0.2% 1.5% 0.1% 0.5% 0.5% 0.0% 0.9% 100.0%	81.0% 4.0% 9.0% 4.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%	98.0% 0.0% 0.0% 0.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%
Kaiser Family Basic	108 2+ Advantage 2 One Advantage, One Excess II 1 One Advantage, One Excess III (MNP) 422 One Advantage, Others Basic 5 One Excess 1, One Advantage 24 One Excess 1, Others Basic 0 One Excess 1, Others Excess II 67 One Excess II, One Basic 0 One Excess II, Others Excess III (MNP) 18 One Excess III (MNP), One Basic 4 Two+ Excess II- Part B 0 CIGNA Network Model Plan 17 Excess II 1 Excess III (MNP) 10 Anthem Blue Cross III 1 United Healthcare Medicare Advantage 22 Senior Advantage 6 Kaiser Family Basic 12 Other 720 Total		78.0% 8.0% 10.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%	12.6% 1.0% 0.8% 61.2% 0.2% 1.6% 0.0% 0.0% 0.0% 0.0% 8.3% 0.4% 0.0% 0.4% 0.0% 0.4% 0.0% 0.1% 1.1% 0.0% 0.0% 0.0% 100.0%	15.0% 0.3% 0.1% 58.6% 0.7% 3.3% 0.0% 0.0% 9.3% 0.0% 2.5% 0.6% 0.0% 2.4% 0.1% 1.4% 0.1% 3.1% 1.7% 0.0% 0.0% 0.0% 100.0%	82.0% 8.0% 6.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%	99.0% 0.0% 100.0%
One Advantage, Others Basic	6 Senior Advantage 330 2+ Advantage 3 One Advantage, One Excess II 6 One Advantage, One Excess III (MNP) 45 One Advantage, Others Basic 1 One Excess 1, One Advantage 2 Anthem Blue Cross III 0 Anthem Blue Cross I 0 Anthem Blue Cross II 0 Excess III (MNP) 5 One Excess III (MNP), One Basic 10 Other 408 Total		0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%	1.9% 78.0% 2.8% 5.9% 9.3% 1.2% 0.0% 0.0% 0.0% 0.0% 0.0% 0.9% 1.7% 100.0%	1.5% 80.9% 0.7% 1.5% 11.0% 0.2% 0.5% 0.0% 0.0% 0.0% 1.2% 2.5% 1.7% 100.0%	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 100.0%
Firefighters Local 1014	144 Firefighters Local 1014 1 Other 145 Total		100.0% 0.0% 100.0%	99.4% 0.6% 100.0%	98.6% 0.7% 99.3%	100.0% 0.0% 100.0%	100.0% 0.0% 100.0%

* Tiers with both a pre- and post-65 member were encompassed in a pure post-65 tier.



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

This page intentionally left blank.



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Section 5 Retirement of Vested Terminated Members



The exhibits in this section present comparisons of actual retirements from vested terminated status during the three-year period ending June 30, 2016 with those expected to retire according to the actuarial assumptions used in our 2014 OPEB valuation.

Assumption Format

- Age – We recommend that the current format based on age is maintained.
- Since the experience for this assumption is somewhat limited, we have not differentiated this assumption by gender.

Experience was examined separately for the General retirement Plans A-D, General Plan E, and the Safety Plans, due to different retirement eligibility provisions. There is insufficient data to separately analyze experience for General Plan G and Safety Plan C. We recommend these plans use the same assumptions as General Plan D and Safety Plan B respectively.

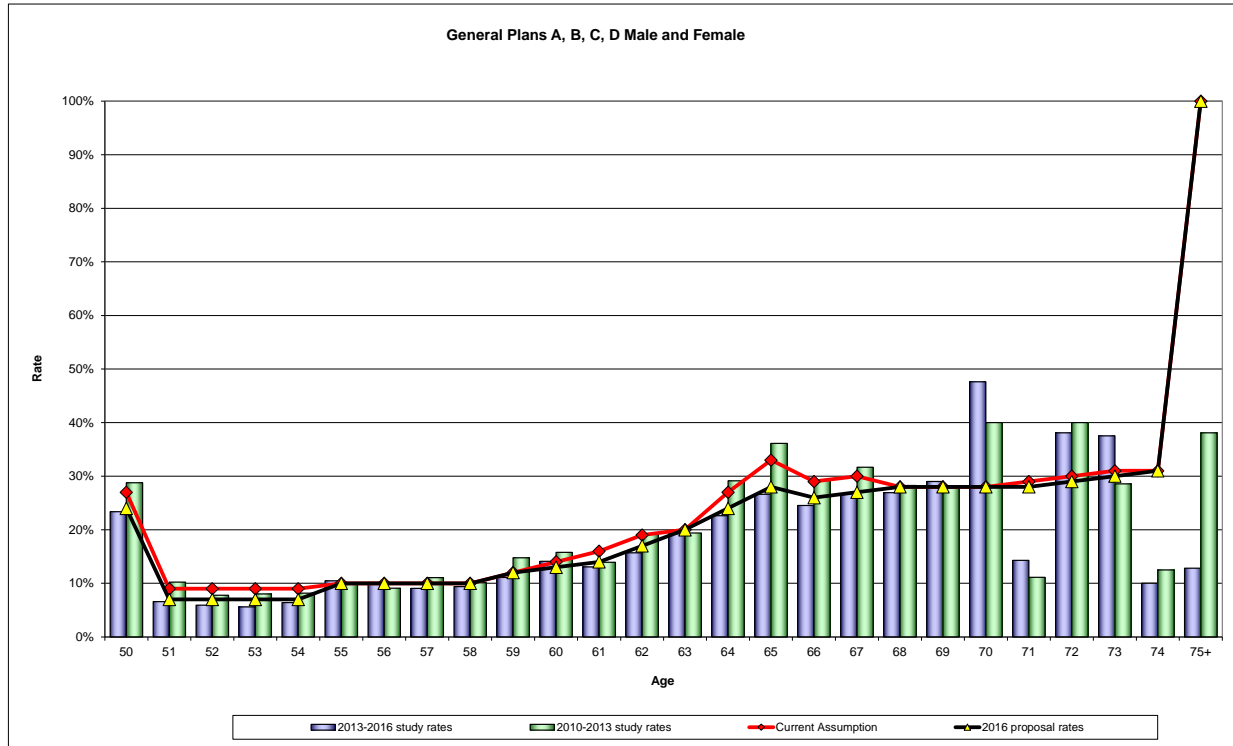
Results and Recommendations

Over the six year period ended June 30, 2016, retirements from vested terminated status were slightly lower than our assumptions. In addition, there has been some variation in the retirement patterns by age compared to our assumptions. Based on this, we are recommending adjustments to the age based rates to bring the actual to expected ratios closer to 100%. The table below summarizes the results which are presented by age on Exhibits 5-1, 5-2, and 5-3.

We recommend these assumptions be the same for Tier 1 and Tier 2.

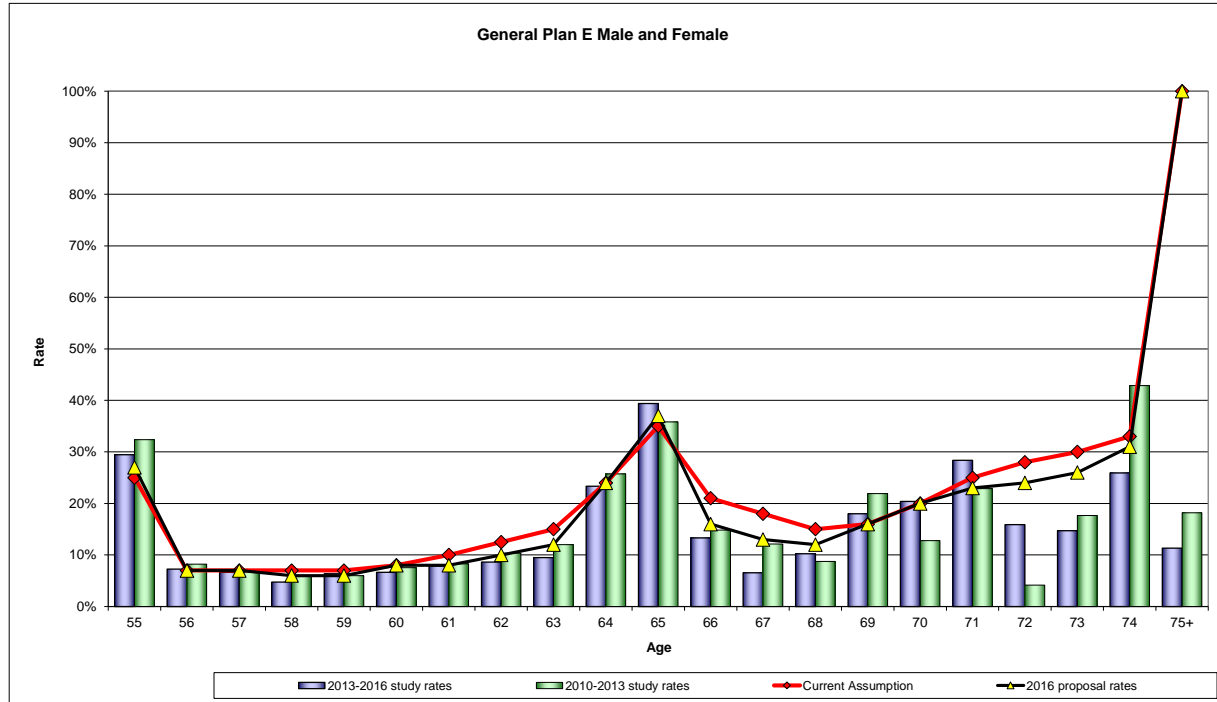
Retirement of Vested Terminated Members						
Class of Members	Number of Retirements				Actual / Expected	
	Current Assump.	Prior Actual	Actual	Proposed	Current	Proposed
General A,B,C,D	1,202	896	1,017	1,091	85%	93%
General E	1,657	1,210	1,460	1,562	88%	93%
Safety A,B	143	69	119	139	83%	86%
Total	3,002	2,175	2,596	2,792	86%	93%

Exhibit 5-1
Retirement of Vested Terminated Members
General Plans A, B, C, and D – Male & Female



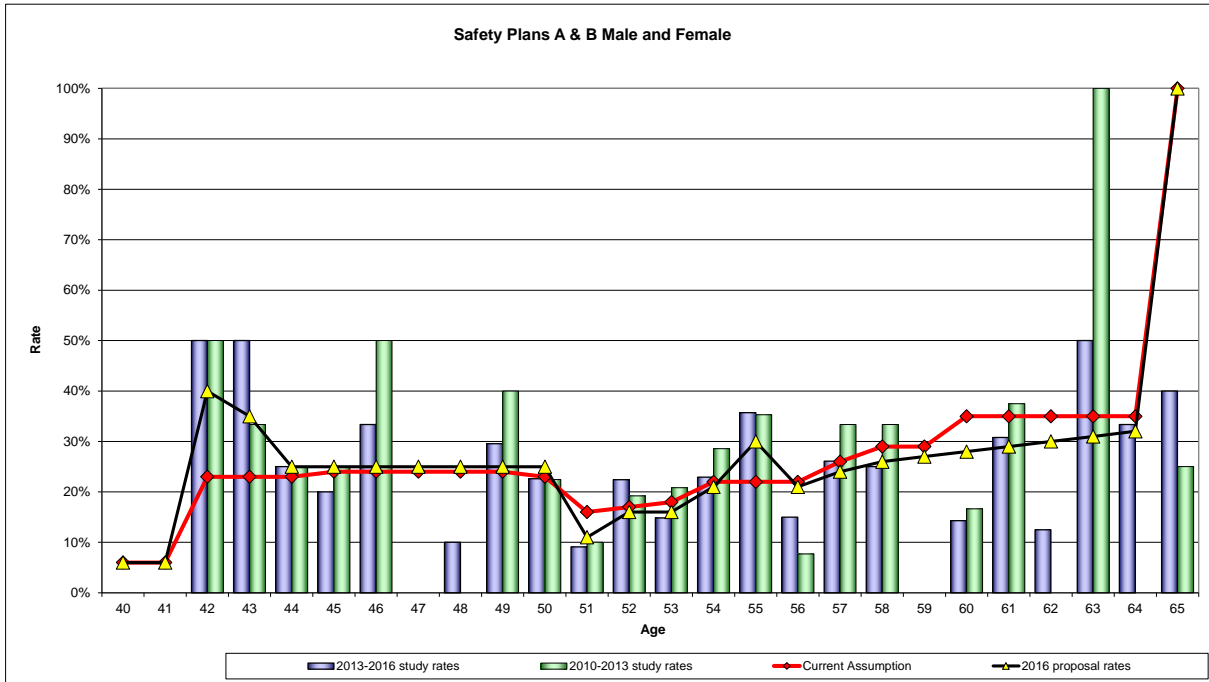
All Eligible VTs	Current Assumption	Prior Actual	Actual	2016 Proposal
Total Count	1,202	896	1,017	1,091
Actual / Expected	85%			93%

Exhibit 5-2
Retirement of Vested Terminated Members
General Plan E – Male & Female



All Eligible VTs	Current Assumption	Prior Actual	Actual	2016 Proposal
Total Count	1,657	1,210	1,460	1,562
Actual / Expected	88%			93%

Exhibit 5-3
Retirement of Vested Terminated Members
Safety Plans A & B – Male & Female



All Eligible VTs	Current Assumption	Prior Actual	Actual	2016 Proposal
Total Count	143	69	119	139
Actual / Expected	83%			86%

Section 6 Other OPEB Demographic Assumptions



This section discusses the following OPEB demographic assumptions:

- Age difference for enrolled spouses
- Medicare enrollment for members in Blue Cross Plans I, II, and Prudent Buyer
- Survivor and new dependent enrollment, after the death of a retired member or dependent

Age Difference for Enrolled Spouses

The age difference for enrolled spouses is used for the valuation of current active members projected to retire and enroll a spouse in the future. In our July 1, 2014 OPEB valuation, we assumed that future male retirees will be four years older than their female spouse. Furthermore, we assumed that future female retirees will be two years younger than their male spouses.

Results and Recommendation

We studied the age difference for two groups of current retirees with spouses enrolled in order to forecast what patterns may be for future retirees.

- Group 1: All current retirees
- Group 2: Recent retirees (5 years)

The table below shows the results by group based on the July 1, 2014, 2015, and 2016 OPEB valuation data along with our recommended assumption. Note that our valuation system is designed to utilize whole year age differences.

Class of Retirees With Spouses	Male Retirees		Female Retirees	
	Number	Male Age Less Female Age	Number	Male Age Less Female Age
Current Assumption		4.0 years		2.0 years
Prior Actual Experience				
All Retirees	15,646	4.5 years	7,195	1.8 years
Recent Retirees	3,086	3.7 years	2,242	1.7 years
Actual Experience				
All Retirees	16,594	4.6 years	8,218	1.2 years
Recent Retirees	3,528	4.0 years	2,626	1.4 years
Recommended Assumption (Tier 1 and Tier 2)		4.0 years		1.0 year

Medicare Enrollment for Blue Cross Plans I, II and Prudent Buyer

Our July 1, 2014 OPEB valuation assumed that members in Blue Cross I, II, and Prudent Buyer were not eligible for Medicare Part B premium reimbursement. We checked the validity of this assumption based on July 1, 2014, 2015 and 2016 enrollment information. Medicare Part A information from LACERA for both inactives and actives was incomplete, so we relied on the Medicare Part B indicator. There were not any members in the Blue Cross I, II, and Prudent Buyer plans who were in Medicare Part B. We recommend continuing with the current assumption for Tier 1. We will assume Tier 2 members will enroll in Medicare Parts A and B.

Survivor and New Dependent Enrollment

There are three scenarios that we incorporated into our July 1, 2014 OPEB valuation:

1. If a dependent spouse/domestic partner dies, the retiree may enroll a new spouse/domestic partner and/or a new dependent. This applies for new spouses and dependents of Tier 1 and Tier 2.
2. If a retiree who has a pension option which qualifies as eligible for continuing retirement benefits to the survivor dies and the spouse/domestic partner has retiree health coverage, the existing spouse/domestic partner or dependent may continue to be enrolled and may also enroll a new spouse/domestic partner and/or a new dependent. There is no subsidy for a new spouse or child of a surviving spouse who is under Tier 2.
3. If a retiree who has a pension option which qualifies as eligible for continuing retirement benefits to the survivor dies and the spouse/domestic partner does not have retiree health coverage, we assume no additional spouse/domestic partner or dependent will be enrolled in both Tiers.

Results and Recommendations

We studied the experience since the July 1, 2013 OPEB Experience Study and developed the recommendations shown in the table below. Although actual experience from these assumptions is somewhat difficult to track, we were able to develop approximate results for Scenarios 1 and 2. We did not study Scenario 3 since it is based on LACERA policy. LACERA staff will consider how to track this experience in the future.

Scenario	New Spouse/Domestic Partner Enrollment	New Dependent Enrollment
Scenario 1		
Current Assumption	3%	3%
Prior Actual Experience	1%	NA
Number of Observations	13	NA
Actual Experience	3%	NA
Number of Observations	23	NA
Recommended Assumption	3%	3%
Scenario 2		
Current Assumption	5%	2%
Prior Actual Experience	2%	0%
Number of Observations	11	3
Actual Experience	6%	7.5%
Number of Observations	9	11
Recommended Assumption	5%	3%



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Section 7 OPEB Economic Assumptions

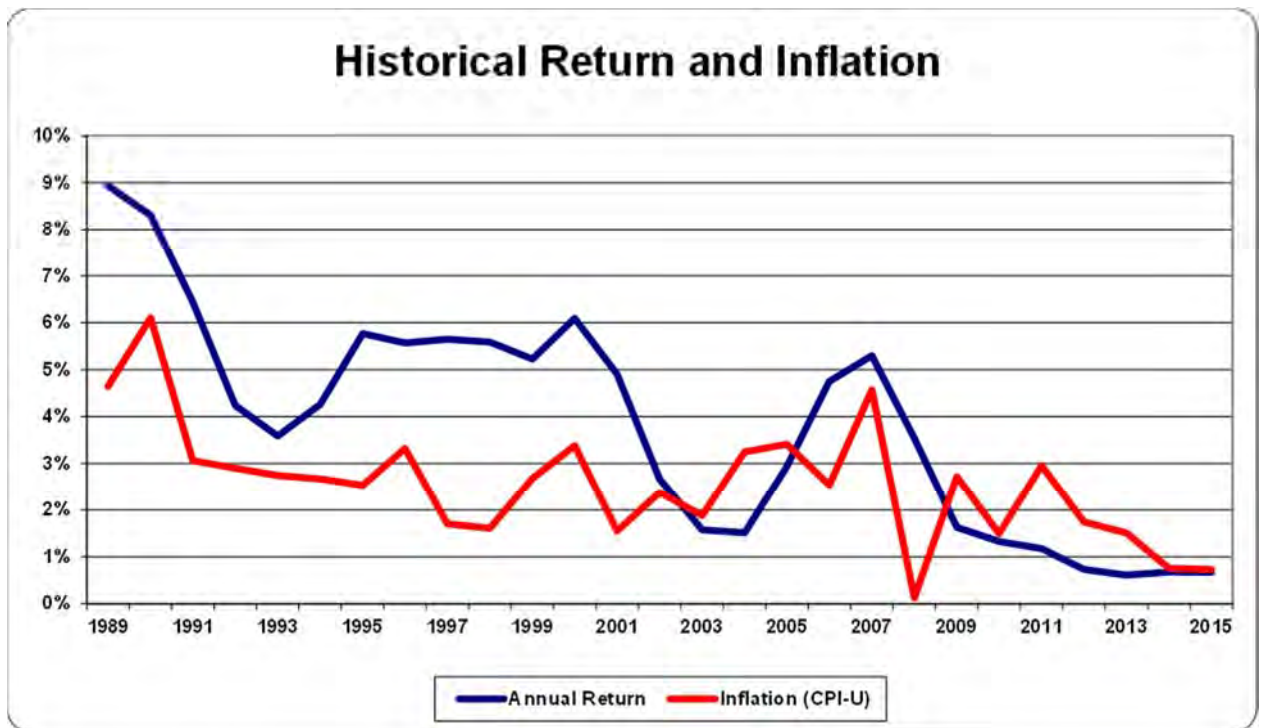


This section discusses the investment earnings and health cost trend assumptions, which are the primary economic assumptions that differentiate the OPEB valuation for Los Angeles County from the LACERA retirement benefit valuation. Although the salary increase assumptions and inflation are also used in the OPEB valuation, we have not studied them here, since they are included in the retirement benefit experience studies.

Investment Earnings

With respect to the investment earnings assumption, ASOP No. 6 references ASOP No. 27, Selection of Economic Assumptions for Measuring Pension Obligations, which provides guidance to actuaries giving advice on selecting economic assumptions for measuring obligations under defined benefit plans. For more details of ASOP No. 27, refer to Milliman's 2016 Investigation of Experience for Retirement Benefit Assumptions dated December 5, 2016.

In setting the investment earnings assumption, we use a “building block” approach, which involves an estimate of inflation plus an assumed real return. In reviewing the real return assumption, we looked at historical information from the County, combined with our estimate of long-term expectations for short-term high quality fixed income investments. The following chart compares historical County returns to the rate of inflation from 1989 through 2015. Over this period, the geometric averages of the annual return and the rate of inflation were 3.8% and 2.5%, respectively, resulting in a real return over the period of approximately 1.3% per year.



**Investment Earnings
 (continued)**

Based on our discussions with the County and our review of asset class returns over this period, the returns are consistent with those of a fixed income investment portfolio concentrated in short-term U.S. Government investments with maturities of three years or less. Recent projections of returns for these investments indicate that the historical 1.3% real return may be higher than what is achievable in the future. Current projections are for real returns in the 0.5% to 1.0% range for these investments.

The recent retirement benefit experience study analyzed the rate of price inflation and wage inflation. Subsequently, the Board of Investment decided at the December 14, 2016 meeting to make changes in these economic assumptions for the retirement benefit program. The price inflation assumption was changed to 2.75%. To be consistent with the retirement benefit program, we propose using 2.75% for the price inflation assumption used for the OPEB valuation.

Using the building block approach to combine assumed real return and assumed inflation, the preceding discussion yields a range from which to choose the assumed investment return of the general assets. This range is between 3.25% and 3.75% (2.75% inflation plus assumed real return between 0.50% and 1.00%).

Milliman used our current capital market assumptions and investment forecast model to develop an expected return on general assets of 3.55%. We incorporated LACERA's general fund balance sheet as of June 30, 2016 to develop this result, as shown in the chart below. Note that this estimate falls well within the range derived from the building block approach described above.

Asset Class	Expected Arithmetic Nominal Return (30 yrs)	Asset Allocation
Cash	3.07%	39.34%
Short-term U.S. Bonds	3.90%	60.66%
Expected Arithmetic Return (30 yrs) ⁽¹⁾		3.57%
Expected Geometric Return (30 yrs) ⁽²⁾		3.55%

1. The expected arithmetic return is the average or "mean" long-term expected compound return based on the capital market assumptions and the asset allocation.
2. The expected geometric return is the "median" long-term expected compound return based on the estimated variability of the asset allocation. It is less than the expected arithmetic return because of the variability in future expected returns.

In addition to applying general fund assets to ongoing OPEB costs, the County, Court, and LACERA are contributing to a trust fund for the purposes of prefunding future OPEB costs. The expected investment return on the OPEB Trust is 6.72%, based on the Trust's investment policy and Milliman's current capital market assumptions and investment forecast model.

Investment Earnings
 (continued)

Asset Class	Expected Arithmetic Nominal Return (30 yrs)	Asset Allocation
Cash	3.07%	9.52%
Short-term U.S. Bonds	3.90%	9.47%
U.S. Equity	7.86%	43.74%
Foreign Developed Equity	8.40%	18.63%
Emerging Markets Equity	10.69%	18.64%
Expected Arithmetic Return (30 yrs) ⁽¹⁾		7.66%
Expected Geometric Return (30 yrs) ⁽²⁾		6.72%

1. The expected arithmetic return is the average or "mean" long-term expected compound return based on the capital market assumptions and the asset allocation.
2. The expected geometric return is the "median" long-term expected compound return based on the estimated variability of the asset allocation. It is less than the expected arithmetic return because of the variability in future expected returns.

GASB 45 requires that the discount rate for OPEB benefits be equal to the expected return on assets used to pay ongoing benefits. In the case of an unfunded plan, this would be the expected return on the County's general funds. In our July 1, 2012 valuation and prior valuations, we used the expected return on the County's general funds to develop the discount rate assumption. For the July 1, 2014 valuation, we included the OPEB Trust as a proportion of the Actuarial Accrued Liability in our analysis to develop the discount rate. Based on the expected return on the County's general funds and the expected return on the OPEB Trust, we selected a discount rate of 3.75% for use in the July 1, 2014 OPEB valuation.

For the July 1, 2016 valuation, the County has established pre-funding of the OPEB liabilities with approximately \$80 million per year. This funding level represents partial funding of OPEB liabilities. For plans that are partially funded, the discount rate should be based on a blend of the expected return on trust fund assets (6.72%), and an unfunded discount rate (3.55%). For this valuation we have assumed a discount rate of 4.50% (4.45% rounded to the nearest quarter percent) based on partial funding of the normal cost plus an amortization of the UAAL (or the Annual Required Contribution (ARC) under GASB 43/45). During the fiscal year ending June 30, 2016, 28.4% of the ARC was funded (\$612 million) / (\$2,152 million).

Assumption	Retirement	Proposed OPEB
Price Inflation (CPI)	2.75%	2.75%
Wage Inflation	3.25%	3.25%
Investment Earnings	7.25%	4.50% ⁽¹⁾

1. Partial funding blend of 6.72% (funded) and 3.55% (unfunded) investment return assumptions.

Health Cost Trend General Discussion

In our July 1, 2014 OPEB valuation, we developed trend rates for the following three benefit types:

- LACERA and Firefighters Local 1014 medical plans
- Medicare Part B premiums
- Dental/vision plans

We have examined these assumptions and are recommending modifications as discussed below. The first year trends will be modified to reflect the July 1, 2017 final renewals which will be reflected in the July 1, 2016 OPEB valuation.

Medical Trend

Starting with the July 1, 2008 OPEB valuation, we began setting the medical trend assumption based on the Society of Actuaries (SOA) report entitled "Modeling Long-Term Healthcare Cost Trends," by Professor Thomas E. Getzen. The report includes detailed research performed by a committee of economists and actuaries (including a Milliman representative) and proposes the use of the "Getzen Model" named after the professor who developed the model. We believe that the research and the model are fundamentally and technically sound and advance the body of knowledge available to actuaries to more accurately project long-term medical trends.

The Getzen model is a tool that Milliman uses as the foundation for the trend that we recommend to our clients for OPEB valuations. The Getzen model uses assumptions about healthcare to model its growth as a share of the U.S. Gross Domestic Product (GDP) in order to develop a long-term medical trend assumption. The premise is that although health costs will continue to grow as a percentage of GDP, that growth will ultimately reach a limit. The major assumptions are as follows:

- *Trends Through 2021.* These trends are based on our review of the July 1, 2016 renewals and summaries provided by Aon taking into account drug percentage of total, approximate annual premiums, and plan type.
- *2021 GDP % Share.* This is the assumed percentage of GDP that is spent on health care and is assumed to be 19.0%. This is based on the most recent actuarial projection of National Health Expenditures (NHE) from the Centers for Medicare & Medicaid Services (CMS).
- *Inflation (CPI).* This is consistent with the assumption used for the investment earnings rate above.
- *Real GDP Per Capita.* This is the assumed growth in the GDP over inflation. Based on the 2016 Medicare Trustees Report, we used a 1.6% assumption.
- *Excess Medical Cost Growth.* This component represents all other sources of excess trend, and it is assumed to be 1.4%, based on the SOA research.
- *GDP Resistance Point.* This is the point at which health care costs as a percentage of GDP are assumed to begin to meet resistance. The assumption used is 25% based on the SOA research.
- *GDP Limit Year.* The model assumes that after 2075, health costs will grow at the rate of GDP growth, equal to the CPI plus real per capita GDP growth.

We made several adjustments to the base trends obtained from the Getzen model, as discussed below.

- *Aging.* Since the Getzen model projects overall health care spending in the U.S., it implicitly includes aging of the population. Since we have an explicit assumption for aging in the OPEB valuation, we have removed the aging factor from the Getzen model, resulting in a 0.45% decrease in the 2016 trend assumption, grading to 0.0% by 2061. The aging reduction is not allowed to reduce the trend below inflation plus GDP growth.
- *Administrative Costs.* A small portion of the retiree health premiums (assumed to be 10%) are used for carrier administrative costs. We assume that this portion of the premium will grow at inflation plus 0.75% annually.
- *Rounding.* We rounded the trend assumptions to the nearest 0.10% for each year.

Exhibits 7-1 through 7-4 show the recommended medical trend assumptions for the July 1, 2016 OPEB valuation compared to the medical trend assumptions used for the July 1, 2014 OPEB valuation. Exhibits 7-1 and 7-2 are for the under 65 members, and Exhibits 7-3 and 7-4 are for the over 65 members.

Medicare Part B Premium Trend

In the July 1, 2014 OPEB valuation, we established the Medicare Part B premium trend assumption to be consistent with projections from CMS. We have updated the Medicare Part B assumption for the July 1, 2016, valuation based on the following CMS reports:

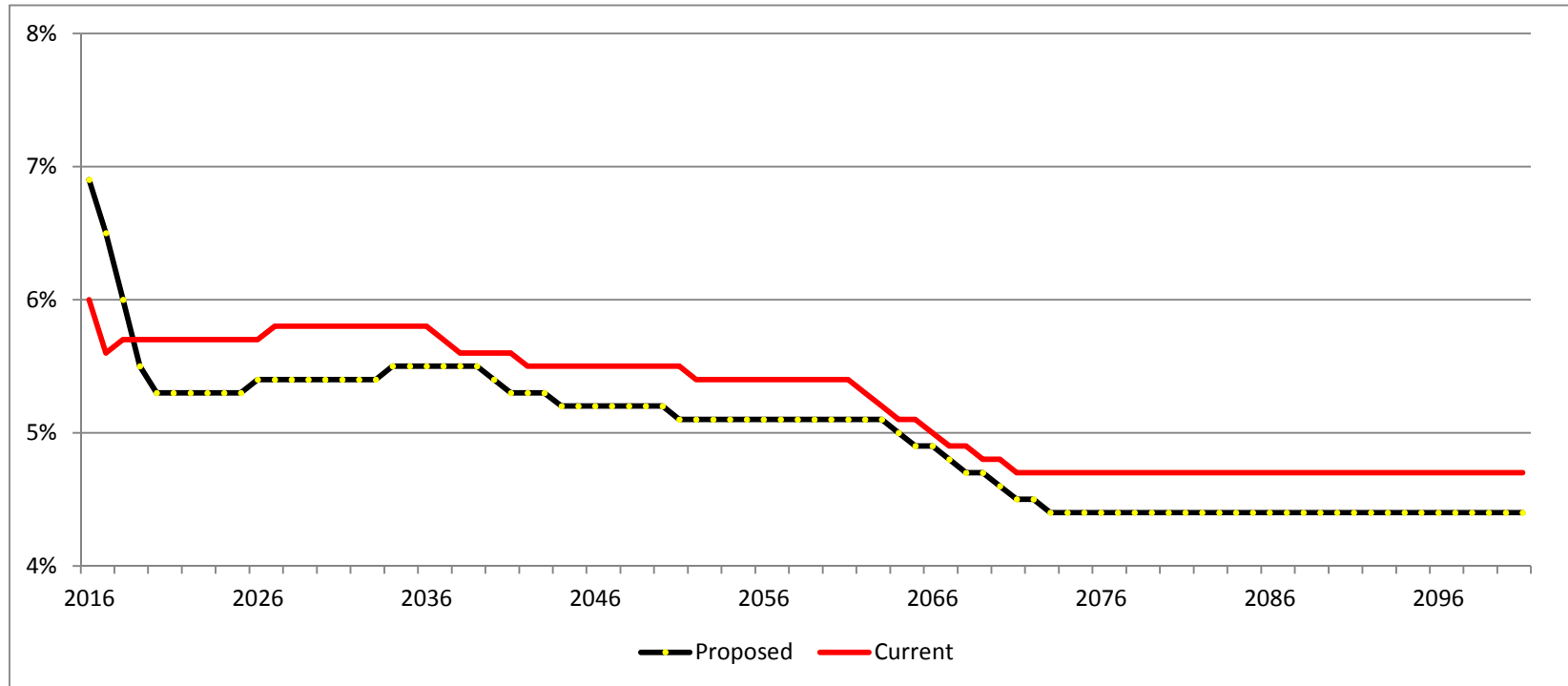
- *2016 Medicare Trustees Report.* We used this report for assumed Medicare Part B enrollment growth and for the real GDP growth assumption of 1.6%.
- *2016 CMS Report on Projected Medicare Expenditures under an Illustrative Scenario with Alternative Physician Payment Updates.* We used this report for assumed Part B premium increases, under the assumption that physician updates will increase in line with the Medicare Economic Index (MEI).

Our recommended July 1, 2016, Medicare Part B premium trend is compared to the July 1, 2014 assumption in Exhibits 7-5 and 7-6. Since our July 1, 2014 valuation, Medicare Part B increases have been low due to a provision that Part B premiums do not increase for individuals whose Social Security benefit does not increase, provided they are having their Part B premiums withheld from their Social Security checks. This happened because the calendar year Social Security Cost of Living Adjustments (COLAs) were 1.7% from 2014 to 2015, 0.0% from 2015 to 2016, and 0.3% from 2016 to 2017. Based on our 2.75% CPI assumption, Social Security benefits are projected to increase again in 2018. At that point, a larger Medicare Part B trend is expected to occur to compensate for the recent lack of increases. Exhibits 7-5 and 7-6 include a calendar year to fiscal year adjustment.

Dental/Vision Trend

In our July 1, 2016 OPEB valuation, the underlying dental/vision trend rate is 4.25%. This assumption is based on the CPI plus 1.5%. We also incorporate a Claim Probability Distribution (CPD) analysis to model the indemnity plan annual maximum. Refer to Exhibits 7-7 and 7-8.

Exhibit 7-1
 Health Care Trend for Pre-65 Members

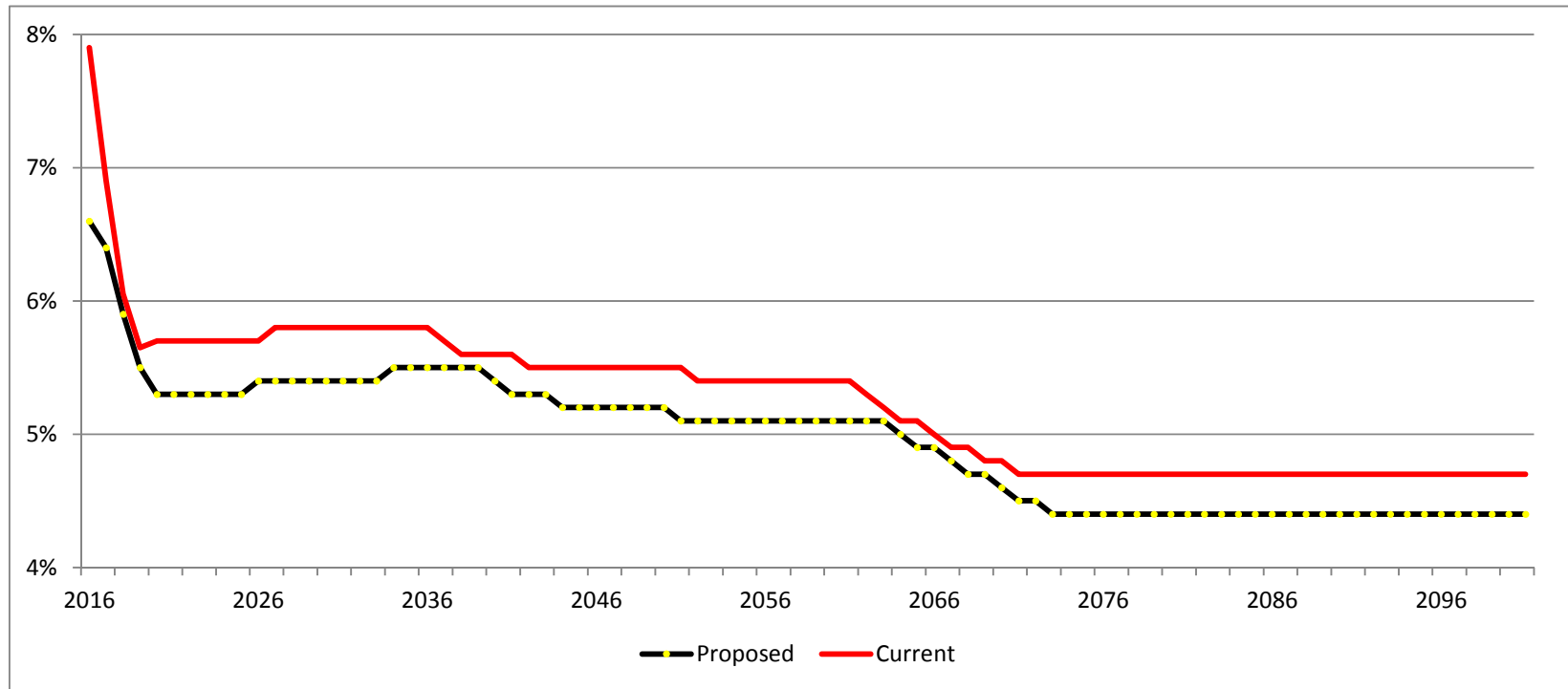


This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Exhibit 7-2
 Health Care Trend for Pre-65 Members – Percentage Table**

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2017	6/30/2018	6.00%	6.90%	6/30/2060	6/30/2061	5.40%	5.10%
6/30/2018	6/30/2019	5.60%	6.50%	6/30/2061	6/30/2062	5.40%	5.10%
6/30/2019	6/30/2020	5.70%	6.00%	6/30/2062	6/30/2063	5.40%	5.10%
6/30/2020	6/30/2021	5.70%	5.50%	6/30/2063	6/30/2064	5.30%	5.10%
6/30/2021	6/30/2022	5.70%	5.30%	6/30/2064	6/30/2065	5.20%	5.10%
6/30/2022	6/30/2023	5.70%	5.30%	6/30/2065	6/30/2066	5.10%	5.00%
6/30/2023	6/30/2024	5.70%	5.30%	6/30/2066	6/30/2067	5.10%	4.90%
6/30/2024	6/30/2025	5.70%	5.30%	6/30/2067	6/30/2068	5.00%	4.90%
6/30/2025	6/30/2026	5.70%	5.30%	6/30/2068	6/30/2069	4.90%	4.80%
6/30/2026	6/30/2027	5.70%	5.30%	6/30/2069	6/30/2070	4.90%	4.70%
6/30/2027	6/30/2028	5.70%	5.40%	6/30/2070	6/30/2071	4.80%	4.70%
6/30/2028	6/30/2029	5.80%	5.40%	6/30/2071	6/30/2072	4.80%	4.60%
6/30/2029	6/30/2030	5.80%	5.40%	6/30/2072	6/30/2073	4.70%	4.50%
6/30/2030	6/30/2031	5.80%	5.40%	6/30/2073	6/30/2074	4.70%	4.50%
6/30/2031	6/30/2032	5.80%	5.40%	6/30/2074	6/30/2075	4.70%	4.40%
6/30/2032	6/30/2033	5.80%	5.40%	6/30/2075	6/30/2076	4.70%	4.40%
6/30/2033	6/30/2034	5.80%	5.40%	6/30/2076	6/30/2077	4.70%	4.40%
6/30/2034	6/30/2035	5.80%	5.40%	6/30/2077	6/30/2078	4.70%	4.40%
6/30/2035	6/30/2036	5.80%	5.50%	6/30/2078	6/30/2079	4.70%	4.40%
6/30/2036	6/30/2037	5.80%	5.50%	6/30/2079	6/30/2080	4.70%	4.40%
6/30/2037	6/30/2038	5.80%	5.50%	6/30/2080	6/30/2081	4.70%	4.40%
6/30/2038	6/30/2039	5.70%	5.50%	6/30/2081	6/30/2082	4.70%	4.40%
6/30/2039	6/30/2040	5.60%	5.50%	6/30/2082	6/30/2083	4.70%	4.40%
6/30/2040	6/30/2041	5.60%	5.50%	6/30/2083	6/30/2084	4.70%	4.40%
6/30/2041	6/30/2042	5.60%	5.40%	6/30/2084	6/30/2085	4.70%	4.40%
6/30/2042	6/30/2043	5.60%	5.30%	6/30/2085	6/30/2086	4.70%	4.40%
6/30/2043	6/30/2044	5.50%	5.30%	6/30/2086	6/30/2087	4.70%	4.40%
6/30/2044	6/30/2045	5.50%	5.30%	6/30/2087	6/30/2088	4.70%	4.40%
6/30/2045	6/30/2046	5.50%	5.20%	6/30/2088	6/30/2089	4.70%	4.40%
6/30/2046	6/30/2047	5.50%	5.20%	6/30/2089	6/30/2090	4.70%	4.40%
6/30/2047	6/30/2048	5.50%	5.20%	6/30/2090	6/30/2091	4.70%	4.40%
6/30/2048	6/30/2049	5.50%	5.20%	6/30/2091	6/30/2092	4.70%	4.40%
6/30/2049	6/30/2050	5.50%	5.20%	6/30/2092	6/30/2093	4.70%	4.40%
6/30/2050	6/30/2051	5.50%	5.20%	6/30/2093	6/30/2094	4.70%	4.40%
6/30/2051	6/30/2052	5.50%	5.20%	6/30/2094	6/30/2095	4.70%	4.40%
6/30/2052	6/30/2053	5.50%	5.10%	6/30/2095	6/30/2096	4.70%	4.40%
6/30/2053	6/30/2054	5.40%	5.10%	6/30/2096	6/30/2097	4.70%	4.40%
6/30/2054	6/30/2055	5.40%	5.10%	6/30/2097	6/30/2098	4.70%	4.40%
6/30/2055	6/30/2056	5.40%	5.10%	6/30/2098	6/30/2099	4.70%	4.40%
6/30/2056	6/30/2057	5.40%	5.10%	6/30/2099	6/30/2100	4.70%	4.40%
6/30/2057	6/30/2058	5.40%	5.10%	6/30/2100	6/30/2101	4.70%	4.40%
6/30/2058	6/30/2059	5.40%	5.10%	6/30/2101	6/30/2102	4.70%	4.40%
6/30/2059	6/30/2060	5.40%	5.10%	6/30/2102	6/30/2103	4.70%	4.40%

Exhibit 7-3
 Health Care Trends for Post-65 Members



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

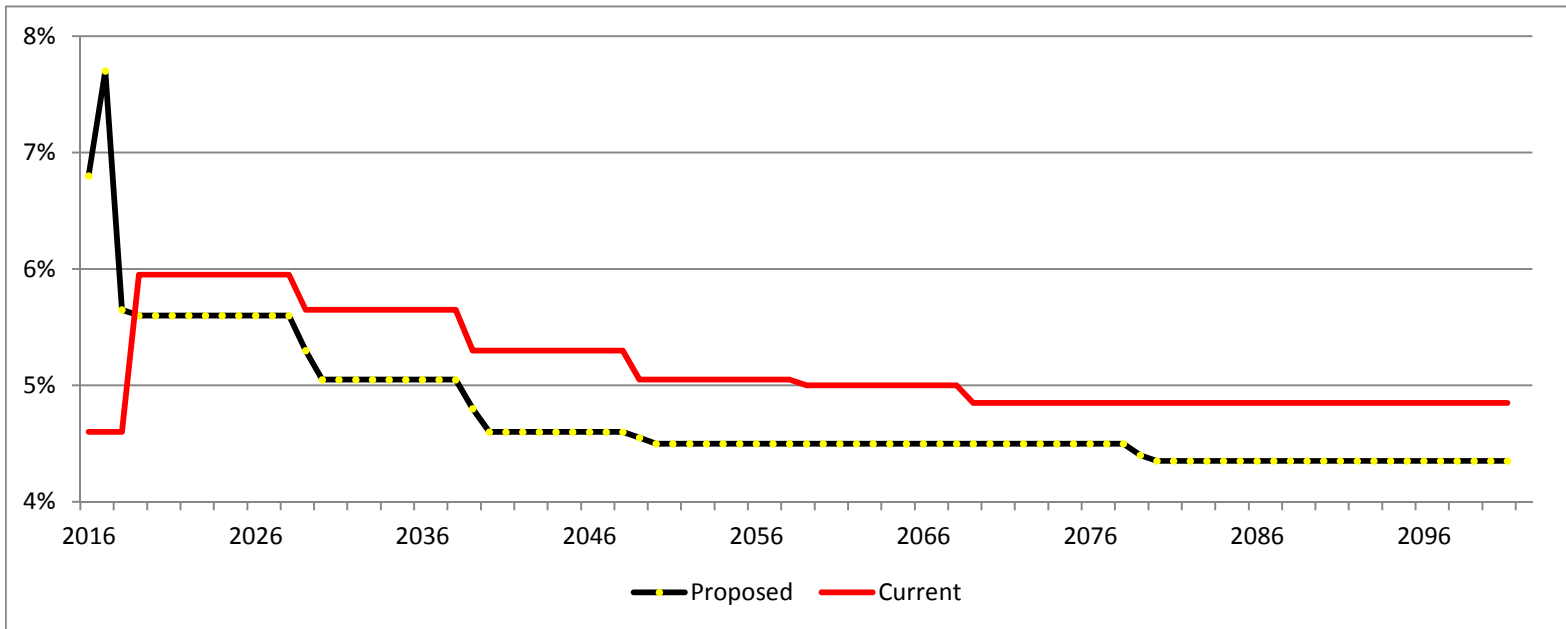
**Exhibit 7-4
 Health Care Trends for Post-65 Members – Percentage Table**

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2017	6/30/2018	7.90%	6.60%	6/30/2060	6/30/2061	5.40%	5.10%
6/30/2018	6/30/2019	6.90%	6.40%	6/30/2061	6/30/2062	5.40%	5.10%
6/30/2019	6/30/2020	6.05%	5.90%	6/30/2062	6/30/2063	5.40%	5.10%
6/30/2020	6/30/2021	5.65%	5.50%	6/30/2063	6/30/2064	5.30%	5.10%
6/30/2021	6/30/2022	5.70%	5.30%	6/30/2064	6/30/2065	5.20%	5.10%
6/30/2022	6/30/2023	5.70%	5.30%	6/30/2065	6/30/2066	5.10%	5.00%
6/30/2023	6/30/2024	5.70%	5.30%	6/30/2066	6/30/2067	5.10%	4.90%
6/30/2024	6/30/2025	5.70%	5.30%	6/30/2067	6/30/2068	5.00%	4.90%
6/30/2025	6/30/2026	5.70%	5.30%	6/30/2068	6/30/2069	4.90%	4.80%
6/30/2026	6/30/2027	5.70%	5.30%	6/30/2069	6/30/2070	4.90%	4.70%
6/30/2027	6/30/2028	5.70%	5.40%	6/30/2070	6/30/2071	4.80%	4.70%
6/30/2028	6/30/2029	5.80%	5.40%	6/30/2071	6/30/2072	4.80%	4.60%
6/30/2029	6/30/2030	5.80%	5.40%	6/30/2072	6/30/2073	4.70%	4.50%
6/30/2030	6/30/2031	5.80%	5.40%	6/30/2073	6/30/2074	4.70%	4.50%
6/30/2031	6/30/2032	5.80%	5.40%	6/30/2074	6/30/2075	4.70%	4.40%
6/30/2032	6/30/2033	5.80%	5.40%	6/30/2075	6/30/2076	4.70%	4.40%
6/30/2033	6/30/2034	5.80%	5.40%	6/30/2076	6/30/2077	4.70%	4.40%
6/30/2034	6/30/2035	5.80%	5.40%	6/30/2077	6/30/2078	4.70%	4.40%
6/30/2035	6/30/2036	5.80%	5.50%	6/30/2078	6/30/2079	4.70%	4.40%
6/30/2036	6/30/2037	5.80%	5.50%	6/30/2079	6/30/2080	4.70%	4.40%
6/30/2037	6/30/2038	5.80%	5.50%	6/30/2080	6/30/2081	4.70%	4.40%
6/30/2038	6/30/2039	5.70%	5.50%	6/30/2081	6/30/2082	4.70%	4.40%
6/30/2039	6/30/2040	5.60%	5.50%	6/30/2082	6/30/2083	4.70%	4.40%
6/30/2040	6/30/2041	5.60%	5.50%	6/30/2083	6/30/2084	4.70%	4.40%
6/30/2041	6/30/2042	5.60%	5.40%	6/30/2084	6/30/2085	4.70%	4.40%
6/30/2042	6/30/2043	5.60%	5.30%	6/30/2085	6/30/2086	4.70%	4.40%
6/30/2043	6/30/2044	5.50%	5.30%	6/30/2086	6/30/2087	4.70%	4.40%
6/30/2044	6/30/2045	5.50%	5.30%	6/30/2087	6/30/2088	4.70%	4.40%
6/30/2045	6/30/2046	5.50%	5.20%	6/30/2088	6/30/2089	4.70%	4.40%
6/30/2046	6/30/2047	5.50%	5.20%	6/30/2089	6/30/2090	4.70%	4.40%
6/30/2047	6/30/2048	5.50%	5.20%	6/30/2090	6/30/2091	4.70%	4.40%
6/30/2048	6/30/2049	5.50%	5.20%	6/30/2091	6/30/2092	4.70%	4.40%
6/30/2049	6/30/2050	5.50%	5.20%	6/30/2092	6/30/2093	4.70%	4.40%
6/30/2050	6/30/2051	5.50%	5.20%	6/30/2093	6/30/2094	4.70%	4.40%
6/30/2051	6/30/2052	5.50%	5.20%	6/30/2094	6/30/2095	4.70%	4.40%
6/30/2052	6/30/2053	5.50%	5.10%	6/30/2095	6/30/2096	4.70%	4.40%
6/30/2053	6/30/2054	5.40%	5.10%	6/30/2096	6/30/2097	4.70%	4.40%
6/30/2054	6/30/2055	5.40%	5.10%	6/30/2097	6/30/2098	4.70%	4.40%
6/30/2055	6/30/2056	5.40%	5.10%	6/30/2098	6/30/2099	4.70%	4.40%
6/30/2056	6/30/2057	5.40%	5.10%	6/30/2099	6/30/2100	4.70%	4.40%
6/30/2057	6/30/2058	5.40%	5.10%	6/30/2100	6/30/2101	4.70%	4.40%
6/30/2058	6/30/2059	5.40%	5.10%	6/30/2101	6/30/2102	4.70%	4.40%
6/30/2059	6/30/2060	5.40%	5.10%	6/30/2102	6/30/2103	4.70%	4.40%

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



Exhibit 7-5
 Medicare Part B Premium Trend



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit 7-6
Medicare Part B Premium Trend – Percentage Table

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2017	6/30/2018	4.60%	6.80%	6/30/2060	6/30/2061	5.00%	4.50%
6/30/2018	6/30/2019	4.60%	7.70%	6/30/2061	6/30/2062	5.00%	4.50%
6/30/2019	6/30/2020	4.60%	5.65%	6/30/2062	6/30/2063	5.00%	4.50%
6/30/2020	6/30/2021	5.95%	5.60%	6/30/2063	6/30/2064	5.00%	4.50%
6/30/2021	6/30/2022	5.95%	5.60%	6/30/2064	6/30/2065	5.00%	4.50%
6/30/2022	6/30/2023	5.95%	5.60%	6/30/2065	6/30/2066	5.00%	4.50%
6/30/2023	6/30/2024	5.95%	5.60%	6/30/2066	6/30/2067	5.00%	4.50%
6/30/2024	6/30/2025	5.95%	5.60%	6/30/2067	6/30/2068	5.00%	4.50%
6/30/2025	6/30/2026	5.95%	5.60%	6/30/2068	6/30/2069	5.00%	4.50%
6/30/2026	6/30/2027	5.95%	5.60%	6/30/2069	6/30/2070	5.00%	4.50%
6/30/2027	6/30/2028	5.95%	5.60%	6/30/2070	6/30/2071	4.85%	4.50%
6/30/2028	6/30/2029	5.95%	5.60%	6/30/2071	6/30/2072	4.85%	4.50%
6/30/2029	6/30/2030	5.95%	5.60%	6/30/2072	6/30/2073	4.85%	4.50%
6/30/2030	6/30/2031	5.65%	5.30%	6/30/2073	6/30/2074	4.85%	4.50%
6/30/2031	6/30/2032	5.65%	5.05%	6/30/2074	6/30/2075	4.85%	4.50%
6/30/2032	6/30/2033	5.65%	5.05%	6/30/2075	6/30/2076	4.85%	4.50%
6/30/2033	6/30/2034	5.65%	5.05%	6/30/2076	6/30/2077	4.85%	4.50%
6/30/2034	6/30/2035	5.65%	5.05%	6/30/2077	6/30/2078	4.85%	4.50%
6/30/2035	6/30/2036	5.65%	5.05%	6/30/2078	6/30/2079	4.85%	4.50%
6/30/2036	6/30/2037	5.65%	5.05%	6/30/2079	6/30/2080	4.85%	4.50%
6/30/2037	6/30/2038	5.65%	5.05%	6/30/2080	6/30/2081	4.85%	4.40%
6/30/2038	6/30/2039	5.65%	5.05%	6/30/2081	6/30/2082	4.85%	4.35%
6/30/2039	6/30/2040	5.65%	5.05%	6/30/2082	6/30/2083	4.85%	4.35%
6/30/2040	6/30/2041	5.30%	4.80%	6/30/2083	6/30/2084	4.85%	4.35%
6/30/2041	6/30/2042	5.30%	4.60%	6/30/2084	6/30/2085	4.85%	4.35%
6/30/2042	6/30/2043	5.30%	4.60%	6/30/2085	6/30/2086	4.85%	4.35%
6/30/2043	6/30/2044	5.30%	4.60%	6/30/2086	6/30/2087	4.85%	4.35%
6/30/2044	6/30/2045	5.30%	4.60%	6/30/2087	6/30/2088	4.85%	4.35%
6/30/2045	6/30/2046	5.30%	4.60%	6/30/2088	6/30/2089	4.85%	4.35%
6/30/2046	6/30/2047	5.30%	4.60%	6/30/2089	6/30/2090	4.85%	4.35%
6/30/2047	6/30/2048	5.30%	4.60%	6/30/2090	6/30/2091	4.85%	4.35%
6/30/2048	6/30/2049	5.30%	4.60%	6/30/2091	6/30/2092	4.85%	4.35%
6/30/2049	6/30/2050	5.30%	4.60%	6/30/2092	6/30/2093	4.85%	4.35%
6/30/2050	6/30/2051	5.05%	4.55%	6/30/2093	6/30/2094	4.85%	4.35%
6/30/2051	6/30/2052	5.05%	4.50%	6/30/2094	6/30/2095	4.85%	4.35%
6/30/2052	6/30/2053	5.05%	4.50%	6/30/2095	6/30/2096	4.85%	4.35%
6/30/2053	6/30/2054	5.05%	4.50%	6/30/2096	6/30/2097	4.85%	4.35%
6/30/2054	6/30/2055	5.05%	4.50%	6/30/2097	6/30/2098	4.85%	4.35%
6/30/2055	6/30/2056	5.05%	4.50%	6/30/2098	6/30/2099	4.85%	4.35%
6/30/2056	6/30/2057	5.05%	4.50%	6/30/2099	6/30/2100	4.85%	4.35%
6/30/2057	6/30/2058	5.05%	4.50%	6/30/2100	6/30/2101	4.85%	4.35%
6/30/2058	6/30/2059	5.05%	4.50%	6/30/2101	6/30/2102	4.85%	4.35%
6/30/2059	6/30/2060	5.05%	4.50%	6/30/2102	6/30/2103	4.85%	4.35%

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



Exhibit 7-7
Dental/Vision Trend

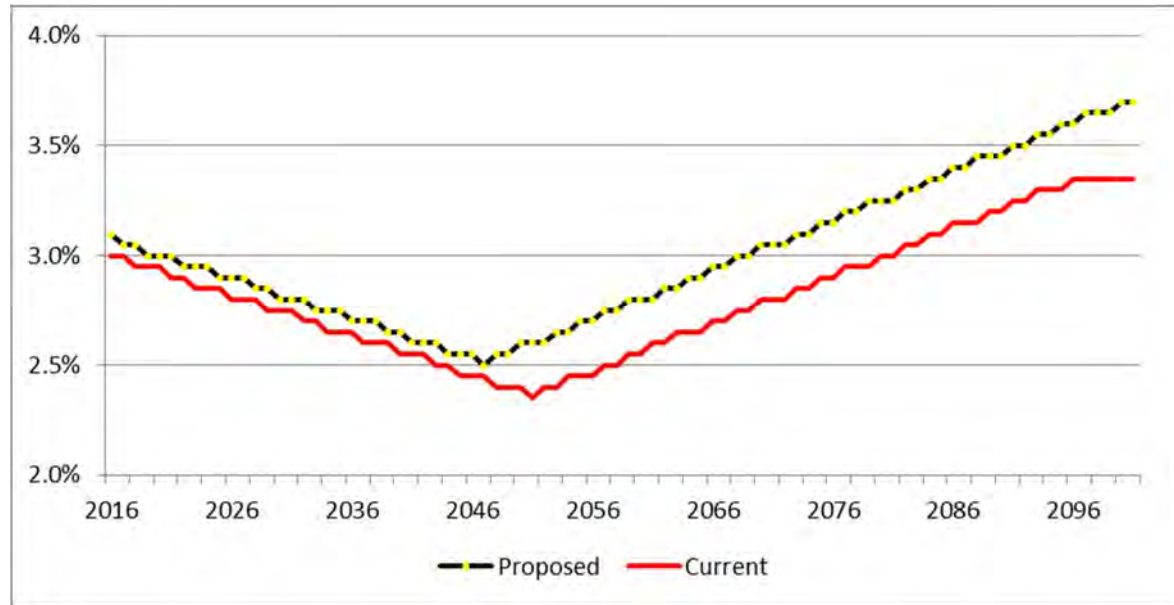


Exhibit 7-8
Dental/Vision Trend – Percentage Table

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2017	6/30/2018	3.00%	3.10%	6/30/2060	6/30/2061	2.55%	2.80%
6/30/2018	6/30/2019	3.00%	3.05%	6/30/2061	6/30/2062	2.55%	2.80%
6/30/2019	6/30/2020	2.95%	3.05%	6/30/2062	6/30/2063	2.60%	2.80%
6/30/2020	6/30/2021	2.95%	3.00%	6/30/2063	6/30/2064	2.60%	2.85%
6/30/2021	6/30/2022	2.95%	3.00%	6/30/2064	6/30/2065	2.65%	2.85%
6/30/2022	6/30/2023	2.90%	3.00%	6/30/2065	6/30/2066	2.65%	2.90%
6/30/2023	6/30/2024	2.90%	2.95%	6/30/2066	6/30/2067	2.65%	2.90%
6/30/2024	6/30/2025	2.85%	2.95%	6/30/2067	6/30/2068	2.70%	2.95%
6/30/2025	6/30/2026	2.85%	2.95%	6/30/2068	6/30/2069	2.70%	2.95%
6/30/2026	6/30/2027	2.85%	2.90%	6/30/2069	6/30/2070	2.75%	3.00%
6/30/2027	6/30/2028	2.80%	2.90%	6/30/2070	6/30/2071	2.75%	3.00%
6/30/2028	6/30/2029	2.80%	2.90%	6/30/2071	6/30/2072	2.80%	3.05%
6/30/2029	6/30/2030	2.80%	2.85%	6/30/2072	6/30/2073	2.80%	3.05%
6/30/2030	6/30/2031	2.75%	2.85%	6/30/2073	6/30/2074	2.80%	3.05%
6/30/2031	6/30/2032	2.75%	2.80%	6/30/2074	6/30/2075	2.85%	3.10%
6/30/2032	6/30/2033	2.75%	2.80%	6/30/2075	6/30/2076	2.85%	3.10%
6/30/2033	6/30/2034	2.70%	2.80%	6/30/2076	6/30/2077	2.90%	3.15%
6/30/2034	6/30/2035	2.70%	2.75%	6/30/2077	6/30/2078	2.90%	3.15%
6/30/2035	6/30/2036	2.65%	2.75%	6/30/2078	6/30/2079	2.95%	3.20%
6/30/2036	6/30/2037	2.65%	2.75%	6/30/2079	6/30/2080	2.95%	3.20%
6/30/2037	6/30/2038	2.65%	2.70%	6/30/2080	6/30/2081	2.95%	3.25%
6/30/2038	6/30/2039	2.60%	2.70%	6/30/2081	6/30/2082	3.00%	3.25%
6/30/2039	6/30/2040	2.60%	2.70%	6/30/2082	6/30/2083	3.00%	3.25%
6/30/2040	6/30/2041	2.60%	2.65%	6/30/2083	6/30/2084	3.05%	3.30%
6/30/2041	6/30/2042	2.55%	2.65%	6/30/2084	6/30/2085	3.05%	3.30%
6/30/2042	6/30/2043	2.55%	2.60%	6/30/2085	6/30/2086	3.10%	3.35%
6/30/2043	6/30/2044	2.55%	2.60%	6/30/2086	6/30/2087	3.10%	3.35%
6/30/2044	6/30/2045	2.50%	2.60%	6/30/2087	6/30/2088	3.15%	3.40%
6/30/2045	6/30/2046	2.50%	2.55%	6/30/2088	6/30/2089	3.15%	3.40%
6/30/2046	6/30/2047	2.45%	2.55%	6/30/2089	6/30/2090	3.15%	3.45%
6/30/2047	6/30/2048	2.45%	2.55%	6/30/2090	6/30/2091	3.20%	3.45%
6/30/2048	6/30/2049	2.45%	2.50%	6/30/2091	6/30/2092	3.20%	3.45%
6/30/2049	6/30/2050	2.40%	2.55%	6/30/2092	6/30/2093	3.25%	3.50%
6/30/2050	6/30/2051	2.40%	2.55%	6/30/2093	6/30/2094	3.25%	3.50%
6/30/2051	6/30/2052	2.40%	2.60%	6/30/2094	6/30/2095	3.30%	3.55%
6/30/2052	6/30/2053	2.35%	2.60%	6/30/2095	6/30/2096	3.30%	3.55%
6/30/2053	6/30/2054	2.40%	2.60%	6/30/2096	6/30/2097	3.30%	3.60%
6/30/2054	6/30/2055	2.40%	2.65%	6/30/2097	6/30/2098	3.35%	3.60%
6/30/2055	6/30/2056	2.45%	2.65%	6/30/2098	6/30/2099	3.35%	3.65%
6/30/2056	6/30/2057	2.45%	2.70%	6/30/2099	6/30/2100	3.35%	3.65%
6/30/2057	6/30/2058	2.45%	2.70%	6/30/2100	6/30/2101	3.35%	3.65%
6/30/2058	6/30/2059	2.50%	2.75%	6/30/2101	6/30/2102	3.35%	3.70%
6/30/2059	6/30/2060	2.50%	2.75%	6/30/2102	6/30/2103	3.35%	3.70%

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



This page intentionally left blank.



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Appendix A Proposed Actuarial Procedures and Assumptions

This section of the experience study report reflects how the Appendix A of the July 1, 2016 actuarial valuation would appear if the Board of Retirement adopts all of the recommended assumptions. This only contains assumptions approved in the 2016 Investigation of Experience for Retirement Benefit Assumptions and OPEB related assumptions proposed in this report. Changes to the Retirement Benefit Assumptions are highlighted in green, and changes to OPEB related assumptions are highlighted in yellow.

This page intentionally left blank.



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Appendix A: Actuarial Procedures and Assumptions

Note: The OPEB specific assumptions shown in this appendix are Milliman's proposed assumptions and have not yet been adopted by the Board. Recommended OPEB related changes from the prior assumptions have been shaded in yellow. All OPEB specific numbers in the tables and certain items within the text may be modified after the Board makes its decision regarding the actuarial assumptions. Approved retirement related changes from the prior assumptions have been shaded in green.



The actuarial procedures and assumptions used in this valuation are described in this section. Where applicable, the same assumptions are used for the LACERA postemployment health and death benefit program as for the LACERA retirement benefits. The assumptions that overlap with the LACERA retirement benefits plan assumptions were reviewed and changed June 30, 2016, as a result of the 2016 triennial Retirement Benefit Investigation of Experience Study, approved by the Board of Investments in December 2016. The general wage increase, investment earnings, and implied inflation assumptions were also evaluated with the 2016 triennial Retirement Benefit Investigation of Experience Study, approved by the Board of Investments in December 2016. We recommend using the inflation and general wage increase from the 2016 Board of Investments decision in December 2016. We recommend an OPEB specific investment earnings assumption because the investment earnings for the OPEB valuation are based on a blend of the expected return from the general assets and the expected return from the OPEB Trust, which is invested with a different asset allocation from the one used for the retirement plan. The OPEB specific assumptions other than premiums, claim costs, and aging were reviewed and changed as a result of the 2016 OPEB Investigation of Experience Study to be approved in a future Board of Retirement meeting. The premiums, claim costs, aging, and trend used for this valuation are updated as of July 1, 2016.

The actuarial assumptions used in both the retirement benefit and OPEB program actuarial valuations are intended to estimate the future experience of the members eligible for benefit payments and the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the benefits.

Table A-1 summarizes the assumptions. The mortality rates are taken from the sources listed. The economic assumptions in this table were evaluated with the June 30, 2016 retirement benefits plan valuation.

Tables A-2 and A-3 show how members are expected to leave retired status due to death.

Table A-4 presents the probability of refund of retirement benefit contributions upon termination of employment while vested.

Table A-5 presents the general wage increase of 3.25% per annum.

Tables A-6 to A-13 present the rates of separation of active service. These were developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study. The rates are the probabilities a member will leave active employment for various reasons.

Tables A-14 to A-19 present enrollment assumptions. These were developed from the 2016 OPEB Investigation of Experience Study to estimate health eligibility and enrollment.

Tables A-20 to A-21 present premium and claim cost assumptions developed from the July 1, 2014 OPEB valuation. These will be updated for the July 1, 2016 OPEB valuation with the OPEB program's premium and claim information.

Table A-22 presents the health cost trend rates for the July 1, 2016 OPEB valuation. These will be updated for the July 1, 2016 OPEB valuation upon receipt of the final July 1, 2017 renewals.

Table A-23 presents the assumed retirement rates for vested terminated members developed from the 2016 OPEB Investigation of Experience.

Actuarial Cost Method

The actuarial valuation is prepared under the Projected Unit Credit (PUC) actuarial cost method. Under the principles of the PUC method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated pro-rata to each year of service between entry age and assumed exit.

For members who transferred between plans, entry age is based on original entry into the LACERA retirement benefits plan.

The portion of this actuarial present value allocated to a valuation year is called the Normal Cost (NC). The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets (if the benefits are funded), and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is amortized as a level percentage of the projected salaries of the active members, both present and future, covered by the LACERA retirement benefits plan over a 30-year period from the valuation date; this is commonly referred to as a "rolling 30-year amortization method". This method does not cover interest on the UAAL.

Records and Data

The data used in this valuation consist of medical and dental/vision premiums, financial information, and the age, service, and salary records for active and inactive members and their survivors. All of the information was supplied by LACERA and Aon Hewitt and was accepted for valuation purposes without audit.

Growth in Membership

For benefit valuation purposes, no growth in the active membership of LACERA is assumed. For funding purposes, if amortization is required, the total payroll of covered members is assumed to grow due to the combined effects of future wage increases of current active members and the replacement of the current active members by new employees. No growth in the total number of active members is assumed.

Investment Earnings and Expenses

GASB 45 requires that the discount rate for OPEB benefits be equal to the expected return on assets used to pay ongoing benefits. In the case of an unfunded plan, this would be the expected return on the County's general funds. LACERA is currently partially prefunding OPEB liabilities. Therefore, for the July 1, 2016 valuation, we have incorporated the expected investment return of the OPEB Trust in our development of the discount rate. Based on the expected return on the County's general funds, the expected contributions to the OPEB Trust, and the expected investment return from the OPEB Trust, we have selected a discount rate of 4.50% for use in the July 1, 2016 OPEB valuation.

Health Cost Trend

The rates of the health cost trends for the purposes of the valuation are illustrated in Table A-22. These rates were adopted July 1, 2016. These rates will be updated upon receipt of the final July 1, 2017 renewals.

Future Salaries

The 3.25% per annum rate of increase in the general wage level of membership is in Table A-5. This rate was adopted June 30, 2016.

Retirement

Members in General Plans A-D may retire at age 50 with 10 years of service, or any age with 30 years of service, or age 70 regardless of the number of years of service. General Plan G members are eligible to retire at age 52 with 5 years of service, or age 70 regardless of the number of years of service. Non-contributory Plan E members may retire at age 55 with 10 years of service. Members of Safety Plans A and B may retire at age 50 with 10 years of service, or any age with 20 years of service. Safety Plan C members are eligible to retire at age 50 with 5 years of County service. The retirement rates for active members vary by age and are shown by plan in Tables A-6 through A-13.

All general members who attain or who have attained age 75 in active service and all safety members who have attained age 65 in active service are assumed to retire immediately (except for Safety Plan C members who have not yet attained 5 years of service). All deferred vested members are assumed to retire according to Table A-23.

The assumptions regarding termination of employment, early retirement, and unreduced service retirement are treated as a single set of decrements in regards to a particular member. For example, a general member hired at age 30 has a probability to withdraw from LACERA due to death, disability, or *other termination of employment* until age 50. After age 50, the member could still withdraw due to death, disability, or *retirement*. Thus, in no year during the member's projected employment would they be eligible for both a probability of other termination of employment and a probability of retirement.

The active members' retirement probabilities were adopted June 30, 2016. The term vested member's retirement probabilities were adopted July 1, 2016, for purposes of the OPEB program valuation only.

Disability The rates of disability used in the valuation are illustrated in Tables A-6 through A-13. These rates were adopted June 30, 2016.

Postretirement Mortality – Other Than Disabled Members The same postretirement mortality rates are used in the valuation for active members, members retired for service, and beneficiaries. These rates are illustrated in Table A-2. Current beneficiary mortality is assumed to be the same assumption as healthy members of the same gender. Future beneficiaries are assumed to be of the opposite gender and have the same mortality as General members. Note that these assumptions include a margin for expected future mortality improvement. These rates were adopted June 30, 2016.

Males General members: RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 105%, with 100% of MP-2014 Ultimate Projection Scale.

Safety members: RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 95%, with 100% of MP-2014 Ultimate Projection Scale.

Females General members: RP-2014 Healthy Annuitant Mortality Table for Females, with 100% of MP-2014 Ultimate Projection Scale.

Safety members: Same as General Females.

Mortality – Disabled Members For disabled members, the mortality rates used in the valuation rates are illustrated in Table A-3. Note that these assumptions include a margin for expected future mortality improvement. These rates were adopted June 30, 2016.

Males General members: Average of RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 105% and RP-2014 Disabled Annuitant Mortality Table for Males, both projected with 100% of MP-2014 Ultimate Projection Scale.

Safety members: RP-2014 Healthy Annuitant Mortality Table for Males, with 100% of MP-2014 Ultimate Projection Scale.

Females General members: Average of RP-2014 Healthy Annuitant Mortality Table for Females and RP-2014 Disabled Annuitant Mortality Table for Females, both projected with 100% of MP-2014 Ultimate Projection Scale.

Safety members: RP-2014 Healthy Annuitant Mortality Table for Females, with 100% of MP-2014 Ultimate Projection Scale.

Mortality While in Active Status

For active members, the mortality rates used in the valuation are illustrated in Tables A-6 through A-13. These rates were adopted June 30, 2016.

Class	Gender	Proposed Table	
General	Male	RP 2014E Male, Generational ⁽¹⁾	-2
General	Female	RP 2014E Female, Generational ⁽¹⁾	-0
Safety	Male	RP 2014E Male, Generational ⁽¹⁾	-6
Safety	Female	RP 2014E Female, Generational ⁽¹⁾	-0

1. Projection using 100% of MP-2014 Ultimate projection scale.

Note that Safety members have an additional service-connected mortality rate of 0.01% per year.

Other Employment Terminations

Tables A-6 to A-13 show, for all ages, the rates assumed in this valuation for future termination from active service other than for death, disability, or retirement. These rates do not apply to members eligible for service retirement. These rates were adopted June 30, 2016.

Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further retirement, medical, dental/vision and death benefits, or they may leave their contributions with LACERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, may return to work or may remain inactive until becoming eligible to receive a retirement benefit under either LACERA or a reciprocal retirement plan. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. All terminating members are assumed to not be rehired.

Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability that remaining members will elect a deferred retirement allowance. All non-vested members are assumed to elect a refund and withdraw their contributions. These rates in Table A-4 were adopted June 30, 2016.

Future Transfers

Though a few active members may change pension plans, this valuation assumes the active members remain in the plan they are enrolled in at the time of the valuation. Specifically, we assume there will be no future transfers between retirement benefit plans.

Retiree Medical and Dental/Vision Eligibility and Enrollment Assumptions

Any retired or vested terminated members who have not yet elected a refund of their member contributions and will receive a pension benefit other than a refund are eligible for retiree medical and dental/vision enrollment.

**Retiree Medical and
Dental/Vision Eligibility
and Enrollment
Assumptions (cont.)**

The 2016 OPEB Investigation of Experience report was used to set the following assumptions:

Age difference for future retirees and spouses	Table A-1
Probability of initial medical enrollment upon retirement	Table A-14
Probability of medical plan and tier selection upon retirement for Tier 1	Table A-15A
Probability of medical plan and tier selection upon retirement for Tier 2	Table A-15B
Probability of medical plan and tier selection for Pre 65 retirees who become eligible for a Post 65 Plan	Table A-16
Probability of survivor and new dependent enrollment	Table A-17
Probability of dental/vision enrollment upon retirement	Table A-18
Probability of dental/vision plan and tier selection upon retirement	Table A-19
Retirement of vested terminated members	Table A-23
Probability of retirees in group plans who elect Medicare Part D	0%

Table A-1: Summary of Valuation Assumptions as of July 1, 2016

I. Economic Assumptions	
A. General wage increases	3.25%
B. Investment earnings	4.50%
C. Growth in membership	0.00%
D. CPI inflation assumption	2.75%
E. Medical cost trend	Table A-22
F. Dental and vision cost trend	Table A-22
II. Demographic Assumptions	
A. Salary increases due to Service	Table A-5
B. Retirement	Tables A-6 to A-13
C. Disability	Tables A-6 to A-13
D. Mortality during active employment	Tables A-6 to A-13
E. Mortality for active members after termination and service retired members.	Table A-2
Basis – RP-2014 Healthy Annuitant Mortality Table for respective genders with 100% of MP-2014 Ultimate Projection Scale:	
<u>Class of Members</u>	<u>Adjustment</u>
General – males	105% of rates
General – females	100% of rates
Safety – males	95% of rates
Safety – females	100% of rates
F. Mortality among disabled members	Table A-3
Basis – Average of RP-2014 Healthy Annuitant (multiplied by 105% for males) and Disabled Mortality Tables for respective genders, with 100% of MP-2014 Ultimate Projection Scale:	
General – males	100% of Disabled Rates
General – females	100% of Disabled Rates
Basis – RP-2014 Healthy Mortality Table, for respective genders with 100% of MP-2014 Ultimate Projection Scale:	
Safety – males	100% of rates
Safety – females	100% of rates
G. Mortality for Beneficiaries	Table A-2
Basis – Beneficiaries are assumed to have the same mortality as a general member of the opposite gender who has taken a service retirement.	

H.	Other Terminations of Employment	Tables A-6 to A-13
I.	Refund of Contributions on Vested Termination	Table A-4
J.	Future male retirees are assumed to be four years older than their female spouses. Assumption adopted July 1, 2008. Future female retirees are assumed to be one year younger than their male spouses. Assumption adopted July 1, 2016.	
III.	Retiree Medical and Dental/Vision Enrollment Assumptions	
A.	Probability of Initial Medical Enrollment upon Retirement	Table A-14
B.	Probability of Medical Plan and Tier Selection Upon Retirement (Pre 65 Male, Pre 65 Female, Post 65 Male, Post 65 Female)	Table A-15
C.	Probability of Medical Plan and Tier Selection for Pre 65 Retirees Who become Eligible for a Post 65 Plan	Table A-16
D.	Probability of Medical Survivor and New Dependent Enrollment	Table A-17
E.	Probability of Retirees in Group Plans Who Elect Medicare Part D. We have assumed there is no cost impact due to retirees and dependents enrolling in Part D.	0%
F.	Probability of Dental/Vision Enrollment upon Retirement	Table A-18
G.	Probability of Dental/Vision Plan and Tier Selection Upon Retirement	Table A-19
IV.	Premium and Claim Cost Analysis	Tables A-20 to A-21
V.	Medical and Dental/Vision Trend	Table A-22
VI.	Retirement of Vested Terminated Members	Table A-23

Table A-2: Mortality for Members Retired for Service ⁽¹⁾

Age	Safety Male	Safety Female	General Male	General Female
20	0.090%	0.041%	0.103%	0.041%
25	0.108%	0.044%	0.122%	0.044%
30	0.101%	0.055%	0.114%	0.055%
35	0.116%	0.072%	0.132%	0.072%
40	0.140%	0.100%	0.159%	0.100%
45	0.217%	0.165%	0.246%	0.165%
50	0.386%	0.277%	0.427%	0.277%
55	0.545%	0.362%	0.602%	0.362%
60	0.738%	0.519%	0.816%	0.519%
65	1.046%	0.805%	1.156%	0.805%
70	1.593%	1.287%	1.761%	1.287%
75	2.548%	2.094%	2.817%	2.094%
80	4.249%	3.484%	4.696%	3.484%
85	7.362%	6.050%	8.137%	6.050%
90	12.911%	10.713%	14.270%	10.713%

Annual Projected Mortality Improvement

Age	All Groups
65 & Less	1.100%
70	1.100%
75	1.100%
80	1.100%
85	1.100%
90	1.023%
95	0.935%
100	0.704%
105	0.473%
110	0.231%
115	0.000%

1. Mortality rates are those applicable for the fiscal year beginning in 2014. Annual projected improvements are assumed in the following years under the schedule shown. For example, the annual mortality rate for an 85-year old General male in fiscal year beginning in 2017 is 7.122% calculated as follows:

$$\begin{aligned}
 \text{Age 85 rate in 2017} &= \text{Age 85 rate in 2014 with 3 years improvement} \\
 &= 7.362\% \times (100.0\% - 1.1\%) \times (100.0\% - 1.1\%) \times (100.0\% - 1.1\%) \\
 &= 7.122\%
 \end{aligned}$$

Table A-3: Mortality for Members Retired for Disability ⁽¹⁾

Age	Safety Male	Safety Female	General Male	General Female
20	0.098%	0.041%	0.407%	0.132%
25	0.117%	0.044%	0.485%	0.141%
30	0.109%	0.055%	0.453%	0.178%
35	0.126%	0.072%	0.524%	0.233%
40	0.151%	0.100%	0.629%	0.322%
45	0.234%	0.165%	0.975%	0.535%
50	0.406%	0.277%	1.233%	0.734%
55	0.573%	0.362%	1.470%	0.905%
60	0.777%	0.519%	1.738%	1.109%
65	1.101%	0.805%	2.162%	1.445%
70	1.677%	1.287%	2.898%	2.054%
75	2.683%	2.094%	4.123%	3.099%
80	4.472%	3.484%	6.179%	4.794%
85	7.750%	6.050%	9.734%	7.546%
90	13.591%	10.713%	15.785%	11.989%

1. Mortality rates are those applicable the year fiscal year beginning in 2014. Annual projected improvements are assumed in the following years under the schedule shown on the preceding page.

Table A-4: Immediate Refund of Contributions upon Termination of Employment (Excludes Plan E)

Years of Service	Safety	General
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	35%	35%
6	35%	35%
7	35%	35%
8	33%	34%
9	31%	34%
10	29%	33%
11	27%	33%
12	25%	32%
13	22%	31%
14	19%	30%
15	16%	30%
16	13%	29%
17	10%	28%
18	6%	25%
19	2%	23%
20	0%	20%
21	0%	18%
22	0%	15%
23	0%	12%
24	0%	9%
25	0%	6%
26	0%	3%
27	0%	0%
28	0%	0%
29	0%	0%
30 & Up	0%	0%

Table A-5: Annual Increase in Salary

The general wage increase assumption is 3.25% per annum which is used for projecting the total future payroll. The amortization of the UAAL is determined as a level percentage of payroll. General wage increases and individual salary increases due to promotion and longevity do not affect the amount of the OPEB program's benefits.

Appendix A: Rates of Separation from Active Service Tables A-6 to A-13

A schedule of the probabilities of termination of employment due to the following causes can be found on the following pages:

Service Retirement:	Member retires after meeting age and service requirements for reasons other than disability.
Withdrawal:	Member terminates and elects a refund of member contributions or a deferred vested retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

Each rate represents the probability that a member will separate from service at each age due to the particular cause. For example, a rate of 0.0300 for a member's service retirement at age 50 means we assume that 30 out of 1,000 members who are age 50 will retire at that age.

Each table represents the detailed rates needed for each LACERA plan by gender:

Table A-6: General Plans A, B, & C Males	A-10: General Plan E Males
A-7: General Plans A, B, & C Females	A-11: General Plan E Females
A-8: General Plans D & G Males	A-12: Safety Plans A, B, & C Males
A-9: General Plans D & G Females	A-13: Safety Plans A, B, & C Females

**Table A-6: Rate of Separation from Active Service for General Members
 Plans A, B, & C – Male**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
33	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0005
35	0.0000	0.0050	0.0003	0.0001	N/A	0.0005
36	0.0000	0.0050	0.0004	0.0001	N/A	0.0005
37	0.0000	0.0050	0.0004	0.0001	N/A	0.0005
38	0.0000	0.0050	0.0005	0.0001	N/A	0.0005
39	0.0000	0.0050	0.0006	0.0001	N/A	0.0006
40	0.0300	0.0050	0.0006	0.0002	N/A	0.0006
41	0.0300	0.0050	0.0007	0.0002	N/A	0.0006
42	0.0300	0.0050	0.0008	0.0002	N/A	0.0006
43	0.0300	0.0050	0.0008	0.0003	N/A	0.0007
44	0.0300	0.0050	0.0009	0.0003	N/A	0.0007
45	0.0300	0.0050	0.0009	0.0003	N/A	0.0008
46	0.0300	0.0050	0.0010	0.0004	N/A	0.0009
47	0.0300	0.0050	0.0010	0.0004	N/A	0.0010
48	0.0300	0.0050	0.0010	0.0004	N/A	0.0011
49	0.0300	0.0050	0.0011	0.0004	N/A	0.0012
50	0.0300	0.0050	0.0011	0.0004	N/A	0.0014
51	0.0300	0.0050	0.0012	0.0004	N/A	0.0015
52	0.0300	0.0050	0.0012	0.0004	N/A	0.0017
53	0.0300	0.0050	0.0016	0.0005	N/A	0.0019
54	0.0600	0.0050	0.0019	0.0006	N/A	0.0021
55	0.1000	0.0050	0.0023	0.0006	N/A	0.0023
56	0.1200	0.0050	0.0026	0.0007	N/A	0.0025
57	0.1700	0.0050	0.0030	0.0008	N/A	0.0028
58	0.2200	0.0050	0.0035	0.0009	N/A	0.0031
59	0.2400	0.0050	0.0040	0.0010	N/A	0.0034
60	0.2600	0.0050	0.0045	0.0010	N/A	0.0038
61	0.3100	0.0050	0.0050	0.0011	N/A	0.0042
62	0.3500	0.0050	0.0055	0.0012	N/A	0.0047
63	0.2800	0.0050	0.0053	0.0014	N/A	0.0052
64	0.2800	0.0050	0.0051	0.0015	N/A	0.0059
65	0.2800	0.0050	0.0049	0.0017	N/A	0.0066
66	0.2800	0.0050	0.0047	0.0018	N/A	0.0074
67	0.2800	0.0050	0.0045	0.0020	N/A	0.0083
68	0.2800	0.0050	0.0045	0.0022	N/A	0.0092
69	0.2800	0.0050	0.0045	0.0023	N/A	0.0102
70	0.2800	0.0050	0.0045	0.0025	N/A	0.0113
71	0.2800	0.0050	0.0045	0.0026	N/A	0.0125
72	0.2800	0.0050	0.0045	0.0028	N/A	0.0139
73	0.2800	0.0050	0.0045	0.0030	N/A	0.0154
74	0.2800	0.0050	0.0045	0.0031	N/A	0.0170
75	1.0000	0.0000	0.0000	0.0000	N/A	0.0189

**Table A-7: Rate of Separation from Active Service for General Members
 Plans A, B, & C – Female**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
33	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0003
35	0.0000	0.0050	0.0003	0.0001	N/A	0.0003
36	0.0000	0.0050	0.0004	0.0001	N/A	0.0003
37	0.0000	0.0050	0.0004	0.0001	N/A	0.0003
38	0.0000	0.0050	0.0004	0.0001	N/A	0.0003
39	0.0000	0.0050	0.0004	0.0001	N/A	0.0004
40	0.0300	0.0050	0.0005	0.0002	N/A	0.0004
41	0.0300	0.0050	0.0005	0.0002	N/A	0.0004
42	0.0300	0.0050	0.0005	0.0002	N/A	0.0005
43	0.0300	0.0050	0.0006	0.0003	N/A	0.0005
44	0.0300	0.0050	0.0007	0.0003	N/A	0.0006
45	0.0300	0.0050	0.0008	0.0003	N/A	0.0007
46	0.0300	0.0050	0.0009	0.0004	N/A	0.0007
47	0.0300	0.0050	0.0010	0.0004	N/A	0.0008
48	0.0300	0.0050	0.0011	0.0004	N/A	0.0009
49	0.0300	0.0050	0.0012	0.0004	N/A	0.0010
50	0.0300	0.0050	0.0013	0.0004	N/A	0.0011
51	0.0300	0.0050	0.0014	0.0004	N/A	0.0012
52	0.0300	0.0050	0.0015	0.0004	N/A	0.0013
53	0.0300	0.0050	0.0016	0.0005	N/A	0.0014
54	0.0600	0.0050	0.0016	0.0006	N/A	0.0015
55	0.1000	0.0050	0.0017	0.0006	N/A	0.0017
56	0.1200	0.0050	0.0017	0.0007	N/A	0.0018
57	0.1700	0.0050	0.0018	0.0008	N/A	0.0019
58	0.2200	0.0050	0.0020	0.0009	N/A	0.0021
59	0.2400	0.0050	0.0023	0.0010	N/A	0.0023
60	0.2600	0.0050	0.0025	0.0010	N/A	0.0024
61	0.3100	0.0050	0.0028	0.0011	N/A	0.0026
62	0.3500	0.0050	0.0030	0.0012	N/A	0.0029
63	0.2800	0.0050	0.0030	0.0014	N/A	0.0031
64	0.2800	0.0050	0.0030	0.0015	N/A	0.0034
65	0.2800	0.0050	0.0030	0.0017	N/A	0.0037
66	0.2800	0.0050	0.0030	0.0018	N/A	0.0041
67	0.2800	0.0050	0.0030	0.0020	N/A	0.0046
68	0.2800	0.0050	0.0030	0.0022	N/A	0.0051
69	0.2800	0.0050	0.0030	0.0023	N/A	0.0057
70	0.2800	0.0050	0.0030	0.0025	N/A	0.0063
71	0.2800	0.0050	0.0030	0.0026	N/A	0.0070
72	0.2800	0.0050	0.0030	0.0028	N/A	0.0078
73	0.2800	0.0050	0.0030	0.0030	N/A	0.0087
74	0.2800	0.0050	0.0030	0.0031	N/A	0.0097
75	1.0000	0.0000	0.0000	0.0000	N/A	0.0108

**Table A-8: Rate of Separation from Active Service for General Members
 Plan D & G – Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0003	0	0.0800
19	0.0000	0.0002	0.0001	N/A	0.0003	1	0.0550
20	0.0000	0.0002	0.0001	N/A	0.0003	2	0.0375
21	0.0000	0.0002	0.0001	N/A	0.0004	3	0.0300
22	0.0000	0.0002	0.0001	N/A	0.0004	4	0.0250
23	0.0000	0.0002	0.0001	N/A	0.0004	5	0.0233
24	0.0000	0.0002	0.0001	N/A	0.0005	6	0.0217
25	0.0000	0.0002	0.0001	N/A	0.0005	7	0.0200
26	0.0000	0.0002	0.0001	N/A	0.0005	8	0.0190
27	0.0000	0.0002	0.0001	N/A	0.0005	9	0.0180
28	0.0000	0.0002	0.0001	N/A	0.0005	10	0.0170
29	0.0000	0.0002	0.0001	N/A	0.0004	11	0.0160
30	0.0000	0.0002	0.0001	N/A	0.0004	12	0.0150
31	0.0000	0.0002	0.0001	N/A	0.0004	13	0.0140
32	0.0000	0.0002	0.0001	N/A	0.0005	14	0.0130
33	0.0000	0.0002	0.0001	N/A	0.0005	15	0.0120
34	0.0000	0.0003	0.0001	N/A	0.0005	16	0.0110
35	0.0000	0.0003	0.0001	N/A	0.0005	17	0.0100
36	0.0000	0.0004	0.0001	N/A	0.0005	18	0.0092
37	0.0000	0.0004	0.0001	N/A	0.0005	19	0.0084
38	0.0000	0.0005	0.0001	N/A	0.0005	20	0.0076
39	0.0000	0.0006	0.0001	N/A	0.0006	21	0.0068
40	0.0150	0.0006	0.0002	N/A	0.0006	22	0.0060
41	0.0150	0.0007	0.0002	N/A	0.0006	23	0.0056
42	0.0150	0.0008	0.0002	N/A	0.0006	24	0.0052
43	0.0150	0.0008	0.0003	N/A	0.0007	25	0.0048
44	0.0150	0.0009	0.0003	N/A	0.0007	26	0.0044
45	0.0150	0.0009	0.0003	N/A	0.0008	27	0.0040
46	0.0150	0.0010	0.0004	N/A	0.0009	28	0.0040
47	0.0150	0.0010	0.0004	N/A	0.0010	29	0.0040
48	0.0150	0.0010	0.0004	N/A	0.0011	30 & Above	0.0000
49	0.0150	0.0011	0.0004	N/A	0.0012		
50	0.0150	0.0011	0.0004	N/A	0.0014		
51	0.0120	0.0012	0.0004	N/A	0.0015		
52	0.0120	0.0012	0.0004	N/A	0.0017		
53	0.0150	0.0016	0.0005	N/A	0.0019		
54	0.0200	0.0019	0.0006	N/A	0.0021		
55	0.0250	0.0023	0.0006	N/A	0.0023		
56	0.0250	0.0026	0.0007	N/A	0.0025		
57	0.0300	0.0030	0.0008	N/A	0.0028		
58	0.0350	0.0035	0.0009	N/A	0.0031		
59	0.0500	0.0040	0.0010	N/A	0.0034		
60	0.0600	0.0045	0.0010	N/A	0.0038		
61	0.0800	0.0050	0.0011	N/A	0.0042		
62	0.1000	0.0055	0.0012	N/A	0.0047		
63	0.0900	0.0053	0.0014	N/A	0.0052		
64	0.1500	0.0051	0.0015	N/A	0.0059		
65	0.2000	0.0049	0.0017	N/A	0.0066		
66	0.2000	0.0047	0.0018	N/A	0.0074		
67	0.1800	0.0045	0.0020	N/A	0.0083		
68	0.1800	0.0045	0.0022	N/A	0.0092		
69	0.1800	0.0045	0.0023	N/A	0.0102		
70	0.2000	0.0045	0.0025	N/A	0.0113		
71	0.2000	0.0045	0.0026	N/A	0.0125		
72	0.2000	0.0045	0.0028	N/A	0.0139		
73	0.2000	0.0045	0.0030	N/A	0.0154		
74	0.2000	0.0045	0.0031	N/A	0.0170		
75	1.0000	0.0000	0.0000	N/A	0.0189		

**Table A-9: Rate of Separation from Active Service for General Members
 Plan D and G – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0002	0	0.0800
19	0.0000	0.0002	0.0001	N/A	0.0002	1	0.0550
20	0.0000	0.0002	0.0001	N/A	0.0002	2	0.0375
21	0.0000	0.0002	0.0001	N/A	0.0002	3	0.0300
22	0.0000	0.0002	0.0001	N/A	0.0002	4	0.0250
23	0.0000	0.0002	0.0001	N/A	0.0002	5	0.0233
24	0.0000	0.0002	0.0001	N/A	0.0002	6	0.0217
25	0.0000	0.0002	0.0001	N/A	0.0002	7	0.0200
26	0.0000	0.0002	0.0001	N/A	0.0002	8	0.0190
27	0.0000	0.0002	0.0001	N/A	0.0002	9	0.0180
28	0.0000	0.0002	0.0001	N/A	0.0002	10	0.0170
29	0.0000	0.0002	0.0001	N/A	0.0002	11	0.0160
30	0.0000	0.0002	0.0001	N/A	0.0002	12	0.0150
31	0.0000	0.0002	0.0001	N/A	0.0002	13	0.0140
32	0.0000	0.0002	0.0001	N/A	0.0002	14	0.0130
33	0.0000	0.0002	0.0001	N/A	0.0003	15	0.0120
34	0.0000	0.0003	0.0001	N/A	0.0003	16	0.0110
35	0.0000	0.0003	0.0001	N/A	0.0003	17	0.0100
36	0.0000	0.0004	0.0001	N/A	0.0003	18	0.0092
37	0.0000	0.0004	0.0001	N/A	0.0003	19	0.0084
38	0.0000	0.0004	0.0001	N/A	0.0003	20	0.0076
39	0.0000	0.0004	0.0001	N/A	0.0004	21	0.0068
40	0.0150	0.0005	0.0002	N/A	0.0004	22	0.0060
41	0.0150	0.0005	0.0002	N/A	0.0004	23	0.0056
42	0.0150	0.0005	0.0002	N/A	0.0005	24	0.0052
43	0.0150	0.0006	0.0003	N/A	0.0005	25	0.0048
44	0.0150	0.0007	0.0003	N/A	0.0006	26	0.0044
45	0.0150	0.0008	0.0003	N/A	0.0007	27	0.0040
46	0.0150	0.0009	0.0004	N/A	0.0007	28	0.0040
47	0.0150	0.0010	0.0004	N/A	0.0008	29	0.0040
48	0.0150	0.0011	0.0004	N/A	0.0009	30 & Above	0.0000
49	0.0150	0.0012	0.0004	N/A	0.0010		
50	0.0150	0.0013	0.0004	N/A	0.0011		
51	0.0120	0.0014	0.0004	N/A	0.0012		
52	0.0120	0.0015	0.0004	N/A	0.0013		
53	0.0150	0.0016	0.0005	N/A	0.0014		
54	0.0200	0.0016	0.0006	N/A	0.0015		
55	0.0250	0.0017	0.0006	N/A	0.0017		
56	0.0250	0.0017	0.0007	N/A	0.0018		
57	0.0300	0.0018	0.0008	N/A	0.0019		
58	0.0350	0.0020	0.0009	N/A	0.0021		
59	0.0500	0.0023	0.0010	N/A	0.0023		
60	0.0600	0.0025	0.0010	N/A	0.0024		
61	0.0800	0.0028	0.0011	N/A	0.0026		
62	0.1000	0.0030	0.0012	N/A	0.0029		
63	0.0900	0.0030	0.0014	N/A	0.0031		
64	0.1500	0.0030	0.0015	N/A	0.0034		
65	0.2000	0.0030	0.0017	N/A	0.0037		
66	0.2000	0.0030	0.0018	N/A	0.0041		
67	0.1800	0.0030	0.0020	N/A	0.0046		
68	0.1800	0.0030	0.0022	N/A	0.0051		
69	0.1800	0.0030	0.0023	N/A	0.0057		
70	0.2000	0.0030	0.0025	N/A	0.0063		
71	0.2000	0.0030	0.0026	N/A	0.0070		
72	0.2000	0.0030	0.0028	N/A	0.0078		
73	0.2000	0.0030	0.0030	N/A	0.0087		
74	0.2000	0.0030	0.0031	N/A	0.0097		
75	1.0000	0.0000	0.0000	N/A	0.0108		

**Table A-10: Rate of Separation from Active Service for General Members
 Plan E – Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0003	0	0.1500
19	0.0000	N/A	N/A	N/A	0.0003	1	0.0800
20	0.0000	N/A	N/A	N/A	0.0003	2	0.0600
21	0.0000	N/A	N/A	N/A	0.0004	3	0.0450
22	0.0000	N/A	N/A	N/A	0.0004	4	0.0350
23	0.0000	N/A	N/A	N/A	0.0004	5	0.0310
24	0.0000	N/A	N/A	N/A	0.0005	6	0.0270
25	0.0000	N/A	N/A	N/A	0.0005	7	0.0230
26	0.0000	N/A	N/A	N/A	0.0005	8	0.0220
27	0.0000	N/A	N/A	N/A	0.0005	9	0.0210
28	0.0000	N/A	N/A	N/A	0.0005	10	0.0200
29	0.0000	N/A	N/A	N/A	0.0004	11	0.0190
30	0.0000	N/A	N/A	N/A	0.0004	12	0.0180
31	0.0000	N/A	N/A	N/A	0.0004	13	0.0168
32	0.0000	N/A	N/A	N/A	0.0005	14	0.0156
33	0.0000	N/A	N/A	N/A	0.0005	15	0.0144
34	0.0000	N/A	N/A	N/A	0.0005	16	0.0132
35	0.0000	N/A	N/A	N/A	0.0005	17	0.0120
36	0.0000	N/A	N/A	N/A	0.0005	18	0.0116
37	0.0000	N/A	N/A	N/A	0.0005	19	0.0112
38	0.0000	N/A	N/A	N/A	0.0005	20	0.0108
39	0.0000	N/A	N/A	N/A	0.0006	21	0.0104
40	0.0000	N/A	N/A	N/A	0.0006	22	0.0100
41	0.0000	N/A	N/A	N/A	0.0006	23	0.0100
42	0.0000	N/A	N/A	N/A	0.0006	24	0.0100
43	0.0000	N/A	N/A	N/A	0.0007	25	0.0100
44	0.0000	N/A	N/A	N/A	0.0007	26	0.0100
45	0.0000	N/A	N/A	N/A	0.0008	27	0.0100
46	0.0000	N/A	N/A	N/A	0.0009	28	0.0100
47	0.0000	N/A	N/A	N/A	0.0010	29	0.0100
48	0.0000	N/A	N/A	N/A	0.0011	30 & Above	0.0100
49	0.0000	N/A	N/A	N/A	0.0012		
50	0.0000	N/A	N/A	N/A	0.0014		
51	0.0000	N/A	N/A	N/A	0.0015		
52	0.0000	N/A	N/A	N/A	0.0017		
53	0.0000	N/A	N/A	N/A	0.0019		
54	0.0000	N/A	N/A	N/A	0.0021		
55	0.0200	N/A	N/A	N/A	0.0023		
56	0.0200	N/A	N/A	N/A	0.0025		
57	0.0200	N/A	N/A	N/A	0.0028		
58	0.0200	N/A	N/A	N/A	0.0031		
59	0.0300	N/A	N/A	N/A	0.0034		
60	0.0400	N/A	N/A	N/A	0.0038		
61	0.0600	N/A	N/A	N/A	0.0042		
62	0.0900	N/A	N/A	N/A	0.0047		
63	0.0900	N/A	N/A	N/A	0.0052		
64	0.2000	N/A	N/A	N/A	0.0059		
65	0.2500	N/A	N/A	N/A	0.0066		
66	0.1800	N/A	N/A	N/A	0.0074		
67	0.1800	N/A	N/A	N/A	0.0083		
68	0.1800	N/A	N/A	N/A	0.0092		
69	0.1800	N/A	N/A	N/A	0.0102		
70	0.2000	N/A	N/A	N/A	0.0113		
71	0.2000	N/A	N/A	N/A	0.0125		
72	0.2000	N/A	N/A	N/A	0.0139		
73	0.2000	N/A	N/A	N/A	0.0154		
74	0.2000	N/A	N/A	N/A	0.0170		
75	1.0000	N/A	N/A	N/A	0.0189		

**Table A-11: Rate of Separation from Active Service for General Members
 Plan E – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0002	0	0.1500
19	0.0000	N/A	N/A	N/A	0.0002	1	0.0800
20	0.0000	N/A	N/A	N/A	0.0002	2	0.0600
21	0.0000	N/A	N/A	N/A	0.0002	3	0.0450
22	0.0000	N/A	N/A	N/A	0.0002	4	0.0350
23	0.0000	N/A	N/A	N/A	0.0002	5	0.0310
24	0.0000	N/A	N/A	N/A	0.0002	6	0.0270
25	0.0000	N/A	N/A	N/A	0.0002	7	0.0230
26	0.0000	N/A	N/A	N/A	0.0002	8	0.0220
27	0.0000	N/A	N/A	N/A	0.0002	9	0.0210
28	0.0000	N/A	N/A	N/A	0.0002	10	0.0200
29	0.0000	N/A	N/A	N/A	0.0002	11	0.0190
30	0.0000	N/A	N/A	N/A	0.0002	12	0.0180
31	0.0000	N/A	N/A	N/A	0.0002	13	0.0168
32	0.0000	N/A	N/A	N/A	0.0002	14	0.0156
33	0.0000	N/A	N/A	N/A	0.0003	15	0.0144
34	0.0000	N/A	N/A	N/A	0.0003	16	0.0132
35	0.0000	N/A	N/A	N/A	0.0003	17	0.0120
36	0.0000	N/A	N/A	N/A	0.0003	18	0.0116
37	0.0000	N/A	N/A	N/A	0.0003	19	0.0112
38	0.0000	N/A	N/A	N/A	0.0003	20	0.0108
39	0.0000	N/A	N/A	N/A	0.0004	21	0.0104
40	0.0000	N/A	N/A	N/A	0.0004	22	0.0100
41	0.0000	N/A	N/A	N/A	0.0004	23	0.0100
42	0.0000	N/A	N/A	N/A	0.0005	24	0.0100
43	0.0000	N/A	N/A	N/A	0.0005	25	0.0100
44	0.0000	N/A	N/A	N/A	0.0006	26	0.0100
45	0.0000	N/A	N/A	N/A	0.0007	27	0.0100
46	0.0000	N/A	N/A	N/A	0.0007	28	0.0100
47	0.0000	N/A	N/A	N/A	0.0008	29	0.0100
48	0.0000	N/A	N/A	N/A	0.0009	30 & Above	0.0100
49	0.0000	N/A	N/A	N/A	0.0010		
50	0.0000	N/A	N/A	N/A	0.0011		
51	0.0000	N/A	N/A	N/A	0.0012		
52	0.0000	N/A	N/A	N/A	0.0013		
53	0.0000	N/A	N/A	N/A	0.0014		
54	0.0000	N/A	N/A	N/A	0.0015		
55	0.0200	N/A	N/A	N/A	0.0017		
56	0.0200	N/A	N/A	N/A	0.0018		
57	0.0200	N/A	N/A	N/A	0.0019		
58	0.0200	N/A	N/A	N/A	0.0021		
59	0.0300	N/A	N/A	N/A	0.0023		
60	0.0400	N/A	N/A	N/A	0.0024		
61	0.0600	N/A	N/A	N/A	0.0026		
62	0.0900	N/A	N/A	N/A	0.0029		
63	0.0900	N/A	N/A	N/A	0.0031		
64	0.2000	N/A	N/A	N/A	0.0034		
65	0.2500	N/A	N/A	N/A	0.0037		
66	0.1800	N/A	N/A	N/A	0.0041		
67	0.1800	N/A	N/A	N/A	0.0046		
68	0.1800	N/A	N/A	N/A	0.0051		
69	0.1800	N/A	N/A	N/A	0.0057		
70	0.2000	N/A	N/A	N/A	0.0063		
71	0.2000	N/A	N/A	N/A	0.0070		
72	0.2000	N/A	N/A	N/A	0.0078		
73	0.2000	N/A	N/A	N/A	0.0087		
74	0.2000	N/A	N/A	N/A	0.0097		
75	1.0000	N/A	N/A	N/A	0.0108		

**Table A-12: Rate of Separation from Active Service for Safety Members
 Plans A, B, & C – Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0020	0.0000	0.0001	0.0002	0	0.0300
19	0.0000	0.0020	0.0000	0.0001	0.0002	1	0.0250
20	0.0000	0.0020	0.0000	0.0001	0.0002	2	0.0200
21	0.0000	0.0020	0.0000	0.0001	0.0002	3	0.0150
22	0.0000	0.0020	0.0000	0.0001	0.0003	4	0.0120
23	0.0000	0.0020	0.0000	0.0001	0.0003	5	0.0113
24	0.0000	0.0020	0.0000	0.0001	0.0003	6	0.0107
25	0.0000	0.0020	0.0000	0.0001	0.0004	7	0.0100
26	0.0000	0.0020	0.0000	0.0001	0.0004	8	0.0092
27	0.0000	0.0020	0.0000	0.0001	0.0004	9	0.0084
28	0.0000	0.0020	0.0000	0.0001	0.0005	10	0.0076
29	0.0000	0.0020	0.0000	0.0001	0.0005	11	0.0068
30	0.0000	0.0020	0.0000	0.0001	0.0005	12	0.0060
31	0.0000	0.0020	0.0000	0.0001	0.0005	13	0.0054
32	0.0000	0.0020	0.0000	0.0001	0.0005	14	0.0048
33	0.0000	0.0021	0.0000	0.0001	0.0004	15	0.0042
34	0.0000	0.0022	0.0000	0.0001	0.0004	16	0.0036
35	0.0000	0.0023	0.0000	0.0001	0.0004	17	0.0030
36	0.0000	0.0024	0.0000	0.0001	0.0005	18	0.0024
37	0.0000	0.0025	0.0000	0.0001	0.0005	19	0.0018
38	0.0000	0.0026	0.0000	0.0001	0.0005	20 & Above	0.0000
39	0.0000	0.0027	0.0000	0.0001	0.0005		
40	0.0100	0.0028	0.0000	0.0001	0.0005		
41	0.0100	0.0029	0.0000	0.0001	0.0005		
42	0.0100	0.0030	0.0000	0.0001	0.0005		
43	0.0100	0.0031	0.0000	0.0001	0.0006		
44	0.0100	0.0032	0.0000	0.0001	0.0006		
45	0.0100	0.0033	0.0000	0.0001	0.0006		
46	0.0100	0.0034	0.0000	0.0001	0.0006		
47	0.0100	0.0035	0.0000	0.0001	0.0007		
48	0.0100	0.0040	0.0000	0.0001	0.0007		
49	0.0100	0.0050	0.0000	0.0001	0.0008		
50	0.0100	0.0100	0.0000	0.0001	0.0009		
51	0.0200	0.0120	0.0000	0.0001	0.0010		
52	0.0250	0.0140	0.0000	0.0001	0.0011		
53	0.0300	0.0300	0.0000	0.0001	0.0012		
54	0.1200	0.0500	0.0000	0.0001	0.0014		
55	0.2400	0.1200	0.0000	0.0001	0.0015		
56	0.1500	0.0900	0.0000	0.0001	0.0017		
57	0.1600	0.1000	0.0000	0.0001	0.0019		
58	0.1800	0.1000	0.0000	0.0001	0.0021		
59	0.2500	0.1000	0.0000	0.0001	0.0023		
60	0.3000	0.1000	0.0000	0.0001	0.0025		
61	0.3000	0.1000	0.0000	0.0001	0.0028		
62	0.3000	0.1000	0.0000	0.0001	0.0031		
63	0.3000	0.1000	0.0000	0.0001	0.0034		
64	0.3000	0.1000	0.0000	0.0001	0.0038		
65	1.0000	0.0000	0.0000	0.0000	0.0042		

**Table A-13: Rate of Separation from Active Service for Safety Members
 Plans A, B, & C – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0030	0.0000	0.0001	0.0002	0	0.0300
19	0.0000	0.0030	0.0000	0.0001	0.0002	1	0.0250
20	0.0000	0.0030	0.0000	0.0001	0.0002	2	0.0200
21	0.0000	0.0030	0.0000	0.0001	0.0002	3	0.0150
22	0.0000	0.0030	0.0000	0.0001	0.0002	4	0.0120
23	0.0000	0.0030	0.0000	0.0001	0.0002	5	0.0113
24	0.0000	0.0030	0.0000	0.0001	0.0002	6	0.0107
25	0.0000	0.0030	0.0000	0.0001	0.0002	7	0.0100
26	0.0000	0.0030	0.0000	0.0001	0.0002	8	0.0092
27	0.0000	0.0030	0.0000	0.0001	0.0002	9	0.0084
28	0.0000	0.0034	0.0000	0.0001	0.0002	10	0.0076
29	0.0000	0.0038	0.0000	0.0001	0.0002	11	0.0068
30	0.0000	0.0042	0.0000	0.0001	0.0002	12	0.0060
31	0.0000	0.0046	0.0000	0.0001	0.0002	13	0.0054
32	0.0000	0.0050	0.0000	0.0001	0.0002	14	0.0048
33	0.0000	0.0056	0.0000	0.0001	0.0003	15	0.0042
34	0.0000	0.0062	0.0000	0.0001	0.0003	16	0.0036
35	0.0000	0.0068	0.0000	0.0001	0.0003	17	0.0030
36	0.0000	0.0074	0.0000	0.0001	0.0003	18	0.0024
37	0.0000	0.0080	0.0000	0.0001	0.0003	19	0.0018
38	0.0000	0.0084	0.0000	0.0001	0.0003	20 & Above	0.0000
39	0.0000	0.0088	0.0000	0.0001	0.0004		
40	0.0100	0.0092	0.0000	0.0001	0.0004		
41	0.0100	0.0096	0.0000	0.0001	0.0004		
42	0.0100	0.0100	0.0000	0.0001	0.0005		
43	0.0100	0.0104	0.0000	0.0001	0.0005		
44	0.0100	0.0108	0.0000	0.0001	0.0006		
45	0.0100	0.0112	0.0000	0.0001	0.0007		
46	0.0100	0.0116	0.0000	0.0001	0.0007		
47	0.0100	0.0120	0.0000	0.0001	0.0008		
48	0.0100	0.0130	0.0000	0.0001	0.0009		
49	0.0100	0.0150	0.0000	0.0001	0.0010		
50	0.0100	0.0180	0.0000	0.0001	0.0011		
51	0.0200	0.0200	0.0000	0.0001	0.0012		
52	0.0250	0.0240	0.0000	0.0001	0.0013		
53	0.0300	0.0280	0.0000	0.0001	0.0014		
54	0.1200	0.0320	0.0000	0.0001	0.0015		
55	0.2400	0.1100	0.0000	0.0001	0.0017		
56	0.1500	0.0700	0.0000	0.0001	0.0018		
57	0.1600	0.0700	0.0000	0.0001	0.0019		
58	0.1800	0.0800	0.0000	0.0001	0.0021		
59	0.2500	0.0800	0.0000	0.0001	0.0023		
60	0.3000	0.0800	0.0000	0.0000	0.0024		
61	0.3000	0.0800	0.0000	0.0000	0.0026		
62	0.3000	0.0800	0.0000	0.0000	0.0029		
63	0.3000	0.0800	0.0000	0.0000	0.0031		
64	0.3000	0.0800	0.0000	0.0000	0.0034		
65	1.0000	0.0000	0.0000	0.0000	0.0037		

Table A-14: Probability of Initial Medical Enrollment

Males and Females:

<u>Years of Service</u>	<u>Assumed Enrollment %</u>
< 10	8%
10-14	44%
15-19	61%
20-24	81%
25+, Disabled	95%

Table A-15A: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 1

Non-Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	0.5%	1.0%		
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	1.5%	0.5%		
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	1.0%			
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children				
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor				
211	Anthem Blue Cross I	Retiree Only	0.5%	0.5%		0.5%
212	Anthem Blue Cross I	Retiree and Spouse		0.5%		
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.5%			
214	Anthem Blue Cross I	Retiree and Children				
215	Anthem Blue Cross I	Minor Survivor				
221	Anthem Blue Cross II	Retiree Only	5.5%	8.0%	1.0%	2.0%
222	Anthem Blue Cross II	Retiree and Spouse	14.0%	7.0%	3.5%	1.0%
223	Anthem Blue Cross II	Retiree, Spouse and Children	10.5%	2.0%	1.0%	
224	Anthem Blue Cross II	Retiree and Children	1.0%	1.0%		
225	Anthem Blue Cross II	Minor Survivor				
240	Anthem Blue Cross III	One Medicare		0.5%	6.5%	10.5%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare				
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			6.5%	1.0%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare			6.5%	4.0%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare				
245	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.5%	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare				
247	Anthem Blue Cross III	Retiree and Family 1 Medicare				
248	Anthem Blue Cross III	Retiree and Family 2 Medicare				
249	Anthem Blue Cross III	Retiree and Family 2 Medicare				
250	Anthem Blue Cross III	Retiree and Family 3 Medicare				
301	Cigna Network Model Plan	Retiree Only				
302	Cigna Network Model Plan	Retiree and Spouse		0.5%		
303	Cigna Network Model Plan	Retiree and Family				
304	Cigna Network Model Plan	Retiree and Children				
305	Cigna Network Model Plan	Minor Survivor				
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only				
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse				
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children				
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)				
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)				
401	Kaiser (CA)	Retiree Basic (Under 65)	12.5%	31.0%		
402	Kaiser (CA)	Retiree Cost ("M" Coverage)				
403	Kaiser (CA)	Retiree Risk (Senior Advantage)			20.0%	39.5%
404	Kaiser (CA)	Retiree Excess I			1.0%	2.0%
405	Kaiser (CA)	Retiree Excess II - Part B			2.0%	3.0%
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)				
411	Kaiser (CA)	Family Basic	36.0%	30.0%		
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic				
413	Kaiser (CA)	One Advantage, Others Basic			19.5%	4.5%
414	Kaiser (CA)	One Excess I, Others Basic			1.0%	
415	Kaiser (CA)	Two+ Cost ("M" Coverage)				
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)				
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)				
418	Kaiser (CA)	Two+ Advantage			14.0%	15.5%
419	Kaiser (CA)	One Excess I, One Advantage			0.5%	0.5%
420	Kaiser (CA)	Two+ Excess I				
421	Kaiser (CA)	Survivor				
422	Kaiser (CA)	One Excess II - Part B, One Basic			2.0%	0.5%
423	Kaiser (CA)	One Excess III (MNP), One Basic			1.0%	
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B				
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)				
426	Kaiser (CA)	One Risk, One Excess II - Part B				
427	Kaiser (CA)	One Risk, One Excess III (MNP)				
428	Kaiser (CA)	One Excess I, One Excess II - Part B				
429	Kaiser (CA)	One Excess I, One Excess III (MNP)				
430	Kaiser (CA)	Two Excess II - Part B				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)				
432	Kaiser (CA)	Two Excess III - Both (MNP)				

Table A-15A: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 1 (continued)

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
450	Kaiser - Colorado Basic	Retiree Basic				
451	Kaiser - Colorado	Retiree Risk				
452	Kaiser (Other)	Retiree Only				
453	Kaiser - Colorado	Retiree Basic (Two Party)				
454	Kaiser - Colorado	Retiree Basic Family				
455	Kaiser - Colorado	One Risk, One Basic				
456	Kaiser (Other)	Retiree and Spouse				
457	Kaiser - Colorado	Two Retiree Risk				
458	Kaiser - Colorado	One Risk, Two or More Dependents				
459	Kaiser - Colorado	Two Risk, Two or More Dependents				
460	Kaiser (Other)	Retiree and Spouse				
440	Kaiser - Georgia	One Medicare Member with Part B only				
441	Kaiser - Georgia	One Medicare Member with Part A only				
442	Kaiser - Georgia	One Member without Medicare Part A&B				
443	Kaiser - Georgia	One Medicare Member (Renal Failure)				
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only				
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only				
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B				
461	Kaiser - Georgia Basic	Basic				
462	Kaiser - Georgia	Retiree Risk				
463	Kaiser - Georgia	Retiree (Two Party)				
464	Kaiser - Georgia	Retiree Basic Family				
465	Kaiser - Georgia	One Retiree Risk, One Basic				
466	Kaiser - Georgia	Two Retiree Risk				
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic				
468	Kaiser - Georgia	Two Retiree Risk, One Basic				
469	Kaiser - Georgia	Three Retiree Risk, One Basic				
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk				
471	Kaiser - Hawaii	Retiree Basic (Under 65)				
472	Kaiser - Hawaii	Retiree Risk				
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B				
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)				
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)				
476	Kaiser - Hawaii	One Retiree Risk, One Basic				
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic				
478	Kaiser - Hawaii	Two Retiree Risk				
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B				
481	Kaiser - Oregon	Retiree Basic (Under 65)				
482	Kaiser - Oregon	Retiree Risk				
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B				
484	Kaiser - Oregon	Retiree Basic (Two Party)				
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)				
486	Kaiser - Oregon	One Retiree Risk, One Basic				
487	Kaiser - Oregon	Retiree Cost				
488	Kaiser - Oregon	Two Retiree Risk				
489	Kaiser - Oregon	Retiree w/ Part A only				
490	Kaiser - Oregon	Retiree w/ Part B only				
491	Kaiser - Oregon	One Risk, One Medicare Part A only				
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare				
493	Kaiser - Oregon	One Risk, Two Basic				
494	Kaiser - Oregon	Two Risk, One Basic				
495	Kaiser - Oregon	Two Over 65 unassigned Medicare				
496	Kaiser - Oregon	Two Medicare Part A only				
497	Kaiser - Oregon	One Basic, One Medicare Part A only				
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B				
611	SCAN Health Plan	Retiree Only			0.5%	1.0%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)			0.5%	0.5%
701	United Healthcare Medicare Advantage	Retiree Only			3.0%	9.5%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	0.5%	2.0%	3.5%	1.0%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			3.5%	3.5%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.5%	1.5%	
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)			0.5%	
706	United Healthcare Medicare Advantage	Minor Survivor				
707	United Healthcare	Single	3.5%	9.0%		
708	United Healthcare	Two-Party	7.0%	5.0%		
709	United Healthcare	Family	5.5%	1.0%		
Total			100.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			77.5%	50.0%	66.0%	32.0%

Table A-15A: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 1 (continued)

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
801	Firefighters Local 1014	Med-Member under 65	7.0%	7.0%		
802	Firefighters Local 1014	Med-Member +1 under 65	47.0%	47.0%		
803	Firefighters Local 1014	Med-Member +2 under 65	46.0%	46.0%		
804	Firefighters Local 1014	Med-Member with Medicare			7.0%	7.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC				
806	Firefighters Local 1014	Med-Member +1; 2 MDC			47.0%	47.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC				
808	Firefighters Local 1014	Med-Member +2; 2 MDC			46.0%	46.0%
809	Firefighters Local 1014	Med-Surv. Sp. Under 65				
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65				
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65				
812	Firefighters Local 1014	Med-Surv. Sp. With MDC				
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC				
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC				
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC				
Total			100.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			93.0%	93.0%	93.0%	93.0%



Table A-15B: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 2

Non-Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	0.5%	1.0%		
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	1.5%	0.5%		
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	1.0%			
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children				
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor				
211	Anthem Blue Cross I	Retiree Only	0.5%	0.5%		
212	Anthem Blue Cross I	Retiree and Spouse		0.5%		
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.5%			
214	Anthem Blue Cross I	Retiree and Children				
215	Anthem Blue Cross I	Minor Survivor				
221	Anthem Blue Cross II	Retiree Only	5.5%	8.0%		
222	Anthem Blue Cross II	Retiree and Spouse	14.0%	7.0%		
223	Anthem Blue Cross II	Retiree, Spouse and Children	10.5%	2.0%		
224	Anthem Blue Cross II	Retiree and Children	1.0%	1.0%		
225	Anthem Blue Cross II	Minor Survivor				
240	Anthem Blue Cross III	One Medicare		0.5%	7.5%	13.0%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare				
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			10.0%	2.0%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare			6.5%	4.0%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare				
245	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.5%	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare				
247	Anthem Blue Cross III	Retiree and Family 1 Medicare			1.0%	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare				
249	Anthem Blue Cross III	Retiree and Family 2 Medicare				
250	Anthem Blue Cross III	Retiree and Family 3 Medicare				
301	Cigna Network Model Plan	Retiree Only				
302	Cigna Network Model Plan	Retiree and Spouse		0.5%		
303	Cigna Network Model Plan	Retiree and Family				
304	Cigna Network Model Plan	Retiree and Children				
305	Cigna Network Model Plan	Minor Survivor				
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only				
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse				
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children				
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)				
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)				
401	Kaiser (CA)	Retiree Basic (Under 65)	12.5%	31.0%		
402	Kaiser (CA)	Retiree Cost ("M" Coverage)				
403	Kaiser (CA)	Retiree Risk (Senior Advantage)			23.0%	44.5%
404	Kaiser (CA)	Retiree Excess I				
405	Kaiser (CA)	Retiree Excess II - Part B				
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)				
411	Kaiser (CA)	Family Basic	36.0%	30.0%		
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic				
413	Kaiser (CA)	One Advantage, Others Basic			23.5%	5.0%
414	Kaiser (CA)	One Excess I, Others Basic				
415	Kaiser (CA)	Two+ Cost ("M" Coverage)				
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)				
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)				
418	Kaiser (CA)	Two+ Advantage			15.0%	16.0%
419	Kaiser (CA)	One Excess I, One Advantage				
420	Kaiser (CA)	Two+ Excess I				
421	Kaiser (CA)	Survivor				
422	Kaiser (CA)	One Excess II - Part B, One Basic				
423	Kaiser (CA)	One Excess III (MNP), One Basic				
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B				
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)				
426	Kaiser (CA)	One Risk, One Excess II - Part B				
427	Kaiser (CA)	One Risk, One Excess III (MNP)				
428	Kaiser (CA)	One Excess I, One Excess II - Part B				
429	Kaiser (CA)	One Excess I, One Excess III (MNP)				
430	Kaiser (CA)	Two Excess II - Part B				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)				
432	Kaiser (CA)	Two Excess III - Both (MNP)				

Table A-15B: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 2 (continued)

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
450	Kaiser - Colorado Basic	Retiree Basic				
451	Kaiser - Colorado	Retiree Risk				
452	Kaiser (Other)	Retiree Only				
453	Kaiser - Colorado	Retiree Basic (Two Party)				
454	Kaiser - Colorado	Retiree Basic Family				
455	Kaiser - Colorado	One Risk, One Basic				
456	Kaiser (Other)	Retiree and Spouse				
457	Kaiser - Colorado	Two Retiree Risk				
458	Kaiser - Colorado	One Risk, Two or More Dependents				
459	Kaiser - Colorado	Two Risk, Two or More Dependents				
460	Kaiser (Other)	Retiree and Spouse				
440	Kaiser - Georgia	One Medicare Member with Part B only				
441	Kaiser - Georgia	One Medicare Member with Part A only				
442	Kaiser - Georgia	One Member without Medicare Part A&B				
443	Kaiser - Georgia	One Medicare Member (Renal Failure)				
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only				
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only				
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B				
461	Kaiser - Georgia Basic	Basic				
462	Kaiser - Georgia	Retiree Risk				
463	Kaiser - Georgia	Retiree (Two Party)				
464	Kaiser - Georgia	Retiree Basic Family				
465	Kaiser - Georgia	One Retiree Risk, One Basic				
466	Kaiser - Georgia	Two Retiree Risk				
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic				
468	Kaiser - Georgia	Two Retiree Risk, One Basic				
469	Kaiser - Georgia	Three Retiree Risk, One Basic				
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk				
471	Kaiser - Hawaii	Retiree Basic (Under 65)				
472	Kaiser - Hawaii	Retiree Risk				
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B				
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)				
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)				
476	Kaiser - Hawaii	One Retiree Risk, One Basic				
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic				
478	Kaiser - Hawaii	Two Retiree Risk				
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B				
481	Kaiser - Oregon	Retiree Basic (Under 65)				
482	Kaiser - Oregon	Retiree Risk				
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B				
484	Kaiser - Oregon	Retiree Basic (Two Party)				
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)				
486	Kaiser - Oregon	One Retiree Risk, One Basic				
487	Kaiser - Oregon	Retiree Cost				
488	Kaiser - Oregon	Two Retiree Risk				
489	Kaiser - Oregon	Retiree w/ Part A only				
490	Kaiser - Oregon	Retiree w/ Part B only				
491	Kaiser - Oregon	One Risk, One Medicare Part A only				
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare				
493	Kaiser - Oregon	One Risk, Two Basic				
494	Kaiser - Oregon	Two Risk, One Basic				
495	Kaiser - Oregon	Two Over 65 unassigned Medicare				
496	Kaiser - Oregon	Two Medicare Part A only				
497	Kaiser - Oregon	One Basic, One Medicare Part A only				
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B				
611	SCAN Health Plan	Retiree Only			0.5%	1.0%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)			0.5%	0.5%
701	United Healthcare Medicare Advantage	Retiree Only			3.0%	9.5%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	0.5%	2.0%	3.5%	1.0%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			3.5%	3.5%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.5%	1.5%	
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)			0.5%	
706	United Healthcare Medicare Advantage	Minor Survivor				
707	United Healthcare	Single	3.5%	9.0%		
708	United Healthcare	Two-Party	7.0%	5.0%		
709	United Healthcare	Family	5.5%	1.0%		
Total			100.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			77.5%	50.0%	66.0%	32.0%

Table A-15B: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 2 (continued)

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
801	Firefighters Local 1014	Med-Member under 65	7.0%	7.0%		
802	Firefighters Local 1014	Med-Member +1 under 65	47.0%	47.0%		
803	Firefighters Local 1014	Med-Member +2 under 65	46.0%	46.0%		
804	Firefighters Local 1014	Med-Member with Medicare			7.0%	7.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC				
806	Firefighters Local 1014	Med-Member +1; 2 MDC			47.0%	47.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC				
808	Firefighters Local 1014	Med-Member +2; 2 MDC			46.0%	46.0%
809	Firefighters Local 1014	Med-Surv. Sp. Under 65				
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65				
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65				
812	Firefighters Local 1014	Med-Surv. Sp. With MDC				
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC				
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC				
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC				
Total			100.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			93.0%	93.0%	93.0%	93.0%

Table A-16: Probability of Medical Plan and Tier Selection for Pre 65 Retirees Who Become Eligible for a Post 65 Plan

We assume that Pre 65 retirees and dependents will choose Post 65 plans at age 65 according to the following table:

From Pre Age 65 Eligible Plan	To Post Age 65 Eligible Plan	Tier 1	Tier 2
Anthem Blue Cross I	Anthem Blue Cross I	40%	0%
	Anthem Blue Cross III	60%	100%
Anthem Blue Cross II	Anthem Blue Cross II	45%	0%
	Anthem Blue Cross III	55%	100%
Anthem Blue Cross Prudent Buyer	Anthem Blue Cross Prudent Buyer	55%	0%
	Anthem Blue Cross III	45%	100%
Cigna Network Model	Cigna Network Model Plan	46%	0%
	Cigna Medicare Select Plus Rx (AZ)	6%	0%
	Anthem Blue Cross I	1%	0%
	Anthem Blue Cross II	1%	0%
	Anthem Blue Cross III	18%	20%
	United Healthcare Medicare Advantage Senior Advantage	18%	80%
	Senior Advantage	4%	0%
	SCAN Health Plan	6%	0%
United Healthcare	United Healthcare Medicare Advantage	85%	87%
	Cigna Network Model Plan	2%	0%
	Anthem Blue Cross II	2%	0%
	Anthem Blue Cross III	6%	8%
	SCAN Health Plan	2%	2%
	Senior Advantage	2%	3%
	Excess II	1%	0%
Kaiser Retiree Basic	Senior Advantage	81%	98%
	Retiree Excess I	4%	0%
	Retiree Excess II	9%	0%
	Excess III (MNP)	4%	0%
	Anthem Blue Cross III	2%	2%
Kaiser Family Basic	2+ Advantage	82%	99%
	One Excess I, One Advantage	2%	0%
	One Advantage, One Excess II	8%	0%
	One Advantage, One Excess III (MNP)	6%	0%
	Two+ Excess II - Part B	0.5%	0%
	Anthem Blue Cross III	1%	1%
	United Healthcare Medicare Advantage	0.5%	0%
Firefighters Local 1014	Firefighters Local 1014	100%	100%

We assume that 100% of the retirees are eligible for Medicare with Part B Premium Reimbursement for the plans listed below. We assume these Post Medicare Only Plans are for enrollees who are entitled for Medicare Parts A and B:

- Anthem Blue Cross III
- Cigna Medicare Select Plus Rx (AZ)
- Firefighters Local 1014 Post Medicare Plan
- Kaiser Senior Advantage
- SCAN
- UnitedHealthcare - Medicare Advantage

We assume all other plans' retirees do not receive Part B Premium Reimbursement.

Tier 2 retirees, employees who are hired after June 30, 2014, are required to enroll in Medicare when eligible.

Effective January 1, 2007, Medicare Part B premiums vary depending on income status. For the non-Local 1014 members, the County does not pay the higher premiums, and we assume that there will be no shift in enrollment.

The Part B reimbursement for Tier 1 is for retiree and any spouse or child(ren), while the Part B reimbursement for Tier 2 is only for retiree and not for their spouse or child(ren).

Table A-17: Survivor and New Dependent Enrollment

The valuation methods and assumptions are adjusted with the following considerations from LACERA discussions:

Scenario I

If a dependent or spouse dies, the retiree may enroll a new spouse/domestic partner and/or a new dependent.

- We assume 3% will enroll a new spouse / domestic partner.
- We assume 3% of the retirees will enroll a new dependent.

Scenario II

If a retiree who has a retirement plan option which qualifies as eligible for continuing retirement benefits to the survivor dies and the spouse has retiree medical, Part B, or dental/vision coverage, the existing spouse or dependent may continue to be enrolled and may also enroll a new spouse/domestic partner and/or a new dependent.

- We assume 50% of the retirees with spouses have a spouse continuance option.
- We assume 10% of the surviving spouse/domestic partners with a continuance option will enroll a new spouse.
- Therefore, we assume 5% (or 50% of the 10%) of the surviving spouses' new spouses will enroll and receive the County subsidy.
- We assume 3% of the surviving spouse/domestic partners will enroll a new dependent.

Scenario III

If a retiree who has a retirement plan option which qualifies as eligible for continuing retirement benefits to the survivor dies and the spouse does NOT have retiree medical coverage, we assume no additional spouse/domestic partner or dependent will be enrolled.

Table A-18: Probability of Initial Dental/Vision Enrollment

Males and Females

<u>Years of Service</u>	<u>Assumed Enrollment %</u>
< 10	11%
10-14	49%
15-19	64%
20-24	82%
25+	95%
Disabled	94%

Table A-19: Probability of Dental/Vision Plan and Tier Selection Upon Dental/Vision Retirement Enrollment

Tier	<u>Cigna Indemnity Dental/Vision</u>			<u>Cigna HMO Dental/Vision</u>		
	<u>Retiree Only</u>	<u>Retiree and Dependents</u>	<u>Survivor</u>	<u>Retiree Only</u>	<u>Retiree and Dependents</u>	<u>Survivor</u>
Deduction Code	501	502	503	901	902	903
Percentage						
Male	20%	67%	0%	4%	9%	0%
Female	46%	39%	0%	9%	6%	0%

Table A-20: Premium Information

This section is from the July1, 2014 valuation. The July 1, 2016 information will be displayed with the July 1, 2016 OPEB valuation.

The following premium information is for retirees living in California who have less than 10 years of service and have to pay the full amount. Members who have more than 10 years of service receive a subsidy from the County. Details can be found in Appendix B. The premium rates in Table A-20 include the carriers' administration fees and LACERA's per retiree monthly administration fee. The per retiree monthly administration fee was \$5.00 effective July 1, 2014 and July 1, 2015.

**Pre and Post Age 65 Monthly Rates Effective July 1, 2014
 UnitedHealthcare is Pre Age 65 Only**

Tier	Anthem Blue Cross - Plan I	Anthem Blue Cross - Plan II	Anthem Blue Cross - Prudent Buyer	Cigna	United Healthcare
Retiree Only	\$ 918.46	\$ 918.46	\$ 666.96	\$ 1,236.73	
Retiree & Spouse	\$ 1,655.99	\$ 1,655.99	\$ 1,312.37	\$ 2,233.40	
Retiree & Family	\$ 1,953.41	\$ 1,953.41	\$ 1,481.10	\$ 2,637.64	
Retiree & Children	\$ 1,215.26	\$ 1,215.26	\$ 857.26	\$ 1,641.45	
Minor Survivor	\$ 304.23	\$ 304.23	\$ 181.87	\$ 409.49	\$ 261.24
UnitedHealthcare Single					\$ 915.18
UnitedHealthcare Two-Party					\$ 1,671.68
UnitedHealthcare Family					\$ 1,982.16

**Pre and Post Age 65 Monthly Rates Effective July 1, 2015
 UnitedHealthcare is Pre Age 65 Only**

Tier	Anthem Blue Cross - Plan I	Anthem Blue Cross - Plan II	Anthem Blue Cross - Prudent Buyer	Cigna	United Healthcare
Retiree Only	\$ 1,062.79	\$ 1,062.79	\$ 840.86	\$ 1,278.59	
Retiree & Spouse	\$ 1,916.85	\$ 1,916.85	\$ 1,655.82	\$ 2,309.12	
Retiree & Family	\$ 2,261.26	\$ 2,261.26	\$ 1,868.87	\$ 2,726.15	
Retiree & Children	\$ 1,406.48	\$ 1,406.48	\$ 1,081.15	\$ 1,697.94	
Minor Survivor	\$ 351.51	\$ 351.51	\$ 228.33	\$ 423.95	\$ 268.86
UnitedHealthcare Single					\$ 942.25
UnitedHealthcare Two-Party					\$ 1,721.25
UnitedHealthcare Family					\$ 2,040.96

Post Age 65 Monthly Rates Effective July 1, 2014

Tier	Anthem Blue Cross - Plan III	SCAN	United Healthcare Medicare Advantage
One Medicare	\$ 370.89		
Retiree & Spouse- 1 Medicare	\$ 1,185.98		
Retiree & Spouse- 2 Medicare	\$ 738.28		
Retiree & Children- 1 Medicare	\$ 664.18		
Retiree & Family- 1 Medicare	\$ 1,479.18		
Retiree & Family- 2 Medicare	\$ 1,031.42		
Retiree & Family- 3 Medicare	\$ 1,155.92		
Retiree Only		\$ 293.00	\$ 299.40
Retiree & 1 Dependent (1 Medicare)			\$ 1,209.58
Retiree & 1 Dependent (2 Medicare)		\$ 581.00	\$ 593.80
Retiree & 2 + Deps. (1 Medicare)			\$ 1,366.38
Retiree & 2 + Deps. (2 Medicare)			\$ 750.60

Post Age 65 Monthly Rates Effective July 1, 2015

Tier	Anthem Blue Cross - Plan III	SCAN	United Healthcare Medicare Advantage
One Medicare	\$ 428.70		
Retiree & Spouse- 1 Medicare	\$ 1,372.57		
Retiree & Spouse- 2 Medicare	\$ 854.14		
Retiree & Children- 1 Medicare	\$ 768.33		
Retiree & Family- 1 Medicare	\$ 1,712.10		
Retiree & Family- 2 Medicare	\$ 1,193.59		
Retiree & Family- 3 Medicare	\$ 1,337.77		
Retiree Only		\$ 341.00	\$ 314.12
Retiree & 1 Dependent (1 Medicare)			\$ 1,251.37
Retiree & 1 Dependent (2 Medicare)		\$ 677.00	\$ 623.24
Retiree & 2 + Deps. (1 Medicare)			\$ 1,412.83
Retiree & 2 + Deps. (2 Medicare)			\$ 784.70

Kaiser California Monthly Rates

Effective Date	July 1, 2014	July 1, 2015
Retiree Basic (Under 65)	\$ 848.36	\$ 868.90
Retiree Risk (Senior Advantage)	\$ 237.06	\$ 239.60
Retiree Excess I	\$ 978.24	\$ 978.24
Retiree Excess II - Part B	\$ 869.06	\$ 890.15
Excess III- Medicare Not Provided (MNP)	\$1,534.70	\$1,611.19
Family Basic	\$1,691.72	\$1,732.80
One Advantage, One Basic	\$1,080.42	\$1,103.50
One Excess I, One Basic	\$1,821.60	\$1,842.14
One Excess II - Part B, One Basic	\$1,712.42	\$1,754.05
One Excess III (MNP), One Basic	\$2,378.06	\$2,475.09
Two+ Advantage	\$ 469.12	\$ 474.20
One Excess I, One Advantage	\$1,210.30	\$1,212.84
One Advantage, One Excess II - Part B	\$1,101.12	\$1,124.75
One Advantage, One Excess III (MNP)	\$1,766.76	\$1,845.79
Two+ Excess I	\$1,951.48	\$1,951.48
One Excess I, One Excess II - Part B	\$1,842.30	\$1,863.39
One Excess I, One Excess (MNP) III	\$2,507.94	\$2,584.43
Two Excess II - Part B	\$1,733.12	\$1,775.30
One Excess II - Part B, One Excess III (MNP)	\$2,398.76	\$2,496.34
Two Excess III - Both (MNP)	\$3,064.40	\$3,217.38
Survivor	\$ 848.36	\$ 868.90

Firefighters Local 1014 Monthly Rates

Effective Date	July 1, 2014 – July 31, 2014	August 1, 2014 – June 30, 2015
Medical Member Under 65	\$ 922.78	\$ 897.30
Medical Member + 1 Under 65	\$1,663.85	\$1,617.90
Medical Member + 2 Under 65	\$1,962.66	\$1,908.46
Medical Member with Medicare	\$ 922.78	\$ 897.30
Medical Member + 1; 1 MDC	\$1,663.85	\$1,617.90
Medical Member + 1; 2 MDC	\$1,663.85	\$1,617.90
Medical Member + 2; 1 MDC	\$1,962.66	\$1,908.46
Medical Member + 2; 2 MDC	\$1,962.66	\$1,908.46
Medical Surviving Spouse Under 65	\$ 922.78	\$ 897.30
Medical Surviving Spouse + 1 Under 65	\$1,663.85	\$1,617.90
Medical Surviving Spouse + 2 Under 65	\$1,962.66	\$1,908.46
Medical Surviving Spouse with MDC	\$ 922.78	\$ 897.30
Medical Surviving Spouse + 1; 1 MDC	\$1,663.85	\$1,617.90
Medical Surviving Spouse + 2; 1 MDC	\$1,962.66	\$1,908.46
Medical Surviving Spouse + 1; 2 MDC	\$1,663.85	\$1,617.90

July 1, 2015 Firefighters Local 1014 premium rates are not available for this valuation.

Dental/Vision Monthly Rates

<u>Effective Date</u>	July 1, 2014		July 1, 2015	
	Cigna Dental <u>HMO/Vision</u>	Cigna Indemnity <u>Dental/Vision</u>	Cigna Dental <u>HMO/Vision</u>	Cigna Indemnity <u>Dental/Vision</u>
<u>Tier</u>				
Retiree Only	\$40.80	\$46.55	\$42.23	\$46.61
Retiree & Dependents	\$86.11	\$99.61	\$89.36	\$99.76
Minor Survivor	\$41.34	\$57.81	\$42.80	\$57.90

COUNTY CONTRIBUTIONS TOWARDS RETIREE HEALTH BENEFITS

Medical

If a Tier 1 retiree has 10 years of retirement service credit, the County contributes 40% of the health care plan premium or 40% of the Tier 1 benchmark plan rate (Anthem Blue Cross Plans I and II), whichever is less. If a Tier 2 retiree has 10 years of retirement service credit, the County contributes 40% of the retiree only health care plan premium or 40% of the Tier 2 retiree only benchmark plan rate whichever is less. The Tier 2 benchmark plan is Anthem Blue Cross Plans I and II for Medicare-ineligible retirees and Anthem Blue Cross Plan III for Medicare eligible retirees. For each year of retirement service credit beyond 10 years, the County contributes an additional 4% per year, up to a maximum of 100% for a member with 25 years of service credit. The County contribution can never exceed the premium of the benchmark plan; this means that if the premium for the chosen plan and coverage option exceeds the benchmark premium, the retiree is required to pay the difference, even if the retiree has 25 years of service. Likewise, if the retiree has 25 years of service and the plan premium is less than the benchmark rate, the County contributes 100% of the plan premium only, not the benchmark plan rate.

Dental/Vision

The contribution percentages follow the same contribution proportions based on years of service as the medical plans where the benchmark plan is the indemnity plan for both Tier 1 and Tier 2. The Tier 2 benchmark is retiree-only premium whereas the Tier 1 benchmark is the indemnity premium based on the selected member coverage (retiree only or retiree and dependents).

Service-Connected Disability

Any retiree with a service-connected disability retirement with less than 13 years of service will receive a different County contribution for both medical and dental/vision plans. The County contributes 50% of the lesser of the benchmark plan rate or the premium of the plan the retiree is enrolled in. If a retiree with service-connected disability retirement has 13 or more years of service, the County subsidy is the same as a retiree with service retirement.

FIREFIGHTERS LOCAL 1014 CONTRIBUTIONS TOWARDS RETIREE HEALTH BENEFITS

Medical, Dental/Vision, and Service-Connected Disability

Contributions are the same as for the County.

Table A-21: Claim Cost Analysis

This section is from the July 1, 2014 valuation. The July 1, 2016 information will be displayed with the July 1, 2016 OPEB valuation.

All of the plans' premium rates have been determined based on retiree only information. Active premium rates are established independently. Therefore, no implicit subsidy exists between active and retiree rates. However, some plans pooled the Medicare enrolled and non-Medicare enrolled retirees to determine the rates. The following plans did not pool Medicare and non-Medicare retirees (or have an insignificant Medicare enrollment), so we can assume the premium rates are representative of the average claim costs used to develop the age and gender adjusted claim costs:

- Anthem Blue Cross I and II (Combined)
- Anthem Blue Cross III
- Anthem Blue Cross Prudent Buyer
- Cigna Medicare Select Plus Rx (AZ)
- UnitedHealthcare
- UnitedHealthcare Medicare Advantage
- SCAN Health Plan
- Kaiser and Kaiser Interregional
 - Basic
 - Senior Advantage
 - Medicare Cost Supplement
 - Excess I
 - Excess II
 - Excess III
- Cigna Indemnity Dental/Vision
- Cigna HMO Dental/Vision

The following plans pooled Medicare and non-Medicare retirees to determine premium rates. Therefore, we adjusted the premium rates to compensate for the coordination with Medicare in making our claim cost assumption.

- Cigna Network Model Plan
- Firefighters Local 1014 Plan

For current active members projected to retire in the future, we used the enrollment assumptions in Table A-15 to develop weighted average claim costs as of July 1, 2014. The weighted average claim costs used for future retirees and dependents are shown in the following tables.

Note that the medical claim costs for pre 65 retirees are different than for post 65 retirees due to different plan selection assumptions.

A. Future Retirees Retiring Before Age 65

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 270.91	\$ 567.85	\$ 421.27	\$ 283.16	\$ 399.82	\$ 374.43
30	\$ 430.74	\$ 747.16	\$ 590.96	\$ 310.00	\$ 454.53	\$ 423.08
35	\$ 632.03	\$ 827.31	\$ 730.91	\$ 325.02	\$ 454.64	\$ 426.43
40	\$ 811.38	\$ 950.34	\$ 881.74	\$ 386.14	\$ 488.57	\$ 466.28
45	\$ 754.63	\$ 881.39	\$ 818.82	\$ 441.59	\$ 540.78	\$ 519.19
50	\$ 663.18	\$ 771.44	\$ 718.00	\$ 517.58	\$ 600.16	\$ 582.19
55	\$ 706.66	\$ 760.50	\$ 733.92	\$ 616.82	\$ 669.89	\$ 658.34
60	\$ 866.35	\$ 864.99	\$ 865.66	\$ 758.33	\$ 775.11	\$ 771.46
65 (Pre 65)	\$ 1,093.71	\$ 1,069.82	\$ 1,081.61	\$ 954.65	\$ 954.73	\$ 954.71
65 (Post 65)	\$ 346.90	\$ 307.43	\$ 326.39	\$ 303.43	\$ 332.04	\$ 323.36
70	\$ 436.26	\$ 388.92	\$ 411.66	\$ 381.59	\$ 420.06	\$ 408.39
75	\$ 506.10	\$ 450.76	\$ 477.35	\$ 442.68	\$ 486.85	\$ 473.45
80	\$ 547.51	\$ 486.52	\$ 515.82	\$ 478.90	\$ 525.47	\$ 511.34
85	\$ 575.69	\$ 512.59	\$ 542.91	\$ 503.55	\$ 553.62	\$ 538.43
90	\$ 593.63	\$ 530.02	\$ 560.58	\$ 519.24	\$ 572.44	\$ 556.30
95	\$ 593.63	\$ 530.02	\$ 560.58	\$ 519.24	\$ 572.44	\$ 556.30

B. Future Retirees Retiring After Age 65

Age	Retiree			Spouse/Dependents		
	Male	Female	Total	Male	Female	Total
25	N/A	N/A	N/A	\$ 289.82	\$ 416.22	\$ 388.71
30	N/A	N/A	N/A	\$ 317.29	\$ 473.17	\$ 439.25
35	N/A	N/A	N/A	\$ 332.66	\$ 473.29	\$ 442.69
40	N/A	N/A	N/A	\$ 395.22	\$ 508.61	\$ 483.93
45	N/A	N/A	N/A	\$ 451.97	\$ 562.96	\$ 538.81
50	N/A	N/A	N/A	\$ 529.74	\$ 624.78	\$ 604.10
55	N/A	N/A	N/A	\$ 631.32	\$ 697.37	\$ 683.00
60	N/A	N/A	N/A	\$ 776.15	\$ 806.91	\$ 800.22
65 (Pre 65)	N/A	N/A	N/A	\$ 977.08	\$ 993.89	\$ 990.23
65 (Post 65)	\$ 302.99	\$ 272.10	\$ 286.94	\$ 241.14	\$ 303.36	\$ 284.49
70	\$ 381.05	\$ 344.22	\$ 361.91	\$ 303.26	\$ 383.77	\$ 359.35
75	\$ 442.06	\$ 398.95	\$ 419.66	\$ 351.81	\$ 444.79	\$ 416.58
80	\$ 478.23	\$ 430.60	\$ 453.48	\$ 380.59	\$ 480.07	\$ 449.89
85	\$ 502.84	\$ 453.67	\$ 477.29	\$ 400.18	\$ 505.79	\$ 473.75
90	\$ 518.51	\$ 469.09	\$ 492.83	\$ 412.65	\$ 522.99	\$ 489.52
95	\$ 518.51	\$ 469.09	\$ 492.83	\$ 412.65	\$ 522.99	\$ 489.52

The Firefighters Local 1014 and dental/vision claim costs are shown in the tables on the following page.

Firefighters Local 1014 Plan Monthly Medical Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 417.24	\$ 853.43	\$ 419.00	\$ 429.29	\$ 618.36	\$ 615.55
30	\$ 663.39	\$ 1,122.91	\$ 665.24	\$ 469.98	\$ 702.97	\$ 699.51
35	\$ 973.41	\$ 1,243.38	\$ 974.50	\$ 492.75	\$ 703.14	\$ 700.02
40	\$ 1,249.63	\$ 1,428.28	\$ 1,250.35	\$ 585.41	\$ 755.61	\$ 753.08
45	\$ 1,162.22	\$ 1,324.65	\$ 1,162.87	\$ 669.47	\$ 836.36	\$ 833.88
50	\$ 1,021.37	\$ 1,159.40	\$ 1,021.93	\$ 784.67	\$ 928.20	\$ 926.07
55	\$ 1,088.33	\$ 1,142.96	\$ 1,088.55	\$ 935.13	\$ 1,036.04	\$ 1,034.54
60	\$ 1,334.27	\$ 1,300.01	\$ 1,334.13	\$ 1,149.67	\$ 1,198.77	\$ 1,198.04
65 (Pre 65)	\$ 1,684.44	\$ 1,607.84	\$ 1,684.13	\$ 1,447.30	\$ 1,476.56	\$ 1,476.12
65 (Post 65)	\$ 468.00	\$ 453.00	\$ 467.95	\$ 468.00	\$ 453.00	\$ 453.05
70	\$ 588.56	\$ 573.07	\$ 588.51	\$ 588.56	\$ 573.07	\$ 573.13
75	\$ 682.79	\$ 664.18	\$ 682.73	\$ 682.79	\$ 664.18	\$ 664.25
80	\$ 738.65	\$ 716.87	\$ 738.58	\$ 738.65	\$ 716.87	\$ 716.96
85	\$ 776.67	\$ 755.28	\$ 776.60	\$ 776.67	\$ 755.28	\$ 755.36
90	\$ 800.87	\$ 780.96	\$ 800.80	\$ 800.87	\$ 780.96	\$ 781.04
95	\$ 800.87	\$ 780.96	\$ 800.80	\$ 800.87	\$ 780.96	\$ 781.04

Future Retirees Monthly Dental/Vision Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 25.37	\$ 31.23	\$ 28.31	\$ 27.77	\$ 34.27	\$ 32.29
30	\$ 27.65	\$ 32.19	\$ 29.92	\$ 30.26	\$ 35.32	\$ 33.78
35	\$ 28.36	\$ 33.06	\$ 30.72	\$ 31.04	\$ 36.27	\$ 34.68
40	\$ 29.51	\$ 34.51	\$ 32.02	\$ 32.30	\$ 37.87	\$ 36.17
45	\$ 32.24	\$ 36.73	\$ 34.49	\$ 35.29	\$ 40.30	\$ 38.77
50	\$ 36.36	\$ 40.07	\$ 38.22	\$ 39.79	\$ 43.97	\$ 42.70
55	\$ 40.57	\$ 42.88	\$ 41.73	\$ 44.40	\$ 47.05	\$ 46.25
60	\$ 44.85	\$ 45.44	\$ 45.15	\$ 49.09	\$ 49.86	\$ 49.62
65	\$ 47.61	\$ 46.45	\$ 47.03	\$ 52.10	\$ 50.97	\$ 51.31
70	\$ 48.83	\$ 46.21	\$ 47.52	\$ 53.44	\$ 50.71	\$ 51.54
75	\$ 48.83	\$ 46.21	\$ 47.52	\$ 53.44	\$ 50.71	\$ 51.54
80	\$ 48.83	\$ 46.21	\$ 47.52	\$ 53.44	\$ 50.71	\$ 51.54
85	\$ 48.83	\$ 46.21	\$ 47.52	\$ 53.44	\$ 50.71	\$ 51.54
90	\$ 48.83	\$ 46.21	\$ 47.52	\$ 53.44	\$ 50.71	\$ 51.54
95	\$ 48.83	\$ 46.21	\$ 47.52	\$ 53.44	\$ 50.71	\$ 51.54

For current retired members, spouses, and dependents, the claim costs are based on the actual premiums by deduction code, adjusted for age and gender. The tables that follow show the age 65 adjusted claim costs. Adjustments by age and gender are based on the same methodology used in the tables above.

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
201	Anthem Blue Cross Prudent Buyer	Retiree Only	\$ 636.02				\$ 556.27			\$ 428.47		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 636.02	\$ 507.00	\$ 733.37		\$ 556.27	\$ 556.27		\$ 428.47	\$ 428.47	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 636.02	\$ 507.00	\$ 733.37		\$ 556.27	\$ 556.27		\$ 428.47	\$ 428.47	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 636.02	\$ 507.00	\$ 733.37		\$ 556.27			\$ 428.47		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 733.37			\$ 733.37			
211	Anthem Blue Cross I	Retiree Only	\$ 502.04				\$ 439.09			\$ 339.01		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 502.04	\$ 400.20	\$ 578.89		\$ 439.09	\$ 439.09		\$ 339.01	\$ 339.01	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 502.04	\$ 400.20	\$ 578.89		\$ 439.09	\$ 439.09		\$ 339.01	\$ 339.01	
214	Anthem Blue Cross I	Retiree and Children	\$ 502.04	\$ 400.20	\$ 578.89		\$ 439.09			\$ 339.01		
215	Anthem Blue Cross I	Minor Survivor				\$ 578.89			\$ 578.89			\$ 578.89
221	Anthem Blue Cross II	Retiree Only	\$ 998.32				\$ 873.14			\$ 512.63		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 998.32	\$ 795.81	\$ 1,151.14		\$ 873.14	\$ 873.14		\$ 512.63	\$ 512.63	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 998.32	\$ 795.81	\$ 1,151.14		\$ 873.14	\$ 873.14		\$ 512.63	\$ 512.63	
224	Anthem Blue Cross II	Retiree and Children	\$ 998.32	\$ 795.81	\$ 1,151.14		\$ 873.14			\$ 512.63		
225	Anthem Blue Cross II	Minor Survivor				\$ 1,151.14			\$ 1,151.14			\$ 1,151.14
240	Anthem Blue Cross III	One Medicare					\$ 272.28			\$ 272.28		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,111.97	\$ 886.41	\$ 1,282.18		\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,111.97	\$ 886.41	\$ 1,282.18		\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 886.41	\$ 1,282.18		\$ 272.28			\$ 272.28	\$ 272.28	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 886.41	\$ 1,282.18		\$ 272.28			\$ 272.28	\$ 272.28	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,111.97	\$ 886.41	\$ 1,282.18		\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,111.97	\$ 886.41	\$ 1,282.18		\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 886.41	\$ 1,282.18		\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 886.41	\$ 1,282.18		\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 886.41	\$ 1,282.18		\$ 272.28	\$ 272.28		\$ 272.28	\$ 272.28	
301	Cigna Network Model Plan	Retiree Only	\$ 1,446.89				\$ 897.30			\$ 591.30		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,446.89	\$ 1,153.39	\$ 1,668.38		\$ 897.30	\$ 897.30		\$ 591.30	\$ 591.09	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,446.89	\$ 1,153.39	\$ 1,668.38		\$ 897.30	\$ 897.30		\$ 591.30	\$ 591.09	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,446.89	\$ 1,153.39	\$ 1,668.38		\$ 897.30			\$ 591.30		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,668.38			\$ 1,668.38			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 261.15					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 261.15	\$ 261.15		\$ 261.15	\$ 261.15	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 261.15	\$ 261.15				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,163.05							\$ 290.44		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 175.91					
404	Kaiser (CA)	Retiree Excess I					\$ 725.91					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 644.89					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,138.83					
411	Kaiser (CA)	Family Basic	\$ 1,163.05	\$ 927.13	\$ 1,341.09					\$ 251.74	\$ 244.92	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
413	Kaiser (CA)	One Advantage, One Basic	\$ 1,163.05	\$ 927.13	\$ 1,341.09	\$ 175.91	\$ 172.49		\$ 175.91	\$ 244.92		
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,163.05	\$ 927.13	\$ 1,341.09	\$ 725.91	\$ 723.40		\$ 725.91	\$ 244.92		
418	Kaiser (CA)	Two+ Advantage				\$ 175.91	\$ 172.49					
419	Kaiser (CA)	One Excess I, One Advantage				\$ 450.17	\$ 448.69					
420	Kaiser (CA)	Two+ Excess I				\$ 725.91	\$ 723.40					
421	Kaiser (CA)	Survivor			\$ 1,341.09			\$ 1,341.09			\$ 1,341.09	
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,163.05	\$ 927.13	\$ 1,341.09	\$ 644.89	\$ 642.25		\$ 644.89	\$ 244.92		
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,163.05	\$ 927.13	\$ 1,341.09	\$ 1,138.83	\$ 1,137.01		\$ 1,138.83	\$ 244.92		
426	Kaiser (CA)	One Advantage, One Excess II - Part B				\$ 409.66	\$ 408.11					
427	Kaiser (CA)	One Advantage, One Excess III (MNP)				\$ 656.63	\$ 655.49					
428	Kaiser (CA)	One Excess, One Excess II - Part B				\$ 684.66	\$ 683.57					
429	Kaiser (CA)	One Excess, One Excess III (MNP)				\$ 931.63	\$ 930.95					
430	Kaiser (CA)	Two Excess II - Part B				\$ 644.89	\$ 642.25					
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)				\$ 891.12	\$ 890.37					
432	Kaiser (CA)	Two Excess III - Both (MNP)				\$ 1,138.83	\$ 1,137.01					
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,182.05						\$ 240.11			
451	Kaiser - Colorado	Retiree Risk				\$ 240.11						
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,182.05	\$ 1,350.20					\$ 240.11	\$ 238.61		
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,182.05	\$ 1,350.20	\$ 4,620.05				\$ 240.11	\$ 238.61		
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,182.05	\$ 1,106.64		\$ 240.11	\$ 238.61		\$ 240.11	\$ 238.61		
457	Kaiser - Colorado	Two Retiree Risk				\$ 240.11	\$ 238.61					
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,182.05	\$ 1,106.64	\$ 5,578.55	\$ 240.11	\$ 238.61		\$ 240.11	\$ 238.61		
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 5,923.13	\$ 240.11	\$ 238.61		\$ 240.11	\$ 238.61		
441	Kaiser - Georgia	One Medicare Member with Part A only				\$ 641.02						
442	Kaiser - Georgia	One Member without Medicare Part A&B				\$ 641.02						
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only				\$ 641.02	\$ 261.92					
461	Kaiser - Georgia Basic	Basic	\$ 1,127.38						\$ 263.22			
462	Kaiser - Georgia	Retiree Risk				\$ 263.22						
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,127.38	\$ 1,055.19	\$ 5,647.72	\$ 263.22	\$ 261.92		\$ 263.22	\$ 261.92		
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,127.38	\$ 1,055.19	\$ 5,647.79				\$ 263.22	\$ 261.92		
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 462.93	\$ 1,055.19	\$ 5,647.72	\$ 263.22	\$ 261.92		\$ 263.22	\$ 261.92		
466	Kaiser - Georgia	Two Retiree Risk				\$ 263.22	\$ 261.92					
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,133.95						\$ 247.63			
472	Kaiser - Hawaii	Retiree Risk				\$ 247.63						
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B				\$ 987.76						
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,133.95	\$ 1,061.35					\$ 247.63	\$ 246.19		
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,133.95	\$ 1,061.35	\$ 5,680.79				\$ 247.63	\$ 246.19		
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,133.95	\$ 1,061.35	\$ 5,680.79	\$ 247.63	\$ 246.19		\$ 247.63	\$ 246.19		
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,133.95	\$ 1,061.35	\$ 5,680.79	\$ 987.76	\$ 993.01		\$ 987.76	\$ 993.01		
478	Kaiser - Hawaii	Two Retiree Risk				\$ 247.63	\$ 246.19					



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
481	Kaiser - Oregon	Retiree Basic (Under 65)	\$ 1,208.83							\$ 329.72		
482	Kaiser - Oregon	Retiree Risk							\$ 329.72			
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B							\$ 829.36			
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,208.83	\$ 1,131.85						\$ 329.72	\$ 329.02	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,208.83	\$ 2,263.70	\$ 6,058.06					\$ 329.72	\$ 329.02	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,208.83	\$ 1,131.85	\$ 6,058.06				\$ 329.72	\$ 329.02	\$ 329.72	\$ 329.02
488	Kaiser - Oregon	Two Retiree Risk							\$ 329.72	\$ 329.02		
489	Kaiser - Oregon	Retiree w/ Part A only							\$ 709.08			
491	Kaiser - Oregon	One Risk, One Medicare Part A only							\$ 709.08	\$ 329.02		
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,208.83	\$ 1,131.85					\$ 329.72	\$ 329.02	\$ 329.72	\$ 329.02
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,208.83	\$ 1,131.85	\$ 6,058.06				\$ 329.72	\$ 330.50	\$ 329.72	\$ 330.50
495	Kaiser - Oregon	Two Over 65 unassigned Medicare							\$ 829.36	\$ 833.18		
496	Kaiser - Oregon	Two Medicare Part A only							\$ 709.08	\$ 711.81		
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,208.83	\$ 1,131.85					\$ 709.08	\$ 711.81	\$ 709.08	\$ 711.81
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,208.83	\$ 1,131.85					\$ 829.36	\$ 833.18	\$ 829.36	\$ 833.18
611	SCAN Health Plan	Retiree Only							\$ 202.90			
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)							\$ 202.90	\$ 202.90		
701	United Healthcare	Retiree Only	\$ 1,230.34						\$ 229.23			
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,230.34	\$ 980.77	\$ 1,418.68				\$ 229.23	\$ 229.23		
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)							\$ 229.23	\$ 229.23		
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,230.34	\$ 980.77	\$ 1,418.68				\$ 229.23	\$ 229.23		
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,230.34	\$ 980.77	\$ 1,418.68				\$ 229.23	\$ 229.23		
706	United Healthcare	Minor Survivor				\$ 1,418.68				\$ 1,418.68		
707	United Healthcare	Single	\$ 1,230.34							\$ 261.10		
708	United Healthcare	Two-Party	\$ 1,230.34	\$ 980.77	\$ 1,418.68					\$ 261.10	\$ 261.00	
709	United Healthcare	Family	\$ 1,230.34	\$ 980.77	\$ 1,418.68					\$ 261.10	\$ 261.00	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Fire Fighters Local 1014 Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
801	Firefighters' Local 1014	Med-Member under 65	\$ 1,684.44				\$ 468.00			\$ 468.00		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,684.44	\$ 1,342.76	\$ 1,942.29		\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,684.44	\$ 1,342.76	\$ 1,942.29		\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 468.00		\$ 468.00	\$ 468.00		\$ 468.00
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,342.76	\$ 1,942.29		\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,342.76	\$ 1,942.29		\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,342.76		\$ 468.00	\$ 468.00		\$ 468.00	\$ 468.00
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65	\$ 1,342.76	\$ 1,942.29	\$ 1,342.76			\$ 468.00	\$ 468.00		\$ 468.00	\$ 468.00
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65	\$ 1,342.76	\$ 1,942.29	\$ 1,342.76			\$ 468.00	\$ 468.00		\$ 468.00	\$ 468.00
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 468.00	\$ 468.00		\$ 468.00	\$ 468.00
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC	\$ 1,342.76	\$ 1,942.29	\$ 1,342.76			\$ 468.00	\$ 468.00		\$ 468.00	\$ 468.00
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC	\$ 1,342.76	\$ 1,942.29	\$ 1,342.76			\$ 468.00	\$ 468.00		\$ 468.00	\$ 468.00
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 468.00	\$ 468.00		\$ 468.00	\$ 468.00

Dental/Vision Male Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 48.48		
502	Cigna Indemnity Dental/Vision	Family	\$ 48.48	\$ 52.62	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 48.48
901	Cigna Dental HMO/Vision	Retiree Only	\$ 42.25		
902	Cigna Dental HMO/Vision	Family	\$ 42.25	\$ 48.40	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 42.25



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
201	Anthem Blue Cross Prudent Buyer	Retiree Only	\$ 607.09				\$ 538.43			\$ 414.73		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 607.09	\$ 517.25	\$ 486.47		\$ 538.43	\$ 538.43		\$ 414.73	\$ 414.73	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 607.09	\$ 517.25	\$ 486.47		\$ 538.43	\$ 538.43		\$ 414.73	\$ 414.73	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 607.09	\$ 517.25	\$ 486.47		\$ 538.43			\$ 414.73		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 486.47			\$ 486.47			
211	Anthem Blue Cross I	Retiree Only	\$ 479.21				\$ 425.01			\$ 328.13		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 479.21	\$ 408.29	\$ 384.00		\$ 425.01	\$ 425.01		\$ 328.13	\$ 328.13	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 479.21	\$ 408.29	\$ 384.00		\$ 425.01	\$ 425.01		\$ 328.13	\$ 328.13	
214	Anthem Blue Cross I	Retiree and Children	\$ 479.21	\$ 408.29	\$ 384.00		\$ 425.01			\$ 328.13		
215	Anthem Blue Cross I	Minor Survivor				\$ 384.00			\$ 384.00			\$ 384.00
221	Anthem Blue Cross II	Retiree Only	\$ 952.92				\$ 845.14			\$ 496.19		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 952.92	\$ 811.90	\$ 763.59		\$ 845.14	\$ 845.14		\$ 496.19	\$ 496.19	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 952.92	\$ 811.90	\$ 763.59		\$ 845.14	\$ 845.14		\$ 496.19	\$ 496.19	
224	Anthem Blue Cross II	Retiree and Children	\$ 952.92	\$ 811.90	\$ 763.59		\$ 845.14			\$ 496.19		
225	Anthem Blue Cross II	Minor Survivor				\$ 763.59			\$ 763.59			\$ 763.59
240	Anthem Blue Cross III	One Medicare					\$ 263.55			\$ 263.55		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,061.40	\$ 904.32	\$ 850.51		\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,061.40	\$ 904.32	\$ 850.51		\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 904.32	\$ 850.51		\$ 263.55			\$ 263.55	\$ 263.55	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 904.32	\$ 850.51		\$ 263.55			\$ 263.55	\$ 263.55	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,061.40	\$ 904.32	\$ 850.51		\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,061.40	\$ 904.32	\$ 850.51		\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 904.32	\$ 850.51		\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 904.32	\$ 850.51		\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 904.32	\$ 850.51		\$ 263.55	\$ 263.55		\$ 263.55	\$ 263.55	
301	Cigna Network Model Plan	Retiree Only	\$ 1,381.10				\$ 868.52			\$ 572.33		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,381.10	\$ 1,176.71	\$ 1,106.69		\$ 868.52	\$ 868.52		\$ 572.33	\$ 572.13	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,381.10	\$ 1,176.71	\$ 1,106.69		\$ 868.52	\$ 868.52		\$ 572.33	\$ 572.13	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,381.10	\$ 1,176.71	\$ 1,106.69		\$ 868.52			\$ 572.33		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,106.69			\$ 1,106.69			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 252.77					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 252.77	\$ 252.77		\$ 252.77	\$ 252.77	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 252.77	\$ 252.77				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,110.16							\$ 281.13		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 170.27					
404	Kaiser (CA)	Retiree Excess I					\$ 702.63					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 624.21					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,102.31					
411	Kaiser (CA)	Family Basic	\$ 1,110.16	\$ 945.87	\$ 889.59					\$ 243.67	\$ 237.07	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
413	Kaiser (CA)	One Advantage, One Basic	\$ 1,110.16	\$ 945.87	\$ 889.59		\$ 170.27	\$ 166.96		\$ 170.27	\$ 237.07	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,110.16	\$ 945.87	\$ 889.59		\$ 702.63	\$ 700.20		\$ 702.63	\$ 237.07	
418	Kaiser (CA)	Two+ Advantage					\$ 170.27	\$ 166.96				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 435.73	\$ 434.30				
420	Kaiser (CA)	Two+ Excess I					\$ 702.63	\$ 700.20				
421	Kaiser (CA)	Survivor				\$ 889.59			\$ 889.59			\$ 889.59
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,110.16	\$ 945.87	\$ 889.59		\$ 624.21	\$ 621.65		\$ 624.21	\$ 237.07	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,110.16	\$ 945.87	\$ 889.59		\$ 1,102.31	\$ 1,100.55		\$ 1,102.31	\$ 237.07	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 396.52	\$ 395.02				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 635.57	\$ 634.47				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 662.70	\$ 661.65				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 901.75	\$ 901.10				
430	Kaiser (CA)	Two Excess II - Part B					\$ 624.21	\$ 621.65				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 862.54	\$ 861.82				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,102.31	\$ 1,100.55				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,128.29							\$ 232.41		
451	Kaiser - Colorado	Retiree Risk					\$ 232.41					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,128.29	\$ 1,377.49						\$ 232.41	\$ 230.95	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,128.29	\$ 1,377.49	\$ 3,064.63					\$ 232.41	\$ 230.95	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,128.29	\$ 1,129.01			\$ 232.41	\$ 230.95		\$ 232.41	\$ 230.96	
457	Kaiser - Colorado	Two Retiree Risk					\$ 232.41	\$ 230.96				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,128.29	\$ 1,129.01	\$ 3,700.44		\$ 232.41	\$ 230.96		\$ 232.41	\$ 230.96	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 3,929.01		\$ 232.41	\$ 230.96		\$ 232.41	\$ 230.96	
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 620.46					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 620.46					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 620.46	\$ 253.52				
461	Kaiser - Georgia Basic	Basic	\$ 1,076.11							\$ 254.78		
462	Kaiser - Georgia	Retiree Risk					\$ 254.78					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,076.11	\$ 1,076.51	\$ 3,746.32		\$ 254.78	\$ 253.52		\$ 254.78	\$ 253.52	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,076.11	\$ 1,076.51	\$ 3,746.37					\$ 254.78	\$ 253.52	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 441.88	\$ 1,076.51	\$ 3,746.32		\$ 254.78	\$ 253.52		\$ 254.78	\$ 253.52	
466	Kaiser - Georgia	Two Retiree Risk					\$ 254.78	\$ 253.52				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,082.38							\$ 239.69		
472	Kaiser - Hawaii	Retiree Risk					\$ 239.69					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 956.08					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,082.38	\$ 1,082.81						\$ 239.69	\$ 238.29	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,082.38	\$ 1,082.81	\$ 3,768.26					\$ 239.69	\$ 238.29	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,082.38	\$ 1,082.82	\$ 3,768.26		\$ 239.69	\$ 238.29		\$ 239.69	\$ 238.29	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,082.38	\$ 1,082.81	\$ 3,768.26		\$ 956.08	\$ 961.16		\$ 956.08	\$ 961.16	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 239.69	\$ 238.29				



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
481	Kaiser - Oregon	Retiree Basic (Under 65)	\$ 1,153.85							\$ 319.15		
482	Kaiser - Oregon	Retiree Risk								\$ 319.15		
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B								\$ 802.76		
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,153.85	\$ 1,154.73						\$ 319.15	\$ 318.47	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,153.85	\$ 2,309.46	\$ 4,018.51					\$ 319.15	\$ 318.47	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,153.85	\$ 1,154.73	\$ 4,018.51					\$ 319.15	\$ 318.47	
488	Kaiser - Oregon	Two Retiree Risk								\$ 319.15	\$ 318.47	
489	Kaiser - Oregon	Retiree w/ Part A only								\$ 686.34		
491	Kaiser - Oregon	One Risk, One Medicare Part A only								\$ 686.34	\$ 318.47	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,153.85	\$ 1,154.73						\$ 319.15	\$ 318.47	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,153.85	\$ 1,154.73	\$ 4,018.51					\$ 319.15	\$ 319.90	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare								\$ 802.76	\$ 806.46	
496	Kaiser - Oregon	Two Medicare Part A only								\$ 686.34	\$ 688.98	
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,153.85	\$ 1,154.73						\$ 686.34	\$ 688.98	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,153.85	\$ 1,154.73						\$ 802.76	\$ 806.46	
611	SCAN Health Plan	Retiree Only								\$ 196.40		
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)								\$ 196.40	\$ 196.40	
701	United Healthcare	Retiree Only	\$ 1,174.39							\$ 221.87		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,174.39	\$ 1,000.60	\$ 941.06					\$ 221.87	\$ 221.87	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)								\$ 221.87	\$ 221.87	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,174.39	\$ 1,000.60	\$ 941.06					\$ 221.87	\$ 221.87	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,174.39	\$ 1,000.60	\$ 941.06					\$ 221.87	\$ 221.87	
706	United Healthcare	Minor Survivor				\$ 941.06				\$ 941.06		
707	United Healthcare	Single	\$ 1,174.39							\$ 252.72		
708	United Healthcare	Two-Party	\$ 1,174.39	\$ 1,000.60	\$ 941.06					\$ 252.72	\$ 252.63	
709	United Healthcare	Family	\$ 1,174.39	\$ 1,000.60	\$ 941.06					\$ 252.72	\$ 252.63	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Fire Fighters Local 1014 Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
801	Firefighters' Local 1014	Med-Member under 65	\$ 1,607.84				\$ 453.00			\$ 453.00		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,607.84	\$ 1,369.90	\$ 1,288.38		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,607.84	\$ 1,369.90	\$ 1,288.38		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 453.00		\$ 453.00	\$ 453.00		\$ 453.00
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,369.90	\$ 1,288.38		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,369.90	\$ 1,288.38		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,369.90		\$ 453.00	\$ 453.00		\$ 453.00	\$ 453.00
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65	\$ 1,369.90	\$ 1,288.38	\$ 1,369.90		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65	\$ 1,369.90	\$ 1,288.38	\$ 1,369.90		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC					\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC	\$ 1,369.90	\$ 1,288.38	\$ 1,369.90		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC	\$ 1,369.90	\$ 1,288.38	\$ 1,369.90		\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC					\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00	\$ 453.00

Dental/Vision Female Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 47.49		
502	Cigna Indemnity Dental/Vision	Family	\$ 47.49	\$ 51.54	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 47.49
901	Cigna Dental HMO/Vision	Retiree Only	\$ 41.38		
902	Cigna Dental HMO/Vision	Family	\$ 41.38	\$ 47.41	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 41.38



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Table A-22: Health Cost Trend Assumptions *

The following table presents the trend assumptions without the impact of the Excise Tax.

	Fiscal Year Ending		LACERA Medical		Part B Premiums	Dental Under and Over 65	Weighted Average Trend
	From	To	Under 65	Over 65			
2016	6/30/2017	6/30/2018	6.90%	6.60%	6.80%	3.10%	TBD
2017	6/30/2018	6/30/2019	6.50%	6.40%	7.70%	3.05%	TBD
2018	6/30/2019	6/30/2020	6.00%	5.90%	5.65%	3.05%	TBD
2019	6/30/2020	6/30/2021	5.50%	5.50%	5.60%	3.00%	TBD
2020	6/30/2021	6/30/2022	5.30%	5.30%	5.60%	3.00%	TBD
2021	6/30/2022	6/30/2023	5.30%	5.30%	5.60%	3.00%	TBD
2022	6/30/2023	6/30/2024	5.30%	5.30%	5.60%	2.95%	TBD
2023	6/30/2024	6/30/2025	5.30%	5.30%	5.60%	2.95%	TBD
2024	6/30/2025	6/30/2026	5.30%	5.30%	5.60%	2.95%	TBD
2025	6/30/2026	6/30/2027	5.30%	5.30%	5.60%	2.90%	TBD
2026	6/30/2027	6/30/2028	5.40%	5.40%	5.60%	2.90%	TBD
2036	6/30/2037	6/30/2038	5.50%	5.50%	5.05%	2.70%	TBD
2046	6/30/2047	6/30/2048	5.20%	5.20%	4.60%	2.55%	TBD
2056	6/30/2057	6/30/2058	5.10%	5.10%	4.50%	2.70%	TBD
2066	6/30/2067	6/30/2068	4.90%	4.90%	4.50%	2.95%	TBD
2076	6/30/2077	6/30/2078	4.40%	4.40%	4.50%	3.15%	TBD
2086	6/30/2087	6/30/2088	4.40%	4.40%	4.35%	3.40%	TBD
2096	6/30/2097	6/30/2098	4.40%	4.40%	4.35%	3.60%	TBD
2101	6/30/2102	6/30/2103	4.40%	4.40%	4.35%	3.70%	TBD

Note that after fiscal year ending June 30, 2028, selected years are shown in the table. The trend for the years not shown grade ratably into the next value shown in the table. Starting with fiscal year ending June 30, 2074, the medical trend rates remain at 4.40%.

* Upon receipt of the final July 1, 2017 renewals, the first year trend rates for LACERA medical and dental/vision plans will reflect premium increases. Projected changes in the Transitional Reinsurance Fee and PCORI Fee have been included the medical and dental/vision trends. The Health Care Reform fees, including the Insurer Fee, will be updated from the July 1, 2017 renewals.

Table A-23: Retirement of Vested Terminated Members

Annual Rates			
Age	General Plans A, B, C, D & G	General Plan E	Safety Plans A, B & C
<40	0.00%	0.00%	0.00%
40	0.00%	0.00%	6.00%
41	0.00%	0.00%	6.00%
42	0.00%	0.00%	40.00%
43	0.00%	0.00%	35.00%
44	0.00%	0.00%	25.00%
45	0.00%	0.00%	25.00%
46	0.00%	0.00%	25.00%
47	0.00%	0.00%	25.00%
48	0.00%	0.00%	25.00%
49	0.00%	0.00%	25.00%
50	24.00%	0.00%	25.00%
51	7.00%	0.00%	11.00%
52	7.00%	0.00%	16.00%
53	7.00%	0.00%	16.00%
54	7.00%	0.00%	21.00%
55	10.00%	27.00%	30.00%
56	10.00%	7.00%	21.00%
57	10.00%	7.00%	24.00%
58	10.00%	6.00%	26.00%
59	12.00%	6.00%	27.00%
60	13.00%	8.00%	28.00%
61	14.00%	8.00%	29.00%
62	17.00%	10.00%	30.00%
63	20.00%	12.00%	31.00%
64	24.00%	24.00%	32.00%
65	28.00%	37.00%	100.00%
66	26.00%	16.00%	100.00%
67	27.00%	13.00%	100.00%
68	28.00%	12.00%	100.00%
69	28.00%	16.00%	100.00%
70	28.00%	20.00%	100.00%
71	28.00%	23.00%	100.00%
72	29.00%	24.00%	100.00%
73	30.00%	26.00%	100.00%
74	31.00%	31.00%	100.00%
75	100.00%	100.00%	100.00%
75 or older	100.00%	100.00%	100.00%



Los Angeles County Employees Retirement Association

Other Postemployment Benefits Program Actuarial Valuation July 1, 2016

Prepared by:

Robert L. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary

Janet O. Jennings, ASA, MAAA
Associate Actuary

Milliman, Inc.
950 W. Bannock Street, Suite 510
Boise, ID 83702
Tel +1 208 342 3485
Fax +1 208 342 5667
milliman.com



950 W. Bannock Street
Suite 510
Boise, ID 83702
USA

Tel +1 208 342 3485
Fax +1 208 342 5667

milliman.com

August 11, 2017

Mr. Gregg Rademacher
Chief Executive Officer
LACERA
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

Re: July 1, 2016 Other Postemployment Benefits (OPEB) Actuarial Valuation

Dear Gregg:

As requested, we have prepared an actuarial valuation of the retiree medical, dental/vision, and death benefits covering the retired Los Angeles County (County) workers who also participate in the Los Angeles County Employees Retirement Association (LACERA) retirement benefits plan. These health-related benefits are collectively referred to in this report as the Los Angeles County (County) Other Postemployment Benefits (OPEB) Program, or the "OPEB program". The major findings of the valuation are contained in this report. This report reflects the benefit provisions in effect as of July 1, 2016, and the retiree health plan premium rates in effect as of July 1, 2016, and July 1, 2017, received from Aon Hewitt (LACERA's Health Care Benefits Consultant at the time of this project).

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the County, LACERA, and Aon Hewitt. This information includes, but is not limited to: benefit descriptions, membership data, and financial information. We found this information to be reasonably consistent and comparable with data used for other purposes. In some cases, where the census data was incomplete, we made assumptions as noted in Table C-12 of Appendix C. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

In developing these recommendations, we have reflected an estimate of fees including the Transitional Reinsurance Fee, the Patient Centered Outcomes Research Institute Fee, and the Insurer Fee (including the 2017 calendar year moratorium) associated with the Affordable Care Act (ACA), which was signed into law in March 2010. The OPEB assumptions will reflect changes in future valuations as regulations are released. The Excise Tax is addressed separately in Section 3. This is the first OPEB valuation with Appendix J that shows the impact of Tier 2.

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

All costs, liabilities, rates of interest, health cost trend rates, and other factors under the OPEB program have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the OPEB program and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated experience affecting the OPEB program. Further, in our opinion, the actuarial assumptions in the aggregate are reasonable and are related to the experience of the OPEB program and to reasonable expectations and represent a reasonable estimate of anticipated experience under the OPEB program.

We further certify that the assumptions developed in this report satisfy Actuarial Standards Board (ASB) Standards of Practice, in particular, No. 6 (Measuring Retiree Group Benefit Obligations). The retirement benefit related demographic and economic assumptions used in this report are based on those developed for the June 30, 2016 valuation of the LACERA retirement benefits plan. The OPEB demographic and economic assumptions are based on the results of our 2016 OPEB Investigation of Experience, dated July 21, 2017. The assumptions used in the OPEB Investigation of Experience were derived from a combination of assumptions identified during the 2016 LACERA Investigation of Experience for Retirement Benefit Related Assumptions and collaboration among a group of stakeholder representatives. Economic and demographic assumptions from the Retirement Benefit Investigation of Experience, conducted by Milliman and approved by LACERA's Board of Investments, are integrated into the OPEB Investigation of Experience. Assumptions unique to OPEB were identified, evaluated, and agreed upon collaboratively by the actuaries and consultants representing the OPEB program stakeholders at the time including: Milliman, LACERA's actuary; Segal, LACERA's auditing actuary; Aon Hewitt, LACERA's Health Care Benefits Consultant; Cheiron, Los Angeles County's actuary; and Rael & Letson, actuary for SEIU Local 721. Types of OPEB specific assumptions include: initial enrollment, plan and tier selection, spouse age difference, and re-enrollment assumptions. The OPEB Investigation of Experience is reviewed in conjunction with the July 1, 2016 OPEB Valuation by LACERA's Board of Retirement. OPEB specific assumptions that have been updated since the 2016 OPEB Investigation of Experience study include health cost trend rates updated with information from the July 1, 2017 renewals and carrier ACA Health Insurer Fee details and claim costs. These updated assumptions have been identified, evaluated, and agreed upon collaboratively by the actuaries and consultants currently representing the OPEB program stakeholders at the time including: Milliman, LACERA's actuary; Segal, LACERA's auditing actuary; Aon Hewitt, LACERA's Health Care Benefits Consultant; Cheiron, Los Angeles County's actuary; and Rael & Letson, actuary for SEIU Local 721. LACERA's Board of Retirement has the final decision regarding the appropriateness of the assumptions. The assumptions are summarized in Appendix A.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: OPEB program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in OPEB program provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations under Government Accounting Standards Board (GASB) Statement Numbers 43 and 45 are for purposes of fulfilling financial accounting requirements for LACERA and Los Angeles County (the employer) respectively. LACERA must report under GASB 43 since the benefit payments flow through LACERA's financial accounts. The calculations in the enclosed exhibits have been made on a basis consistent with our understanding of GASB No. 43 and No. 45, the OPEB program provisions as described in Appendix B of this report, as well as the County's funding goals. A discussion of the new GASB OPEB statements 74 and 75 applicable to OPEB reporting is in Section 2, Subsection E, Accounting and CAFR Information. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work is prepared solely for the internal business use of LACERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product.

Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- (a) LACERA may provide a copy of Milliman's work, in its entirety, to LACERA's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit LACERA.
- (b) LACERA may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Any third party recipient of Milliman's work product, including Los Angeles County or the South Coast Air Quality Management District (SCAQMD), who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are employee benefit actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

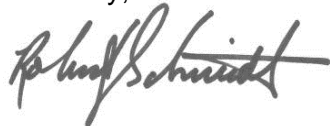
This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We would like to express our appreciation to LACERA staff members, Los Angeles County, SEIU Local 721, Aon Hewitt, Segal, Rael & Letson, and Cheiron who gave substantial assistance on which this report is based.

We respectfully submit the following report and we look forward to discussing it with you.

Sincerely,



Robert L. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary



Janet O. Jennings, ASA, MAAA
Associate Actuary

RLS/bh

cc: Mr. Robert Hill, LACERA

Table of Contents

	Page
Letter of Transmittal	
Section 1: Executive Summary	1
Section 2: Actuarial Valuation as of July 1, 2016	7
A. Valuation Methodology	7
B. GASB Liabilities and Costs	8
C. Estimated Pay-As-You-Go Costs	16
D. Impact of Alternative Trend Rates on AAL and ARC	19
E. Accounting and CAFR Information	20
Section 3: GASB Liabilities and Costs as of July 1, 2016 with Excise Tax	23
Appendices	
Appendix A Actuarial Procedures and Assumptions	A-1
Appendix B Summary of OPEB Program Provisions	B-1
Appendix C Valuation Data and Schedules	C-1
Appendix D Glossary	D-1
Appendix E Medical Plan Comparisons	E-1
Appendix F Firefighters Local 1014 Medical Plan	F-1
Appendix G Dental and Vision Plan Description	G-1
Appendix H Medicare Part B Reimbursement Plan Description	H-1
Appendix I Results for South Coast Air Quality Management District (SCAQMD)	I-1
Appendix J Impact of Tier 2	J-1

Section 1: Executive Summary



2016 Valuation Results

	July 1, 2016	July 1, 2014
Actuarial Accrued Liability (\$ billions)	\$ 25.91	\$ 28.55
Less Assets	0.56	0.48
Unfunded Actuarial Accrued Liability	\$ 25.35	\$ 28.07
County Normal Cost Rate	13.26%	17.50%
County ARC as a Percentage of Payroll	27.03%	31.82%

Overview

We are pleased to present the results of the July 1, 2016 biennial actuarial valuation. Several key points are summarized as follows:

- The Unfunded Actuarial Accrued Liability (UAAL) decreased due to a combination of several factors, some of which were offsetting. These included the assumption changes based on our 2016 OPEB Investigation of Experience and increases due to the passage of time since our July 1, 2014 valuation. Other factors were Tier 2, trend, and claim cost related experience gains and demographic and asset losses measured as of July 1, 2016.
- The County Normal Cost Rate (NCR) and Annual Required Contribution (ARC) decreased as a percentage of payroll due to the factors mentioned above.

Analysis of Change

The following table illustrates the sources of change between the July 1, 2014 and July 1, 2016 valuations. The dollar figures are expressed in billions of dollars.

Sources of Change	Actuarial Accrued Liability	(Assets)	Unfunded Actuarial Accrued Liability	County Normal Cost Rate	County ARC Percentage
A. July 1, 2014 Valuation	\$ 28.55	\$ (0.49)	\$ 28.06	17.50%	31.82%
2016 Experience Study Changes	(3.34)	-	(3.34)	(2.76%)	(2.65%)
Expected Two-year Change	3.39	(0.15)	3.24	0.34%	1.14%
B. July 1, 2016 Valuation Expected	\$ 28.60	\$ (0.64)	\$ 27.96	15.08%	30.31%
Claim Cost Experience	(2.01)	-	(2.01)	(1.19%)	(2.29%)
Trend Assumption (Gain)/Loss ¹	(0.31)	-	(0.31)	(0.14%)	(0.31%)
Tier 2 Changes (Gain)/Loss	(0.05)	-	(0.05)	(0.63%)	(0.65%)
Other Experience (Gain)/Loss	0.07	-	0.07	0.52%	0.52%
Asset (Gain)/Loss	-	0.08	0.08	0.00%	0.05%
Methodology Change ²	(0.39)	-	(0.39)	(0.38%)	(0.60%)
C. July 1, 2016 Valuation	\$ 25.91	\$ (0.56)	\$ 25.35	13.26%	27.03%

¹ Includes impact of July 1, 2017 renewals and the Health Insurer Fee moratorium

² Includes impact of change in method of valuing Medicare Part B premium reimbursement as described in Table A-14

**Analysis of Change
(continued)**

Section A: The expected two-year change represents expected increases in the UAAL and NCR due to interest and benefit accruals, net of benefits paid. The cost percentages are based on the assumed July 1, 2014 valuation payroll of \$6,764.0 million, increased by 3.50% per year (the payroll increase assumed at the time of the July 1, 2014 valuation) for two years to \$7,245.8 million (projected as of July 1, 2016).

Section B: The claim cost experience gain includes the impact of lower-than-expected increases in health insurance premiums as of July 1, 2016. The trend assumption gain includes the impact of the July 1, 2017 premiums and the trend assumption changes. The July 1, 2017 premiums are based on premiums received from Aon Hewitt as of April 24, 2017. The fees associated with ACA are reflected in the medical and dental trend rates. These fees include the Transitional Reinsurance Fee, the Patient Centered Outcomes Research Institute (PCORI) Fee, and the Insurer Fee. Carriers take different approaches to adjust for the calendar year 2017 Health Insurer Fee moratorium. We received detailed Insurer Fee information from the carriers and reflected adjustments in the trend assumption. The "Other Experience" loss includes the impact of all other demographic and economic experience along with an increase in the expected payroll. The inclusion of OPEB Trust assets beginning in July 1, 2014 lowers the UAAL. There is an asset loss due to the actual investment returns being lower than assumed. The amortization of this change between expected and actual assets is included in the ARC resulting in a 0.05% increase in the County ARC percentage. The methodology change shows the gain from valuing Medicare Part B reimbursement as described in Table A-14. The cost percentages in this section are based on the updated July 1, 2016 valuation payroll of \$7,268.6 million.

Summary Valuation Results

The table on the next page provides a summary of the valuation results by member group. The following key results are included in the table:

- The total Present Value of Future Benefits (PVB). The PVB is based on a projection of all benefits that are expected to be received in the future for all current members (active, vested, and retired) discounted to the valuation date.
- The Present Value of Future Normal Costs. It is the difference between the PVB and the Actuarial Accrued Liability.
- The Actuarial Accrued Liability (AAL). This amount represents the value of the liability that is accrued for periods prior to the valuation date, according to the actuarial cost method used.
- Assets. Since the OPEB program is currently partially funded, this is the asset balance as of July 1, 2016.
- The Annual Required Contribution (ARC). The ARC is based on the County Normal Cost Rate plus a 30-year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL). This is the minimum amortization amount allowed for calculating the ARC for accounting purposes under current GASB rules. It should be noted that the amortization does not cover interest on the UAAL; in other words, the UAAL will be expected to increase in the following year if all assumptions are met.

Milliman July 1, 2016 OPEB Actuarial Valuation
Los Angeles County Employees Retirement Association

County Costs for OPEB Benefits¹
Summary of July 1, 2016 Valuation Results
(all dollar amounts in billions)

	LA County			Superior Court	Total
	General	Safety	Subtotal		
1. Present Value of Future Benefits	\$ 27.30	\$ 11.31	\$ 38.61	\$ 1.60	\$ 40.21
2. Present Value of Future Normal Costs	10.44	3.38	13.82	0.48	14.30
3. Actuarial Accrued Liability (1-2)	\$ 16.86	\$ 7.93	\$ 24.79	\$ 1.12	\$ 25.91
4. Assets ²	0.37	0.18	0.55	0.01	0.56
5. Unfunded Actuarial Accrued Liability (3-4)	\$ 16.49	\$ 7.75	\$ 24.24	\$ 1.11	\$ 25.35
6. ARC ³	\$ 1.31	\$ 0.57	\$ 1.88	\$ 0.08	\$ 1.96
7. ARC expressed as a percentage of payroll					
Normal Cost	11.89%	19.16%	13.33%	11.52%	13.26%
UAAL payment	11.65%	22.21%	13.74%	14.50%	13.77%
Total	23.54%	41.37%	27.07%	26.02%	27.03%

¹ Net of Retiree Paid Premiums. May not match other Tables due to rounding.

² LA County Assets distributed in proportion to the AAL.

³ Normal cost and 30 year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL).

Comparison of Results to Prior Valuation

Table 1 provides a summary of key valuation results as of July 1, 2016, compared with July 1, 2014, under the Projected Unit Credit Cost Method. The July 1, 2016 results are based on an assumed 4.50% investment rate of return (discount rate) and the July 1, 2014 results are based on an assumed 3.75% investment rate of return. The investment rate of return increased for reasons including a greater commitment to pre-funding, changes in asset allocation, and assumed investment returns. The greater commitment to prefunding is based on a 2015 County budget policy where an additional \$56 million would be added to the prior year's contribution to the OPEB Trust until the ARC is fully funded.

The following key results are included in this table:

- A summary of total membership by type of member as of the valuation date.
- Total payroll as of the valuation date. The two-year increase of 7.5% is higher than the anticipated two-year increase of 7.12% (based on 3.50% compounded annually).
- The expected County paid benefits for the first year following the valuation date. The two-year increase of 13.2% is much less than the previously expected two-year increase of 21.9% due largely to lower than anticipated health care premiums. This is based on Table 6 of the July 1, 2014 valuation, which expected the 2014-2015 payment level of \$503.9 million to increase to \$614.1 million in 2016-2017 (as compared to the new expected amount \$570.6 million).
- The total Present Value of Future Benefits (PVB).
- The Actuarial Accrued Liability (AAL). The changes in AAL varied by member status and benefit type. The 9.2% overall decrease is a result of several factors, including updated claims, trend, and enrollment assumptions, an increased discount rate, and the Tier 2 changes.
- The Annual Required Contribution (ARC). The ARC decreased by 8.7% in dollar terms, and decreased by 15.1% as a percentage of payroll. As seen in the Analysis of Change section on page 1, there were several reasons for these changes, including the passage of time; lower-than-expected health care premiums as of July 1, 2016 and July 1, 2017; the discount rate change; and higher-than-expected payroll increases.

**Table 1: July 1, 2016 Summary of County Paid Liabilities and Cost
(All Dollar Amounts in Millions)**

	July 1, 2016	July 1, 2014	Percentage Change
A. Total Membership			
1. Active Members	95,295	92,393	3.1%
2. Vested Terminated Members	8,207	8,069	1.7%
3. Retirees and Survivors (Medical Coverage)	47,903	45,825	4.5%
4. Total	<u>151,405</u>	<u>146,287</u>	3.5%
B. Valuation Payroll	\$ 7,268.6	\$ 6,764.0	7.5%
C. Projected County Paid First-Year Benefits	\$ 570.6	\$ 503.9	13.2%
D. Present Value of Future Benefits (PVB)¹	\$ 40,212.9	\$ 46,949.1	(14.3%)
E. Actuarial Accrued Liability by Member Group¹			
1. LA County Members	\$ 24,791.9	\$ 27,287.9	(9.1%)
2. Superior Court Members	1,120.7	1,258.7	(11.0%)
3. Total	<u>\$ 25,912.6</u>	<u>\$ 28,546.6</u>	(9.2%)
F. Actuarial Accrued Liability by Member Status¹			
1. Active Members	\$ 14,547.9	\$ 16,756.2	(13.2%)
2. Vested Terminated Members	652.5	1,033.4	(36.9%)
3. Retired Members	10,712.2	10,757.0	(0.4%)
4. Total	<u>\$ 25,912.6</u>	<u>\$ 28,546.6</u>	(9.2%)
G. Actuarial Accrued Liability by Benefit Type¹			
1. Retiree Medical	\$ 21,269.9	\$ 23,714.0	(10.3%)
2. Retiree Dental/Vision	1,248.2	1,138.7	9.6%
3. Medicare Part B	3,192.8	3,464.6	(7.8%)
4. Retiree Death Benefit	201.7	229.3	(12.0%)
5. Total	<u>\$ 25,912.6</u>	<u>\$ 28,546.6</u>	(9.2%)
H. Assets	\$ 560.8	\$ 483.8	15.9%
I. Unfunded Actuarial Accrued Liability	\$ 25,351.8	\$ 28,062.8	(9.7%)
J. Annual Required Contribution (ARC)²	\$ 1,964.4	\$ 2,152.3	(8.7%)
K. ARC expressed as a percentage of payroll			
1. Normal Cost	13.26%	17.50%	(24.2%)
2. UAAL payment	13.77%	14.32%	(3.8%)
3. Total	<u>27.03%</u>	<u>31.82%</u>	(15.1%)

¹ Net of Retiree Paid Premiums

² Normal cost and 30 year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL)

Section 2: Actuarial Valuation as of July 1, 2016

A. Valuation Methodology



This is a valuation of the retiree medical, dental/vision, and death benefits covering the retired Los Angeles County workers who also participate in the Los Angeles County Employees Retirement Association (LACERA) retirement benefits plan. This valuation is performed every two years.

In analyzing the GASB liabilities and ARC, we were asked to divide the results into the following member groups:

- LA County General Members. This is the largest group, covering essentially all LACERA members who are not Safety Members or Superior Court members.
- LA County Safety Members. This group includes members of law enforcement, firefighters, and lifeguards.
- Superior Court Members. This group includes members of the Superior Court, as identified by LACERA's information technology systems.

The tables in this report present the unfunded liabilities, ARC, and projected County benefit payments under the Projected Unit Credit (PUC) cost method separately for each of the three groups identified above. This method is described further in Appendix A.

The actuarial assumptions and methods used in the valuation are summarized in Appendix A. The retirement benefit related demographic and economic assumptions used in this report are based on those developed for the June 30, 2016 valuation of the LACERA retirement benefit plan. The OPEB demographic and economic assumptions are based on the results of our 2016 OPEB Investigation of Experience, dated July 21, 2017. These assumptions were identified, evaluated, and agreed upon collaboratively by the actuaries and consultants at the time representing the OPEB program stakeholders including: Milliman, LACERA's actuary; Segal, LACERA's auditing actuary; Aon Hewitt, LACERA's Health Care Benefits Consultant; Cheiron, Los Angeles County's actuary; and Rael & Letson, actuary for SEIU Local 721.

**Valuation
Methodology
(continued)**

The health related assumptions and updates to the economic assumptions used in the report were also agreed upon collaboratively by the following actuaries and consultants: Aon Hewitt, Cheiron, Rael & Letson, and Segal and approved by the Board of Retirement. Thus, the assumptions were the result of a collaborative effort by these various stakeholder groups.

Comprehensive medical benefits, dental/vision benefits, and death benefits are provided to all County employees, including the Superior Court members, who retire and satisfy the eligibility requirements outlined in Appendix B. Retired Local 1014 members are eligible for the Local 1014 Firefighters' retiree medical plan as outlined in Appendix F. Eligibility for the County OPEB program is tied to benefit eligibility under the LACERA retirement benefits plan. Thus, all former County employees receiving OPEB program benefits are also members in the retirement benefit plan.

The active and vested terminated member census data for each of the OPEB program member groups is summarized by the LACERA retirement benefit program levels in Appendix C. The retiree and dependent data for each health plan and benefit group is also summarized.

A glossary of terms is provided in Appendix D. Summaries of health benefits are provided in Appendices E, F, G, and H. Additional subtotaling of the liabilities and costs for the South Coast Air Quality Management District (SCAQMD) members are provided in Appendix I.

Appendix J shows the impact of the Tier 2 program for employees hired after June 30, 2014. A summary of the basic provisions and discussion of the impact to the costs and liabilities are included.

B. GASB Liabilities and Costs

**Key Liability
Descriptions**

GASB Statements No. 43 and No. 45 cover non-pension postretirement benefits. In summary, the statements hold that benefits should be recognized over the working lifetime of the employee, from the date of hire to the last date of employment. A discussion of the new GASB Statements No. 74 and 75 is in Section 2, Subsection E, Accounting and CAFR Information.

**Key Liability
Descriptions
(continued)**

Statements No. 43 and 45 define two measures of OPEB program liabilities, the Actuarial Present Value of Projected Total Benefits (PVB) and the Actuarial Accrued Liability (AAL).

The PVB is the present value of the future postemployment benefits payable by the County to current active members and retirees. This value is net of future retiree contributions. The PVB is shown in Table 1, D. above.

The AAL is the most important measure of liability because it is used to derive the Annual Required Contribution (ARC) and disclosure values. The AAL is the portion of the PVB attributed to periods up to the measurement date. For this report, the AAL is determined under the Projected Unit Credit (PUC) actuarial cost method. The AAL is shown in Table 2 subtotaled by benefit type and member status.

Under GASB requirements, post-employment benefits are accrued during employment. This is why the costs are spread over the period from the date of hire to the date of termination or retirement. For current retirees and terminated vested members, the AAL is equal to the PVB, since there is no future service to be rendered. For active members, the AAL is based on the portion of the PVB that is allocated to prior years based on the actuarial cost method. For the PUC method, the allocation basis is pro-rata on years of service between entry age and assumed exit.

The portion of the PVB that is anticipated to be earned in the year following the valuation date is the Normal Cost (NC). The NC is shown in Table 3.

**Annual Required
Contribution**

The ARC is made up of two components: Normal Cost (NC) and amortization of the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is the AAL net of assets. For purposes of this valuation, the UAAL is amortized over 30 years as a level percentage of payroll. Although this method complies with the GASB minimum amortization payment requirements, it is not sufficient to cover interest on the UAAL. The amortization period is assumed to begin on the valuation date. Note this term, the ARC, is an accounting allocation amount, and may or may not reflect the actual employer contributions towards funding the OPEB program benefits.

Table 4 details the ARC results as of July 1, 2016, the beginning of the 2016/2017 fiscal year.

**Background on
Accounting
Requirements**

GASB issued Statement No. 43 in April of 2004. This statement covers Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. GASB issued Statement No. 45 in June of 2004. This statement covers Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. LACERA was required to adopt Statement No. 43 for the fiscal year ended June 30, 2007. For the County, Statement No. 45 was required to be adopted for the fiscal year ended June 30, 2008.

This report was prepared for the purposes of meeting these financial accounting and reporting disclosure requirements. The actual funding of the OPEB program benefits may differ from the amounts used for accounting disclosure purposes. Under the GASB rules, if the employer is not prefunding the benefit obligations, then the assumed discount rate or investment return rate cannot exceed the expected return on the employer's general ledger accounts. Since Los Angeles County is now prefunding a portion of the OPEB program benefits, the discount rate was developed based on a blend of the projected return on general ledger assets and the projected return on the assets used for prefunding. Based on this, a 4.50% interest assumption was selected.

**Table 2: July 1, 2016 Actuarial Accrued Liability (AAL) at 4.5%
 Retiree Medical Benefits
 (All Dollar Amounts in Millions)**

	LA County General	LA County Safety	LA County Subtotal	Superior Court	Total
1. AAL - Total Medical Benefits					
Retirees	\$ 5,732.9	\$ 3,430.0	\$ 9,162.9	\$ 362.4	\$ 9,525.3
Vested Terminateds	705.4	55.7	761.1	86.1	847.2
Actives	8,374.0	3,903.4	12,277.4	543.9	12,821.3
Total	\$ 14,812.3	\$ 7,389.1	\$ 22,201.4	\$ 992.4	\$ 23,193.8
2. AAL - Retiree Paid Medical Premiums					
Retirees	\$ 484.7	\$ 272.2	\$ 756.9	\$ 35.2	\$ 792.1
Vested Terminateds	281.5	31.8	313.3	31.9	345.2
Actives	571.0	189.8	760.8	25.8	786.6
Total	\$ 1,337.2	\$ 493.8	\$ 1,831.0	\$ 92.9	\$ 1,923.9
3. AAL - County Paid Medical Benefits (1) - (2)					
Retirees	\$ 5,248.2	\$ 3,157.8	\$ 8,406.0	\$ 327.2	\$ 8,733.2
Vested Terminateds	423.9	23.9	447.8	54.2	502.0
Actives	7,803.0	3,713.6	11,516.6	518.1	12,034.7
Total	\$ 13,475.1	\$ 6,895.3	\$ 20,370.4	\$ 899.5	\$ 21,269.9

**Table 2 (Cont): July 1, 2016 Actuarial Accrued Liability (AAL) at 4.5%
 Retiree Dental and Vision Benefits
 (All Dollar Amounts in Millions)**

	LA County General	LA County Safety	LA County Subtotal	Superior Court	Total
4. AAL - Total Dental & Vision Benefits					
Retirees	\$ 450.3	\$ 184.2	\$ 634.5	\$ 26.7	\$ 661.2
Vested Terminateds	41.3	2.5	43.8	4.7	48.5
Actives	486.0	142.9	628.9	32.2	661.1
Total	\$ 977.6	\$ 329.6	\$ 1,307.2	\$ 63.6	\$ 1,370.8
5. AAL - Retiree Paid Dental & Vision Premiums					
Retirees	\$ 42.1	\$ 15.6	\$ 57.7	\$ 2.8	\$ 60.5
Vested Terminateds	16.7	1.5	18.2	1.8	20.0
Actives	33.7	6.7	40.4	1.7	42.1
Total	\$ 92.5	\$ 23.8	\$ 116.3	\$ 6.3	\$ 122.6
6. AAL - County Paid Dental & Vision Benefits (4) - (5)					
Retirees	\$ 408.4	\$ 168.5	\$ 576.9	\$ 23.8	\$ 600.7
Vested Terminateds	24.5	1.1	25.6	2.9	28.5
Actives	452.3	136.2	588.5	30.5	619.0
Total	\$ 885.2	\$ 305.8	\$ 1,191.0	\$ 57.2	\$ 1,248.2

**Table 2 (Cont): July 1, 2016 Actuarial Accrued Liability (AAL) at 4.5%
 Medicare Part B and Retiree Death Benefit
 (All Dollar Amounts in Millions)**

	LA County General	LA County Safety	LA County Subtotal	Superior Court	Total
7. AAL - County Paid Medicare Part B Premiums					
Retirees	\$ 869.4	\$ 318.5	\$ 1,187.9	\$ 51.8	\$ 1,239.7
Vested Terminateds	97.5	5.1	102.6	11.1	113.7
Actives	1,366.2	382.1	1,748.3	91.1	1,839.4
Total	\$ 2,333.1	\$ 705.7	\$ 3,038.8	\$ 154.0	\$ 3,192.8
8. AAL - County Paid Retiree Death Benefit					
Retirees	\$ 108.8	\$ 23.3	\$ 132.1	\$ 6.5	\$ 138.6
Vested Terminateds	7.3	0.4	7.7	0.6	8.3
Actives	44.8	7.1	51.9	2.9	54.8
Total	\$ 160.9	\$ 30.8	\$ 191.7	\$ 10.0	\$ 201.7
9. AAL - County Paid Benefits (3) + (6) + (7) + (8)					
Retirees	\$ 6,634.8	\$ 3,668.1	\$ 10,302.9	\$ 409.3	\$ 10,712.2
Vested Terminateds	553.2	30.5	583.7	68.8	652.5
Actives	9,666.3	4,239.0	13,905.3	642.6	14,547.9
Total	\$ 16,854.3	\$ 7,937.6	\$ 24,791.9	\$ 1,120.7	\$ 25,912.6

Table 3: July 1, 2016 Normal Cost at 4.5%
(All Dollar Amounts in Millions)

	LA County General	LA County Safety	LA County Subtotal	Superior Court	Total
1. Total Medical Benefits	\$ 622.2	\$ 261.1	\$ 883.3	\$ 31.3	\$ 914.6
2. Retiree Paid Medical Premiums	84.0	29.8	113.8	3.3	117.1
3. Net County Paid Medical Benefits (1) - (2)	\$ 538.2	\$ 231.3	\$ 769.5	\$ 28.0	\$ 797.5
4. Total Dental/Vision Benefits	\$ 32.6	\$ 8.8	\$ 41.4	\$ 1.8	\$ 43.2
5. Retiree Paid Dental/Vision Premiums	4.8	1.0	5.8	0.2	6.0
6. Net County Paid Dental/Vision Benefits (4) - (5)	\$ 27.8	\$ 7.8	\$ 35.6	\$ 1.6	\$ 37.2
7. County Paid Medicare Part B Premiums	\$ 95.7	\$ 24.8	\$ 120.5	\$ 5.1	\$ 125.6
8. County Paid Retiree Death Benefit	\$ 2.8	\$ 0.4	\$ 3.2	\$ 0.2	\$ 3.4
9. Total County Normal Cost (3) + (6) + (7) + (8)	\$ 664.5	\$ 264.3	\$ 928.8	\$ 34.9	\$ 963.7
10. Valuation Payroll	\$ 5,586.5	\$ 1,379.2	\$ 6,965.7	\$ 302.9	\$ 7,268.6
11. County Normal Cost as a Percentage of Payroll	11.89%	19.16%	13.33%	11.52%	13.26%

Milliman July 1, 2016 OPEB Actuarial Valuation
Los Angeles County Employees Retirement Association

Table 4: 2016-2017 Annual Required Contribution (ARC) at 4.5%
(All Dollar Amounts in Millions)

	LA County General	LA County Safety	LA County Subtotal	Superior Court	Total
1. Unfunded Actuarial Accrued Liability (UAAL)					
Present Value of Benefits (PVB)	\$ 27,299.7	\$ 11,313.4	\$ 38,613.1	\$ 1,599.8	\$ 40,212.9
Present Value of Future Normal Cost (PVFNC)	10,445.4	3,375.8	13,821.2	479.1	14,300.3
Actuarial Accrued Liability as of July 1, 2016	\$ 16,854.3	\$ 7,937.6	\$ 24,791.9	\$ 1,120.7	\$ 25,912.6
Fund Balance at July 1, 2016	375.9	177.0	552.9	7.9	560.8
Unfunded Actuarial Accrued Liability	\$ 16,478.4	\$ 7,760.6	\$ 24,239.0	\$ 1,112.8	\$ 25,351.8
2. Amortization of UAAL (Level % of Pay)					
Amortization Period (years)	30	30	30	30	30
Amortization Factor	25.333	25.333	25.333	25.333	25.333
UAAL Amortization Payment	\$ 650.5	\$ 306.3	\$ 956.8	\$ 43.9	\$ 1,000.7
3. 2016 - 2017 Annual Required Contribution (ARC) on July 1, 2016					
Amortization of UAAL	\$ 650.5	\$ 306.3	\$ 956.8	\$ 43.9	\$ 1,000.7
Normal Cost	664.5	264.3	928.8	34.9	963.7
Annual Required Contribution (ARC) (As of July 1, 2016)	\$ 1,315.0	\$ 570.6	\$ 1,885.6	\$ 78.8	\$ 1,964.4
4. July 1, 2016 Valuation Payroll					
	\$ 5,586.5	\$ 1,379.2	\$ 6,965.7	\$ 302.9	\$ 7,268.6
5. Estimated ARC as a Percentage of Valuation Payroll					
	23.54%	41.37%	27.07%	26.02%	27.03%

LA County Fund balance distributed in proportion to the AAL

C. Estimated Pay-As-You-Go Costs

Estimated Pay-As-You-Go Costs

Tables 5 and 6 project the estimated annual County OPEB benefit pay-as-you-go costs, net of expected retiree paid premiums for the next ten years.

Table 5 shows the total projected pay-as-you-go costs separately for medical, dental/vision, Medicare Part B, and retiree death benefits. The medical and dental/vision retiree contributions are also summarized. Finally, the net County paid benefits are shown. These are the total projected pay-as-you-go costs minus the retiree contributions.

Table 6 summarizes the projected net County paid benefit costs for each of the three valuation member groups. The total amounts are the same as those in Table 5.

**Table 5: Projected County Paid Benefits by Type
 (All Dollar Amounts in Millions)**

Fiscal Year Ending	Medical Total	Dental/Vision Total	Medicare Part B	Death Benefit	Medical Retiree Contribution	Dental/Vision Retiree Contribution	Total County Paid Benefits
6/30/2017	\$ 508.8	\$ 45.9	\$ 55.7	\$ 8.1	\$ (43.5)	\$ (4.4)	\$ 570.6
6/30/2018	548.5	48.6	62.2	8.4	(48.7)	(4.7)	614.3
6/30/2019	598.9	51.3	68.7	8.6	(54.5)	(5.1)	667.9
6/30/2020	652.6	55.0	74.7	8.8	(60.4)	(5.5)	725.2
6/30/2021	705.3	57.9	81.2	9.1	(66.2)	(5.8)	781.5
6/30/2022	758.8	60.9	88.5	9.3	(72.0)	(6.1)	839.4
6/30/2023	817.7	64.1	96.1	9.5	(78.0)	(6.5)	902.9
6/30/2024	879.7	67.3	104.4	9.8	(84.2)	(6.8)	970.2
6/30/2025	942.2	70.7	113.3	10.0	(90.2)	(7.1)	1,038.9
6/30/2026	1,009.4	74.1	122.8	10.3	(96.6)	(7.4)	1,112.6

Projection Basis:
 All assumptions are met
 No future members are reflected

**Table 6: Projected County Paid Benefits by Group
 (All Dollar Amounts in Millions)**

<u>Fiscal Year Ending</u>	<u>LA County General</u>	<u>LA County Safety</u>	<u>LA County Subtotal</u>	<u>Superior Court</u>	<u>Total</u>
6/30/2017	\$ 385.6	\$ 161.9	\$ 547.5	\$ 23.1	\$ 570.6
6/30/2018	411.8	177.8	589.6	24.7	614.3
6/30/2019	444.8	196.3	641.1	26.8	667.9
6/30/2020	480.0	216.1	696.1	29.1	725.2
6/30/2021	514.8	235.2	750.0	31.5	781.5
6/30/2022	551.1	254.5	805.6	33.8	839.4
6/30/2023	590.5	275.8	866.3	36.6	902.9
6/30/2024	632.7	297.7	930.4	39.8	970.2
6/30/2025	679.0	317.0	996.0	42.9	1,038.9
6/30/2026	726.0	340.3	1,066.3	46.3	1,112.6

Projection Basis:
 All assumptions are met
 No future members are reflected

D. Impact of Alternative Trend Rates on AAL and ARC

To analyze the sensitivity of the health cost trend rates, the chart below shows the impact of a 1% increase or decrease in the assumed health cost trend rates on the GASB values. The retiree death benefits are included, but they are unaffected by the health cost trend rates.

	Valuation Trend Rates	Valuation Trend Rates Plus 1%	Valuation Trend Rates Minus 1%
	(in millions)		
July 1, 2016 AAL	\$ 25,912.6	\$ 31,956.8	\$ 21,365.7
Percentage Increase/(Decrease)		23%	(18%)
2016 - 2017 ARC	\$ 1,964.4	\$ 2,549.2	\$ 1,542.3
Percentage Increase/(Decrease)		30%	(21%)

E. Accounting and CAFR Information

**Los Angeles County Other Post Employment Benefits Program
 Schedule of Funding Progress**

(Dollars in Thousands)

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities</u>	<u>Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll ¹</u>	<u>UAAL As A Percentage of Covered Payroll</u>
July 1, 2012	-	\$26,952,700	\$26,952,700	0.0%	\$6,619,816	407.2%
July 1, 2014	\$483,800	\$28,546,600	\$28,062,800	1.7%	\$6,672,228	420.6%
July 1, 2016	\$560,800	\$25,912,600	\$25,351,800	2.2%	\$7,279,091	348.3%

¹ Covered Payroll is consistent with the retirement benefits plan's covered payroll.

**Los Angeles County Other Post Employment Benefits Program
 Schedule of Employer Contributions**

(Dollars in Thousands)

<u>Fiscal Year Ended June 30</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Employer Contributions ¹</u>			<u>Percentage of ARC Contributed</u>
		<u>Cash Payment</u>	<u>Transfer from Reserve Account</u>	<u>Total</u>	
2014	\$2,126,100	\$466,788	-	\$466,788	22%
2015	\$2,152,300	\$470,185	-	\$470,185	22%
2016	\$2,152,300	\$530,320	-	\$530,320	25%

¹ Values from Fiscal Year Ended June 30, 2014, 2015, and 2016 are from the LACERA 2016 CAFR. Actual Employer Contributions are not yet available for Fiscal Year Ended June 30, 2017.

Milliman July 1, 2016 OPEB Actuarial Valuation
Los Angeles County Employees Retirement Association

Los Angeles County Other Post Employment Benefits Program
Demographic Activity of Retired Members and Beneficiaries (OPEB Plan)

(Dollars in Thousands)

Valuation Date	Added to Rolls		Removed From Rolls		Rolls at End of Year		Percentage Increase in Retiree Allowance	Average Annual Allowance
	Member Count	Annual Allowance	Member Count	Annual Allowance	Member Count	Annual Allowance		
July 1, 2010	-	\$ -	-	\$ -	43,936	\$ 391,979	-	\$ 8,922
July 1, 2012	5,336	56,982	(3,070)	(25,497)	46,202	423,464	8.03%	9,165
July 1, 2014	5,335	89,205	(3,369)	(29,925)	48,168	482,744	14.00%	10,022
July 1, 2016	5,710	103,373	(3,514)	(30,745)	50,364	555,372	15.04%	11,027

Los Angeles County Other Post Employment Benefits Program
Actuarial Analysis of Financial Experience - OPEB Program

(Dollars in Millions)

	Valuation as of July 1			
	2010	2012	2014	2016
Prior Valuation Unfunded Actuarial Accrued Liability	\$ 21,864	\$ 24,031	\$ 26,953	\$ 28,063
Expected Increase/(Decrease) from Prior Valuation	3,478	3,771	3,873	3,240
Claim Costs Greater/(Less) than Expected ¹	(1,267)	(3,864)	(5,471)	(2,322)
Change in Assumptions ²	287	3,423	3,238	(3,385)
Asset Return Less/(Greater) than Expected	N/A	N/A	(484)	78
All Other Experience	(331)	(408)	(46)	(322)
Ending Unfunded Actuarial Accrued Liability	\$ 24,031	\$ 26,953	\$ 28,063	\$ 25,352

¹ This amount Includes the trend assumption change.

² In 2016, this amount includes the impact from Tier 2.

Los Angeles County Other Post Employment Benefits Program
Actuary Solvency Test - OPEB Program

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Accrued Liabilities for			Actuarial Value of Valuation Assets	Portion of Actuarial Accrued Liability Covered by Assets		
	Active Member Contributions (A)	Retirees and Beneficiaries ¹ (B)	Active Members (Employer Financed Portion) (C)		(A)	(B)	(C)
July 1, 2012	\$ -	\$ 10,681	\$ 16,272	\$ -	N/A	0%	0%
July 1, 2014	-	11,791	16,756	484	N/A	4%	0%
July 1, 2016	-	11,365	14,548	561	N/A	5%	0%

¹ Includes vested former members.

Discussion of GASB Statements No. 74 and 75

On June 2, 2015, GASB approved Statement Numbers 74 and 75.

GASB Statement Number 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement Number 43.

The effective date for this statement is applicable to LACERA's fiscal year reporting period ending June 30, 2017. LACERA plans to implement the new standard at that time based on this July 1, 2016 OPEB valuation.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces GASB Statement Number 45. Though the effective date is one year later than GASB Statement Number 74, it will be addressed based on this July 1, 2016 OPEB valuation.

Some of the highlights of the new GASB Statements 74 and 75 are as follows:

- The balance sheet liability will be the full Net OPEB Liability (NOL) rather than the Net OPEB Obligation. The NOL is more closely aligned with the UAAL.
- The annual OPEB expense will likely be more volatile from year to year than the ARC because there will be faster recognition of OPEB expenses.
- The discount rate development will be based on a blended rate equivalent of the long-term expected rate of return on assets and a 20-year tax-exempt municipal bond yield or index rate.
- The Entry Age Normal actuarial cost method will be required.

Section 3: GASB Liabilities and Costs as of July 1, 2016 with Excise Tax

An excise tax for high cost health coverage, or “Cadillac” health plans was included as part of ACA. The provision levies a 40% tax on the value of health plan costs that exceed certain thresholds for single coverage or family coverage. The 2018 annual thresholds are \$10,200 for single coverage and \$27,500 for a family plan. For qualified retirees aged 55 to 64 or workers in “high risk” professions such as firefighters and police officers, the thresholds are \$11,850 for single coverage and \$30,950 for a family plan. If, between 2010 and 2018, the cost of health care insurance rises more than 55%, the threshold for the excise tax will be adjusted.

The Consolidated Appropriations Act of 2016 included a two year delay of the Cadillac tax, allowance of the Cadillac tax to be deductible, and no health insurer fee for calendar year 2017. These changes are reflected in the health cost trend.

As requested, Milliman has calculated the GASB 43/45 Liabilities and Costs as of July 1, 2016 with the impact of the Excise Tax under ACA. A summary of results and the trend reflecting Excise Tax follows.

In order to determine the costs and liabilities with excise tax, the benefit plans, assumptions, and methods in the appendices apply. The medical trend in Appendix A has been updated in the following table to reflect Excise Tax. We assume that there will be no changes to the current laws and that there will be no changes in plan design to help mitigate the impact of the tax.

**Table 7: July 1, 2016 Summary of County Paid Liabilities and Cost with Excise Tax
(All Dollar Amounts in Millions)**

	July 1, 2016 with Excise Tax	July 1, 2016 without Excise Tax	Percentage Change
A. Total Membership			
1. Active Members	95,295	95,295	0.0%
2. Vested Terminated Members	8,207	8,207	0.0%
3. Retirees and Survivors (Medical Coverage)	47,903	47,903	0.0%
4. Total	151,405	151,405	0.0%
B. Valuation Payroll	\$ 7,268.6	\$ 7,268.6	0.0%
C. Projected County Paid First-Year Benefits	\$ 570.6	\$ 570.6	0.0%
D. Present Value of Future Benefits (PVB) ¹	\$ 42,907.9	\$ 40,212.9	6.7%
E. Actuarial Accrued Liability by Member Group ¹			
1. LA County Members	\$ 26,015.2	\$ 24,791.9	4.9%
2. Superior Court Members	1,172.6	1,120.7	4.6%
3. Total	\$ 27,187.8	\$ 25,912.6	4.9%
F. Actuarial Accrued Liability by Member Status ¹			
1. Active Members	\$ 15,491.8	\$ 14,547.9	6.5%
2. Vested Terminated Members	683.3	652.5	4.7%
3. Retired Members	11,012.7	10,712.2	2.8%
4. Total	\$ 27,187.8	\$ 25,912.6	4.9%
G. Actuarial Accrued Liability by Benefit Type ¹			
1. Retiree Medical	\$ 22,545.1	\$ 21,269.9	6.0%
2. Retiree Dental/Vision	1,248.2	1,248.2	0.0%
3. Medicare Part B	3,192.8	3,192.8	0.0%
4. Retiree Death Benefit	201.7	201.7	0.0%
5. Total	\$ 27,187.8	\$ 25,912.6	4.9%
H. Assets	\$ 560.8	\$ 560.8	0.0%
I. Unfunded Actuarial Accrued Liability	\$ 26,627.0	\$ 25,351.8	5.0%
J. Annual Required Contribution (ARC) ²	\$ 2,092.3	\$ 1,964.4	6.5%
K. ARC expressed as a percentage of payroll			
1. Normal Cost	14.32%	13.26%	8.0%
2. UAAL payment	14.47%	13.77%	5.1%
3. Total	28.79%	27.03%	6.5%

¹ Net of Retiree Paid Premiums

² Normal cost and 30 year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL)

Health Cost Trend Assumptions with Excise Tax *

The medical trend in Appendix A has been modified in the following table to reflect Excise Tax.

Fiscal Year Ending		LACERA Medical Trend with Excise Tax	
From	To	Under 65	Over 65
6/30/2017	6/30/2018	4.40%	4.60%
6/30/2018	6/30/2019	6.70%	6.60%
6/30/2019	6/30/2020	6.90%	7.20%
6/30/2020	6/30/2021	6.10%	6.50%
6/30/2021	6/30/2022	5.50%	5.40%
6/30/2022	6/30/2023	5.50%	5.50%
6/30/2023	6/30/2024	5.50%	5.60%
6/30/2024	6/30/2025	5.60%	5.60%
6/30/2025	6/30/2026	5.70%	5.50%
6/30/2026	6/30/2027	5.80%	5.50%
6/30/2027	6/30/2028	5.90%	5.60%
6/30/2037	6/30/2038	6.20%	5.70%
6/30/2047	6/30/2048	5.70%	5.40%
6/30/2057	6/30/2058	5.50%	5.70%
6/30/2067	6/30/2068	5.10%	5.30%
6/30/2077	6/30/2078	4.50%	4.60%
6/30/2087	6/30/2088	4.50%	4.60%
6/30/2097	6/30/2098	4.50%	4.60%
6/30/2102	6/30/2103	4.50%	4.50%

Note that after fiscal year ending June 30, 2027, selected years are shown in the table. After fiscal year ending June 30, 2074, the pre 65 trend rate remains at 4.50%. After fiscal year ending June 30, 2099, the trend rate remains at 4.50% for post 65 trend.

* *The first year trend rates for LACERA medical and dental/vision plans have been adjusted to reflect premium increases effective July 1, 2017. ACA Fees including Transitional Reinsurance Fee and Insurer Fee and the impact from the calendar year 2017 moratorium are also included in the medical and dental/vision trends.*

The table below projects the estimated annual County OPEB benefit pay-as-you-go medical costs with and without the Excise Tax, net of expected retiree paid premiums for the next ten years in millions.

Fiscal Year Ending	Total County Medical Paid Benefits	Total County Medical Paid Benefits
	July 1, 2016 with Excise Tax	July 1, 2016 without Excise Tax
6/30/2017	\$ 465.3	\$ 465.3
6/30/2018	499.8	499.8
6/30/2019	544.4	544.4
6/30/2020	595.9	592.2
6/30/2021	647.4	639.1
6/30/2022	696.7	686.8
6/30/2023	751.8	739.7
6/30/2024	810.5	795.5
6/30/2025	870.6	852.0
6/30/2026	935.0	912.8

Projection Basis:
 All assumptions are met
 No future members are reflected

The table below shows when each plan is projected to reach the Excise Tax threshold.

Milliman July 1, 2016 OPEB Actuarial Valuation
 Los Angeles County Employees Retirement Association

Plan	First Year Excise Tax Applies (as of 7/1/2014)	First Year Excise Tax Applies (as of 7/1/2016)
Blue Cross I	2018	2020
Blue Cross II	2018	2020
Blue Cross III	2037	2041
Blue Cross Prudent Buyer	2018	2020
Cigna Network Model	2018	2020
Cigna Healthcare for Seniors	2045	2047
Firefighters' Local 1014	2018	2020
Kaiser Basic	2019	2021
Kaiser Over 65	2046	2050
UnitedHealthcare	2018	2020
UnitedHealthcare Medicare Advantage	2049	2049
SCAN	2046	2057

Appendix A: Actuarial Procedures and Assumptions



The actuarial procedures and assumptions used in this valuation are described in this section. Where applicable, the same assumptions are used for the LACERA postemployment health and death benefit program as for the LACERA retirement benefits. The assumptions that overlap with the LACERA retirement benefits plan assumptions were reviewed and changed June 30, 2016, as a result of the 2016 triennial Retirement Benefit Investigation of Experience Study, approved by the Board of Investments in December 2016. The general wage increase, investment earnings, and implied inflation assumptions were also evaluated with the 2016 triennial Retirement Benefit Investigation of Experience Study, approved by the Board of Investments in December 2016. We recommend using the inflation and general wage increase from the 2016 Board of Investments decision in December 2016. We recommend an OPEB specific investment earnings assumption because the investment earnings for the OPEB valuation are based on a blend of the expected return from the general assets and the expected return from the OPEB Trust, which is invested with a different asset allocation from the one used for the retirement benefits plan. The OPEB specific assumptions other than premiums, claim costs, and aging were reviewed and changed as a result of the 2016 OPEB Investigation of Experience Study to be approved in a future Board of Retirement meeting. The premiums, claim costs, aging, and trend used for this valuation are updated as of July 1, 2016.

The actuarial assumptions used in both the retirement benefits plan and OPEB program actuarial valuations are intended to estimate the future experience of the members eligible for benefit payments and the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the benefits.

Table A-1 summarizes the assumptions. The mortality rates are taken from the sources listed. The economic assumptions in this table were evaluated with the June 30, 2016 retirement benefits plan valuation.

Tables A-2 and A-3 show how members are expected to leave retired status due to death.

Table A-4 presents the probability of refund of retirement benefit contributions upon termination of employment while vested.

Table A-5 presents the general wage increase of 3.25% per annum.

Tables A-6 to A-13 present the rates of separation of active service. These were developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study. The rates are the probabilities a member will leave active employment for various reasons.

Tables A-14 to A-19 present enrollment assumptions. These were developed from the 2016 OPEB Investigation of Experience Study to estimate health eligibility and enrollment.

Tables A-20 to A-21 present premium and claim cost assumptions developed from the July 1, 2014 OPEB valuation. These will be updated for the July 1, 2016 OPEB valuation with the OPEB program's premium and claim information.

Table A-22 presents the health cost trend rates for the July 1, 2016 OPEB valuation. These will be updated for the July 1, 2016 OPEB valuation upon receipt of the final July 1, 2017 renewals.

Table A-23 presents the assumed retirement rates for vested terminated members developed from the 2016 OPEB Investigation of Experience study.

Actuarial Cost Method

The actuarial valuation is prepared under the Projected Unit Credit (PUC) actuarial cost method. Under the principles of the PUC method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated pro-rata to each year of service between entry age and assumed exit.

For members who transferred between plans, entry age is based on original entry into the LACERA retirement benefits plan.

The portion of this actuarial present value allocated to a valuation year is called the Normal Cost (NC). The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets (if the benefits are funded), and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is amortized as a level percentage of the projected salaries of the active members, both present and future, covered by the LACERA retirement benefits plan over a 30-year period from the valuation date; this is commonly referred to as a "rolling 30-year amortization method". This method does not cover interest on the UAAL.

Records and Data	The data used in this valuation consist of medical and dental/vision premiums, financial information, and the age, service, and salary records for active and inactive members and their survivors. All of the information was supplied by LACERA and Aon Hewitt and was accepted for valuation purposes without audit.
Growth in Membership	For benefit valuation purposes, no growth in the active membership of LACERA is assumed. For funding purposes, if amortization is required, the total payroll of covered members is assumed to grow due to the combined effects of future wage increases of current active members and the replacement of the current active members by new employees. No growth in the total number of active members is assumed.
Investment Earnings and Expenses	GASB 45 requires that the discount rate for OPEB benefits be equal to the expected return on assets used to pay ongoing benefits. In the case of an unfunded plan, this would be the expected return on the County's general funds. LACERA is currently partially prefunding OPEB liabilities. Therefore, for the July 1, 2016 valuation, we have incorporated the expected investment return of the OPEB Trust in our development of the discount rate. Based on the expected return on the County's general funds, the expected contributions to the OPEB Trust, and the expected investment return from the OPEB Trust, a discount rate of 4.50% was selected based on the 2016 OPEB Investigation of Experience for use in the July 1, 2016 OPEB valuation.
Health Cost Trend	The rates of the health cost trends for the purposes of the valuation are illustrated in Table A-22. These rates were adopted July 1, 2016. These rates reflect the final July 1, 2017 renewals and the impact from the 2017 calendar year moratorium of the Health Insurer Fee under the Affordable Care Act (ACA).
Future Salaries	The 3.25% per annum rate of increase in the general wage level of membership is in Table A-5. This rate was adopted June 30, 2016.
Retirement	Members in General Plans A-D may retire at age 50 with 10 years of service, or any age with 30 years of service, or age 70 regardless of the number of years of service. General Plan G members are eligible to retire at age 52 with 5 years of service, or age 70 regardless of the number of years of service. Non-contributory Plan E members may retire at age 55 with 10 years of service. Members of Safety Plans A and B may retire at age 50 with 10 years of service, or any age with 20 years of service. Safety Plan C members are eligible to retire at age 50 with 5 years of County service. The retirement rates for active members vary by age and are shown by plan in Tables A-6 through A-13.

Retirement (cont.)

All general members who attain or who have attained age 75 in active service and all safety members who have attained age 65 in active service are assumed to retire immediately (except for Safety Plan C members who have not yet attained 5 years of service). All deferred vested members are assumed to retire according to Table A-23.

The assumptions regarding termination of employment, early retirement, and unreduced service retirement are treated as a single set of decrements in regards to a particular member. For example, a general member hired at age 30 has a probability to withdraw from LACERA due to death, disability, or *other termination of employment* until age 50. After age 50, the member could still withdraw due to death, disability, or *retirement*. Thus, in no year during the member's projected employment would they be eligible for both a probability of other termination of employment and a probability of retirement.

The active members' retirement probabilities were adopted June 30, 2016. The term vested member's retirement probabilities were adopted July 1, 2016, for purposes of the OPEB program valuation only.

Disability

The rates of disability used in the valuation are illustrated in Tables A-6 through A-13. These rates were adopted June 30, 2016.

Postretirement Mortality – Other Than Disabled Members

The same postretirement mortality rates are used in the valuation for active members, members retired for service, and beneficiaries. These rates are illustrated in Table A-2. The mortality assumption for beneficiaries is the same as the mortality assumption as General members of the same gender. Future beneficiaries are assumed to be the opposite gender of the future retiree. Note that these assumptions include a margin for expected future mortality improvement. These rates were adopted June 30, 2016.

<i>Males</i>	General members: RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 105%, with 100% of MP-2014 Ultimate Projection Scale. Safety members: RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 95%, with 100% of MP-2014 Ultimate Projection Scale.
<i>Females</i>	General members: RP-2014 Healthy Annuitant Mortality Table for Females, with 100% of MP-2014 Ultimate Projection Scale. Safety members: Same as General Females.

Mortality – Disabled Members

For disabled members, the mortality rates used in the valuation rates are illustrated in Table A-3. Note that these assumptions include a margin for expected future mortality improvement. These rates were adopted June 30, 2016.

Males General members: Average of RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 105% and RP-2014 Disabled Annuitant Mortality Table for Males, both projected with 100% of MP-2014 Ultimate Projection Scale.

Safety members: RP-2014 Healthy Annuitant Mortality Table for Males, with 100% of MP-2014 Ultimate Projection Scale.

Females General members: Average of RP-2014 Healthy Annuitant Mortality Table for Females and RP-2014 Disabled Annuitant Mortality Table for Females, both projected with 100% of MP-2014 Ultimate Projection Scale.

Safety members: RP-2014 Healthy Annuitant Mortality Table for Females, with 100% of MP-2014 Ultimate Projection Scale.

Mortality While in Active Status

For active members, the mortality rates used in the valuation are illustrated in Tables A-6 through A-13. These rates were adopted June 30, 2016.

Class	Gender	Proposed Table	
General	Male	RP 2014E Male, Generational ⁽¹⁾	-2
General	Female	RP 2014E Female, Generational ⁽¹⁾	-0
Safety	Male	RP 2014E Male, Generational ⁽¹⁾	-6
Safety	Female	RP 2014E Female, Generational ⁽¹⁾	-0

1. Projection using 100% of MP-2014 Ultimate projection scale.

Note that Safety members have an additional service-connected mortality rate of 0.01% per year.

Other Employment Terminations

Tables A-6 to A-13 show, for all ages, the rates assumed in this valuation for future termination from active service other than for death, disability, or retirement. These rates do not apply to members eligible for service retirement. These rates were adopted June 30, 2016.

**Other Employment
Terminations (cont.)**

Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further retirement, medical, dental/vision and death benefits, or they may leave their contributions with LACERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, may return to work or may remain inactive until becoming eligible to receive a retirement benefit under either LACERA or a reciprocal retirement plan. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. All terminating members are assumed not to be rehired.

Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability that remaining members will elect a deferred retirement allowance. All non-vested members are assumed to elect a refund and withdraw their contributions. These rates in Table A-4 were adopted June 30, 2016.

Future Transfers

Though a few active members may change pension plans, this valuation assumes the active members remain in the plan they are enrolled in at the time of the valuation. Specifically, we assume there will be no future transfers between retirement benefit plans.

**Retiree Medical and
Dental/Vision
Eligibility and
Enrollment
Assumptions**

Any retired or vested terminated members who have not yet elected a refund of their member contributions and will receive a pension benefit other than a refund are eligible for retiree medical and dental/vision enrollment.

The 2016 OPEB Investigation of Experience report was used to set the following assumptions:

Age difference for future retirees and spouses	Table A-1
Probability of initial medical enrollment upon retirement	Table A-14
Probability of medical plan and tier selection upon retirement for Tier 1	Table A-15A
Probability of medical plan and tier selection upon retirement for Tier 2	Table A-15B
Probability of medical plan and tier selection for Pre 65 retirees who become eligible for a Post 65 Plan	Table A-16

Retiree Medical and Dental/Vision Eligibility and Enrollment Assumptions (cont.)	Probability of survivor and new dependent enrollment	Table A-17
	Probability of dental/vision enrollment upon retirement	Table A-18
	Probability of dental/vision plan and tier selection upon retirement	Table A-19
	Retirement of vested terminated members	Table A-23
	Probability of retirees in group plans who elect Medicare Part D	0%

Table A-1: Summary of Valuation Assumptions as of July 1, 2016

I.	Economic Assumptions	
A.	General wage increases	3.25%
B.	Investment earnings	4.50%
C.	Growth in membership	0.00%
D.	CPI inflation assumption	2.75%
E.	Medical cost trend	Table A-22
F.	Dental and vision cost trend	Table A-22
II.	Demographic Assumptions	
A.	Salary increases due to Service	Table A-5
B.	Retirement	Tables A-6 to A-13
C.	Disability	Tables A-6 to A-13
D.	Mortality during active employment	Tables A-6 to A-13
E.	Mortality for active members after termination and service retired members.	Table A-2

Basis – RP-2014 Healthy Annuitant Mortality Table for respective genders with 100% of MP-2014 Ultimate Projection Scale:

<u>Class of Members</u>	<u>Adjustment</u>
General – males	105% of rates
General – females	100% of rates
Safety – males	95% of rates
Safety – females	100% of rates

F.	Mortality among disabled members	Table A-3
----	----------------------------------	-----------

Basis – Average of RP-2014 Healthy Annuitant (multiplied by 105% for males) and Disabled Mortality Tables for respective genders, with 100% of MP-2014 Ultimate Projection Scale:

General – males	100% of Disabled Rates
General – females	100% of Disabled Rates

Basis – RP-2014 Healthy Mortality Table, for respective genders with 100% of MP-2014 Ultimate Projection Scale:

Safety – males	100% of rates
Safety – females	100% of rates

G.	Mortality for Beneficiaries	Table A-2
----	-----------------------------	-----------

Basis – Beneficiaries are assumed to have the same mortality as a general member of the opposite gender who has taken a service retirement.

H.	Other Terminations of Employment	Tables A-6 to A-13
I.	Refund of Contributions on Vested Termination	Table A-4
J.	Future male retirees are assumed to be four years older than their female spouses. Assumption adopted July 1, 2008. Future female retirees are assumed to be one year younger than their male spouses. Assumption adopted July 1, 2016.	
III.	Retiree Medical and Dental/Vision Enrollment Assumptions	
A.	Probability of Initial Medical Enrollment upon Retirement	Table A-14
B.	Probability of Medical Plan and Tier Selection Upon Retirement (Pre 65 Male, Pre 65 Female, Post 65 Male, Post 65 Female)	Table A-15
C.	Probability of Medical Plan and Tier Selection for Pre 65 Retirees Who become Eligible for a Post 65 Plan	Table A-16
D.	Probability of Medical Survivor and New Dependent Enrollment	Table A-17
E.	Probability of Retirees in Group Plans Who Elect Medicare Part D. We have assumed there is no cost impact due to retirees and dependents enrolling in Part D.	0%
F.	Probability of Dental/Vision Enrollment upon Retirement	Table A-18
G.	Probability of Dental/Vision Plan and Tier Selection Upon Retirement	Table A-19
IV.	Premium and Claim Cost Analysis	Tables A-20 to A-21
V.	Medical and Dental/Vision Trend	Table A-22
VI.	Retirement of Vested Terminated Members	Table A-23

Table A-2: Mortality for Members Retired for Service

Age	Safety Male	Safety Female	General Male	General Female
20	0.090%	0.041%	0.103%	0.041%
25	0.108%	0.044%	0.122%	0.044%
30	0.101%	0.055%	0.114%	0.055%
35	0.116%	0.072%	0.132%	0.072%
40	0.140%	0.100%	0.159%	0.100%
45	0.217%	0.165%	0.246%	0.165%
50	0.386%	0.277%	0.427%	0.277%
55	0.545%	0.362%	0.602%	0.362%
60	0.738%	0.519%	0.816%	0.519%
65	1.046%	0.805%	1.156%	0.805%
70	1.593%	1.287%	1.761%	1.287%
75	2.548%	2.094%	2.817%	2.094%
80	4.249%	3.484%	4.696%	3.484%
85	7.362%	6.050%	8.137%	6.050%
90	12.911%	10.713%	14.270%	10.713%

Annual Projected Mortality Improvement

Age	All Groups
65 & Less	1.100%
70	1.100%
75	1.100%
80	1.100%
85	1.100%
90	1.023%
95	0.935%
100	0.704%
105	0.473%
110	0.231%
115	0.000%

1. Mortality rates are those applicable for the fiscal year beginning in 2014. Annual projected improvements are assumed in the following years under the schedule shown. For example, the annual mortality rate for an 85-year old General male in fiscal year beginning in 2017 is 7.122% calculated as follows:

$$\begin{aligned}
 \text{Age 85 rate in 2017} &= \text{Age 85 rate in 2014 with 3 years improvement} \\
 &= 7.362\% \times (100.0\% - 1.1\%) \times (100.0\% - 1.1\%) \times (100.0\% - 1.1\%) \\
 &= 7.122\%
 \end{aligned}$$

Table A-3: Mortality for Members Retired for Disability ⁽¹⁾

Age	Safety Male	Safety Female	General Male	General Female
20	0.098%	0.041%	0.407%	0.132%
25	0.117%	0.044%	0.485%	0.141%
30	0.109%	0.055%	0.453%	0.178%
35	0.126%	0.072%	0.524%	0.233%
40	0.151%	0.100%	0.629%	0.322%
45	0.234%	0.165%	0.975%	0.535%
50	0.406%	0.277%	1.233%	0.734%
55	0.573%	0.362%	1.470%	0.905%
60	0.777%	0.519%	1.738%	1.109%
65	1.101%	0.805%	2.162%	1.445%
70	1.677%	1.287%	2.898%	2.054%
75	2.683%	2.094%	4.123%	3.099%
80	4.472%	3.484%	6.179%	4.794%
85	7.750%	6.050%	9.734%	7.546%
90	13.591%	10.713%	15.785%	11.989%

1. Mortality rates are those applicable the year fiscal year beginning in 2014. Annual projected improvements are assumed in the following years under the schedule shown on the preceding page.

**Table A-4: Immediate Refund of Contributions upon Termination of Employment
 (Excludes Plan E)**

Years of Service	Safety	General
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	35%	35%
6	35%	35%
7	35%	35%
8	33%	34%
9	31%	34%
10	29%	33%
11	27%	33%
12	25%	32%
13	22%	31%
14	19%	30%
15	16%	30%
16	13%	29%
17	10%	28%
18	6%	25%
19	2%	23%
20	0%	20%
21	0%	18%
22	0%	15%
23	0%	12%
24	0%	9%
25	0%	6%
26	0%	3%
27	0%	0%
28	0%	0%
29	0%	0%
30 & Up	0%	0%

Table A-5: Annual Increase in Salary

The general wage increase assumption is 3.25% per annum which is used for projecting the total future payroll. The amortization of the UAAL is determined as a level percentage of payroll. General wage increases and individual salary increases due to promotion and longevity do not affect the amount of the OPEB program's benefits.

**Appendix A: Rates of Separation from Active Service
Tables A-6 to A-13**

A schedule of the probabilities of termination of employment due to the following causes can be found on the following pages:

Service Retirement:	Member retires after meeting age and service requirements for reasons other than disability.
Other Terminations:	Member terminates and elects a refund of member contributions or a deferred vested retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

Each rate represents the probability that a member will separate from service at each age due to the particular cause. For example, a rate of 0.0300 for a member's service retirement at age 50 means we assume that 30 out of 1,000 members who are age 50 will retire at that age.

Each table represents the detailed rates needed for each LACERA plan by gender:

Table A-6: General Plans A, B, & C Males	A-10: General Plan E Males
A-7: General Plans A, B, & C Females	A-11: General Plan E Females
A-8: General Plans D & G Males	A-12: Safety Plans A, B, & C Males
A-9: General Plans D & G Females	A-13: Safety Plans A, B, & C Females

**Table A-6: Rate of Separation from Active Service for General Members
 Plans A, B, & C – Male**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
33	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0005
35	0.0000	0.0050	0.0003	0.0001	N/A	0.0005
36	0.0000	0.0050	0.0004	0.0001	N/A	0.0005
37	0.0000	0.0050	0.0004	0.0001	N/A	0.0005
38	0.0000	0.0050	0.0005	0.0001	N/A	0.0005
39	0.0000	0.0050	0.0006	0.0001	N/A	0.0006
40	0.0300	0.0050	0.0006	0.0002	N/A	0.0006
41	0.0300	0.0050	0.0007	0.0002	N/A	0.0006
42	0.0300	0.0050	0.0008	0.0002	N/A	0.0006
43	0.0300	0.0050	0.0008	0.0003	N/A	0.0007
44	0.0300	0.0050	0.0009	0.0003	N/A	0.0007
45	0.0300	0.0050	0.0009	0.0003	N/A	0.0008
46	0.0300	0.0050	0.0010	0.0004	N/A	0.0009
47	0.0300	0.0050	0.0010	0.0004	N/A	0.0010
48	0.0300	0.0050	0.0010	0.0004	N/A	0.0011
49	0.0300	0.0050	0.0011	0.0004	N/A	0.0012
50	0.0300	0.0050	0.0011	0.0004	N/A	0.0014
51	0.0300	0.0050	0.0012	0.0004	N/A	0.0015
52	0.0300	0.0050	0.0012	0.0004	N/A	0.0017
53	0.0300	0.0050	0.0016	0.0005	N/A	0.0019
54	0.0600	0.0050	0.0019	0.0006	N/A	0.0021
55	0.1000	0.0050	0.0023	0.0006	N/A	0.0023
56	0.1200	0.0050	0.0026	0.0007	N/A	0.0025
57	0.1700	0.0050	0.0030	0.0008	N/A	0.0028
58	0.2200	0.0050	0.0035	0.0009	N/A	0.0031
59	0.2400	0.0050	0.0040	0.0010	N/A	0.0034
60	0.2600	0.0050	0.0045	0.0010	N/A	0.0038
61	0.3100	0.0050	0.0050	0.0011	N/A	0.0042
62	0.3500	0.0050	0.0055	0.0012	N/A	0.0047
63	0.2800	0.0050	0.0053	0.0014	N/A	0.0052
64	0.2800	0.0050	0.0051	0.0015	N/A	0.0059
65	0.2800	0.0050	0.0049	0.0017	N/A	0.0066
66	0.2800	0.0050	0.0047	0.0018	N/A	0.0074
67	0.2800	0.0050	0.0045	0.0020	N/A	0.0083
68	0.2800	0.0050	0.0045	0.0022	N/A	0.0092
69	0.2800	0.0050	0.0045	0.0023	N/A	0.0102
70	0.2800	0.0050	0.0045	0.0025	N/A	0.0113
71	0.2800	0.0050	0.0045	0.0026	N/A	0.0125
72	0.2800	0.0050	0.0045	0.0028	N/A	0.0139
73	0.2800	0.0050	0.0045	0.0030	N/A	0.0154
74	0.2800	0.0050	0.0045	0.0031	N/A	0.0170
75	1.0000	0.0000	0.0000	0.0000	N/A	0.0189



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Table A-7: Rate of Separation from Active Service for General Members
 Plans A, B, & C – Female**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
33	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0003
35	0.0000	0.0050	0.0003	0.0001	N/A	0.0003
36	0.0000	0.0050	0.0004	0.0001	N/A	0.0003
37	0.0000	0.0050	0.0004	0.0001	N/A	0.0003
38	0.0000	0.0050	0.0004	0.0001	N/A	0.0003
39	0.0000	0.0050	0.0004	0.0001	N/A	0.0004
40	0.0300	0.0050	0.0005	0.0002	N/A	0.0004
41	0.0300	0.0050	0.0005	0.0002	N/A	0.0004
42	0.0300	0.0050	0.0005	0.0002	N/A	0.0005
43	0.0300	0.0050	0.0006	0.0003	N/A	0.0005
44	0.0300	0.0050	0.0007	0.0003	N/A	0.0006
45	0.0300	0.0050	0.0008	0.0003	N/A	0.0007
46	0.0300	0.0050	0.0009	0.0004	N/A	0.0007
47	0.0300	0.0050	0.0010	0.0004	N/A	0.0008
48	0.0300	0.0050	0.0011	0.0004	N/A	0.0009
49	0.0300	0.0050	0.0012	0.0004	N/A	0.0010
50	0.0300	0.0050	0.0013	0.0004	N/A	0.0011
51	0.0300	0.0050	0.0014	0.0004	N/A	0.0012
52	0.0300	0.0050	0.0015	0.0004	N/A	0.0013
53	0.0300	0.0050	0.0016	0.0005	N/A	0.0014
54	0.0600	0.0050	0.0016	0.0006	N/A	0.0015
55	0.1000	0.0050	0.0017	0.0006	N/A	0.0017
56	0.1200	0.0050	0.0017	0.0007	N/A	0.0018
57	0.1700	0.0050	0.0018	0.0008	N/A	0.0019
58	0.2200	0.0050	0.0020	0.0009	N/A	0.0021
59	0.2400	0.0050	0.0023	0.0010	N/A	0.0023
60	0.2600	0.0050	0.0025	0.0010	N/A	0.0024
61	0.3100	0.0050	0.0028	0.0011	N/A	0.0026
62	0.3500	0.0050	0.0030	0.0012	N/A	0.0029
63	0.2800	0.0050	0.0030	0.0014	N/A	0.0031
64	0.2800	0.0050	0.0030	0.0015	N/A	0.0034
65	0.2800	0.0050	0.0030	0.0017	N/A	0.0037
66	0.2800	0.0050	0.0030	0.0018	N/A	0.0041
67	0.2800	0.0050	0.0030	0.0020	N/A	0.0046
68	0.2800	0.0050	0.0030	0.0022	N/A	0.0051
69	0.2800	0.0050	0.0030	0.0023	N/A	0.0057
70	0.2800	0.0050	0.0030	0.0025	N/A	0.0063
71	0.2800	0.0050	0.0030	0.0026	N/A	0.0070
72	0.2800	0.0050	0.0030	0.0028	N/A	0.0078
73	0.2800	0.0050	0.0030	0.0030	N/A	0.0087
74	0.2800	0.0050	0.0030	0.0031	N/A	0.0097
75	1.0000	0.0000	0.0000	0.0000	N/A	0.0108



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Table A-8: Rate of Separation from Active Service for General Members
 Plan D & G – Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0003	0	0.0800
19	0.0000	0.0002	0.0001	N/A	0.0003	1	0.0550
20	0.0000	0.0002	0.0001	N/A	0.0003	2	0.0375
21	0.0000	0.0002	0.0001	N/A	0.0004	3	0.0300
22	0.0000	0.0002	0.0001	N/A	0.0004	4	0.0250
23	0.0000	0.0002	0.0001	N/A	0.0004	5	0.0233
24	0.0000	0.0002	0.0001	N/A	0.0005	6	0.0217
25	0.0000	0.0002	0.0001	N/A	0.0005	7	0.0200
26	0.0000	0.0002	0.0001	N/A	0.0005	8	0.0190
27	0.0000	0.0002	0.0001	N/A	0.0005	9	0.0180
28	0.0000	0.0002	0.0001	N/A	0.0005	10	0.0170
29	0.0000	0.0002	0.0001	N/A	0.0004	11	0.0160
30	0.0000	0.0002	0.0001	N/A	0.0004	12	0.0150
31	0.0000	0.0002	0.0001	N/A	0.0004	13	0.0140
32	0.0000	0.0002	0.0001	N/A	0.0005	14	0.0130
33	0.0000	0.0002	0.0001	N/A	0.0005	15	0.0120
34	0.0000	0.0003	0.0001	N/A	0.0005	16	0.0110
35	0.0000	0.0003	0.0001	N/A	0.0005	17	0.0100
36	0.0000	0.0004	0.0001	N/A	0.0005	18	0.0092
37	0.0000	0.0004	0.0001	N/A	0.0005	19	0.0084
38	0.0000	0.0005	0.0001	N/A	0.0005	20	0.0076
39	0.0000	0.0006	0.0001	N/A	0.0006	21	0.0068
40	0.0150	0.0006	0.0002	N/A	0.0006	22	0.0060
41	0.0150	0.0007	0.0002	N/A	0.0006	23	0.0056
42	0.0150	0.0008	0.0002	N/A	0.0006	24	0.0052
43	0.0150	0.0008	0.0003	N/A	0.0007	25	0.0048
44	0.0150	0.0009	0.0003	N/A	0.0007	26	0.0044
45	0.0150	0.0009	0.0003	N/A	0.0008	27	0.0040
46	0.0150	0.0010	0.0004	N/A	0.0009	28	0.0040
47	0.0150	0.0010	0.0004	N/A	0.0010	29	0.0040
48	0.0150	0.0010	0.0004	N/A	0.0011	30 & Above	0.0000
49	0.0150	0.0011	0.0004	N/A	0.0012		
50	0.0150	0.0011	0.0004	N/A	0.0014		
51	0.0120	0.0012	0.0004	N/A	0.0015		
52	0.0120	0.0012	0.0004	N/A	0.0017		
53	0.0150	0.0016	0.0005	N/A	0.0019		
54	0.0200	0.0019	0.0006	N/A	0.0021		
55	0.0250	0.0023	0.0006	N/A	0.0023		
56	0.0250	0.0026	0.0007	N/A	0.0025		
57	0.0300	0.0030	0.0008	N/A	0.0028		
58	0.0350	0.0035	0.0009	N/A	0.0031		
59	0.0500	0.0040	0.0010	N/A	0.0034		
60	0.0600	0.0045	0.0010	N/A	0.0038		
61	0.0800	0.0050	0.0011	N/A	0.0042		
62	0.1000	0.0055	0.0012	N/A	0.0047		
63	0.0900	0.0053	0.0014	N/A	0.0052		
64	0.1500	0.0051	0.0015	N/A	0.0059		
65	0.2000	0.0049	0.0017	N/A	0.0066		
66	0.2000	0.0047	0.0018	N/A	0.0074		
67	0.1800	0.0045	0.0020	N/A	0.0083		
68	0.1800	0.0045	0.0022	N/A	0.0092		
69	0.1800	0.0045	0.0023	N/A	0.0102		
70	0.2000	0.0045	0.0025	N/A	0.0113		
71	0.2000	0.0045	0.0026	N/A	0.0125		
72	0.2000	0.0045	0.0028	N/A	0.0139		
73	0.2000	0.0045	0.0030	N/A	0.0154		
74	0.2000	0.0045	0.0031	N/A	0.0170		
75	1.0000	0.0000	0.0000	N/A	0.0189		



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Table A-9: Rate of Separation from Active Service for General Members
Plan D and G – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0002	0	0.0800
19	0.0000	0.0002	0.0001	N/A	0.0002	1	0.0550
20	0.0000	0.0002	0.0001	N/A	0.0002	2	0.0375
21	0.0000	0.0002	0.0001	N/A	0.0002	3	0.0300
22	0.0000	0.0002	0.0001	N/A	0.0002	4	0.0250
23	0.0000	0.0002	0.0001	N/A	0.0002	5	0.0233
24	0.0000	0.0002	0.0001	N/A	0.0002	6	0.0217
25	0.0000	0.0002	0.0001	N/A	0.0002	7	0.0200
26	0.0000	0.0002	0.0001	N/A	0.0002	8	0.0190
27	0.0000	0.0002	0.0001	N/A	0.0002	9	0.0180
28	0.0000	0.0002	0.0001	N/A	0.0002	10	0.0170
29	0.0000	0.0002	0.0001	N/A	0.0002	11	0.0160
30	0.0000	0.0002	0.0001	N/A	0.0002	12	0.0150
31	0.0000	0.0002	0.0001	N/A	0.0002	13	0.0140
32	0.0000	0.0002	0.0001	N/A	0.0002	14	0.0130
33	0.0000	0.0002	0.0001	N/A	0.0003	15	0.0120
34	0.0000	0.0003	0.0001	N/A	0.0003	16	0.0110
35	0.0000	0.0003	0.0001	N/A	0.0003	17	0.0100
36	0.0000	0.0004	0.0001	N/A	0.0003	18	0.0092
37	0.0000	0.0004	0.0001	N/A	0.0003	19	0.0084
38	0.0000	0.0004	0.0001	N/A	0.0003	20	0.0076
39	0.0000	0.0004	0.0001	N/A	0.0004	21	0.0068
40	0.0150	0.0005	0.0002	N/A	0.0004	22	0.0060
41	0.0150	0.0005	0.0002	N/A	0.0004	23	0.0056
42	0.0150	0.0005	0.0002	N/A	0.0005	24	0.0052
43	0.0150	0.0006	0.0003	N/A	0.0005	25	0.0048
44	0.0150	0.0007	0.0003	N/A	0.0006	26	0.0044
45	0.0150	0.0008	0.0003	N/A	0.0007	27	0.0040
46	0.0150	0.0009	0.0004	N/A	0.0007	28	0.0040
47	0.0150	0.0010	0.0004	N/A	0.0008	29	0.0040
48	0.0150	0.0011	0.0004	N/A	0.0009	30 & Above	0.0000
49	0.0150	0.0012	0.0004	N/A	0.0010		
50	0.0150	0.0013	0.0004	N/A	0.0011		
51	0.0120	0.0014	0.0004	N/A	0.0012		
52	0.0120	0.0015	0.0004	N/A	0.0013		
53	0.0150	0.0016	0.0005	N/A	0.0014		
54	0.0200	0.0016	0.0006	N/A	0.0015		
55	0.0250	0.0017	0.0006	N/A	0.0017		
56	0.0250	0.0017	0.0007	N/A	0.0018		
57	0.0300	0.0018	0.0008	N/A	0.0019		
58	0.0350	0.0020	0.0009	N/A	0.0021		
59	0.0500	0.0023	0.0010	N/A	0.0023		
60	0.0600	0.0025	0.0010	N/A	0.0024		
61	0.0800	0.0028	0.0011	N/A	0.0026		
62	0.1000	0.0030	0.0012	N/A	0.0029		
63	0.0900	0.0030	0.0014	N/A	0.0031		
64	0.1500	0.0030	0.0015	N/A	0.0034		
65	0.2000	0.0030	0.0017	N/A	0.0037		
66	0.2000	0.0030	0.0018	N/A	0.0041		
67	0.1800	0.0030	0.0020	N/A	0.0046		
68	0.1800	0.0030	0.0022	N/A	0.0051		
69	0.1800	0.0030	0.0023	N/A	0.0057		
70	0.2000	0.0030	0.0025	N/A	0.0063		
71	0.2000	0.0030	0.0026	N/A	0.0070		
72	0.2000	0.0030	0.0028	N/A	0.0078		
73	0.2000	0.0030	0.0030	N/A	0.0087		
74	0.2000	0.0030	0.0031	N/A	0.0097		
75	1.0000	0.0000	0.0000	N/A	0.0108		



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Table A-10: Rate of Separation from Active Service for General Members
 Plan E – Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0003	0	0.1500
19	0.0000	N/A	N/A	N/A	0.0003	1	0.0800
20	0.0000	N/A	N/A	N/A	0.0003	2	0.0600
21	0.0000	N/A	N/A	N/A	0.0004	3	0.0450
22	0.0000	N/A	N/A	N/A	0.0004	4	0.0350
23	0.0000	N/A	N/A	N/A	0.0004	5	0.0310
24	0.0000	N/A	N/A	N/A	0.0005	6	0.0270
25	0.0000	N/A	N/A	N/A	0.0005	7	0.0230
26	0.0000	N/A	N/A	N/A	0.0005	8	0.0220
27	0.0000	N/A	N/A	N/A	0.0005	9	0.0210
28	0.0000	N/A	N/A	N/A	0.0005	10	0.0200
29	0.0000	N/A	N/A	N/A	0.0004	11	0.0190
30	0.0000	N/A	N/A	N/A	0.0004	12	0.0180
31	0.0000	N/A	N/A	N/A	0.0004	13	0.0168
32	0.0000	N/A	N/A	N/A	0.0005	14	0.0156
33	0.0000	N/A	N/A	N/A	0.0005	15	0.0144
34	0.0000	N/A	N/A	N/A	0.0005	16	0.0132
35	0.0000	N/A	N/A	N/A	0.0005	17	0.0120
36	0.0000	N/A	N/A	N/A	0.0005	18	0.0116
37	0.0000	N/A	N/A	N/A	0.0005	19	0.0112
38	0.0000	N/A	N/A	N/A	0.0005	20	0.0108
39	0.0000	N/A	N/A	N/A	0.0006	21	0.0104
40	0.0000	N/A	N/A	N/A	0.0006	22	0.0100
41	0.0000	N/A	N/A	N/A	0.0006	23	0.0100
42	0.0000	N/A	N/A	N/A	0.0006	24	0.0100
43	0.0000	N/A	N/A	N/A	0.0007	25	0.0100
44	0.0000	N/A	N/A	N/A	0.0007	26	0.0100
45	0.0000	N/A	N/A	N/A	0.0008	27	0.0100
46	0.0000	N/A	N/A	N/A	0.0009	28	0.0100
47	0.0000	N/A	N/A	N/A	0.0010	29	0.0100
48	0.0000	N/A	N/A	N/A	0.0011	30 & Above	0.0100
49	0.0000	N/A	N/A	N/A	0.0012		
50	0.0000	N/A	N/A	N/A	0.0014		
51	0.0000	N/A	N/A	N/A	0.0015		
52	0.0000	N/A	N/A	N/A	0.0017		
53	0.0000	N/A	N/A	N/A	0.0019		
54	0.0000	N/A	N/A	N/A	0.0021		
55	0.0200	N/A	N/A	N/A	0.0023		
56	0.0200	N/A	N/A	N/A	0.0025		
57	0.0200	N/A	N/A	N/A	0.0028		
58	0.0200	N/A	N/A	N/A	0.0031		
59	0.0300	N/A	N/A	N/A	0.0034		
60	0.0400	N/A	N/A	N/A	0.0038		
61	0.0600	N/A	N/A	N/A	0.0042		
62	0.0900	N/A	N/A	N/A	0.0047		
63	0.0900	N/A	N/A	N/A	0.0052		
64	0.2000	N/A	N/A	N/A	0.0059		
65	0.2500	N/A	N/A	N/A	0.0066		
66	0.1800	N/A	N/A	N/A	0.0074		
67	0.1800	N/A	N/A	N/A	0.0083		
68	0.1800	N/A	N/A	N/A	0.0092		
69	0.1800	N/A	N/A	N/A	0.0102		
70	0.2000	N/A	N/A	N/A	0.0113		
71	0.2000	N/A	N/A	N/A	0.0125		
72	0.2000	N/A	N/A	N/A	0.0139		
73	0.2000	N/A	N/A	N/A	0.0154		
74	0.2000	N/A	N/A	N/A	0.0170		
75	1.0000	N/A	N/A	N/A	0.0189		



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Table A-11: Rate of Separation from Active Service for General Members
 Plan E – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0002	0	0.1500
19	0.0000	N/A	N/A	N/A	0.0002	1	0.0800
20	0.0000	N/A	N/A	N/A	0.0002	2	0.0600
21	0.0000	N/A	N/A	N/A	0.0002	3	0.0450
22	0.0000	N/A	N/A	N/A	0.0002	4	0.0350
23	0.0000	N/A	N/A	N/A	0.0002	5	0.0310
24	0.0000	N/A	N/A	N/A	0.0002	6	0.0270
25	0.0000	N/A	N/A	N/A	0.0002	7	0.0230
26	0.0000	N/A	N/A	N/A	0.0002	8	0.0220
27	0.0000	N/A	N/A	N/A	0.0002	9	0.0210
28	0.0000	N/A	N/A	N/A	0.0002	10	0.0200
29	0.0000	N/A	N/A	N/A	0.0002	11	0.0190
30	0.0000	N/A	N/A	N/A	0.0002	12	0.0180
31	0.0000	N/A	N/A	N/A	0.0002	13	0.0168
32	0.0000	N/A	N/A	N/A	0.0002	14	0.0156
33	0.0000	N/A	N/A	N/A	0.0003	15	0.0144
34	0.0000	N/A	N/A	N/A	0.0003	16	0.0132
35	0.0000	N/A	N/A	N/A	0.0003	17	0.0120
36	0.0000	N/A	N/A	N/A	0.0003	18	0.0116
37	0.0000	N/A	N/A	N/A	0.0003	19	0.0112
38	0.0000	N/A	N/A	N/A	0.0003	20	0.0108
39	0.0000	N/A	N/A	N/A	0.0004	21	0.0104
40	0.0000	N/A	N/A	N/A	0.0004	22	0.0100
41	0.0000	N/A	N/A	N/A	0.0004	23	0.0100
42	0.0000	N/A	N/A	N/A	0.0005	24	0.0100
43	0.0000	N/A	N/A	N/A	0.0005	25	0.0100
44	0.0000	N/A	N/A	N/A	0.0006	26	0.0100
45	0.0000	N/A	N/A	N/A	0.0007	27	0.0100
46	0.0000	N/A	N/A	N/A	0.0007	28	0.0100
47	0.0000	N/A	N/A	N/A	0.0008	29	0.0100
48	0.0000	N/A	N/A	N/A	0.0009	30 & Above	0.0100
49	0.0000	N/A	N/A	N/A	0.0010		
50	0.0000	N/A	N/A	N/A	0.0011		
51	0.0000	N/A	N/A	N/A	0.0012		
52	0.0000	N/A	N/A	N/A	0.0013		
53	0.0000	N/A	N/A	N/A	0.0014		
54	0.0000	N/A	N/A	N/A	0.0015		
55	0.0200	N/A	N/A	N/A	0.0017		
56	0.0200	N/A	N/A	N/A	0.0018		
57	0.0200	N/A	N/A	N/A	0.0019		
58	0.0200	N/A	N/A	N/A	0.0021		
59	0.0300	N/A	N/A	N/A	0.0023		
60	0.0400	N/A	N/A	N/A	0.0024		
61	0.0600	N/A	N/A	N/A	0.0026		
62	0.0900	N/A	N/A	N/A	0.0029		
63	0.0900	N/A	N/A	N/A	0.0031		
64	0.2000	N/A	N/A	N/A	0.0034		
65	0.2500	N/A	N/A	N/A	0.0037		
66	0.1800	N/A	N/A	N/A	0.0041		
67	0.1800	N/A	N/A	N/A	0.0046		
68	0.1800	N/A	N/A	N/A	0.0051		
69	0.1800	N/A	N/A	N/A	0.0057		
70	0.2000	N/A	N/A	N/A	0.0063		
71	0.2000	N/A	N/A	N/A	0.0070		
72	0.2000	N/A	N/A	N/A	0.0078		
73	0.2000	N/A	N/A	N/A	0.0087		
74	0.2000	N/A	N/A	N/A	0.0097		
75	1.0000	N/A	N/A	N/A	0.0108		



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Table A-12: Rate of Separation from Active Service for Safety Members
 Plans A, B, & C – Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0020	0.0000	0.0001	0.0002	0	0.0300
19	0.0000	0.0020	0.0000	0.0001	0.0002	1	0.0250
20	0.0000	0.0020	0.0000	0.0001	0.0002	2	0.0200
21	0.0000	0.0020	0.0000	0.0001	0.0002	3	0.0150
22	0.0000	0.0020	0.0000	0.0001	0.0003	4	0.0120
23	0.0000	0.0020	0.0000	0.0001	0.0003	5	0.0113
24	0.0000	0.0020	0.0000	0.0001	0.0003	6	0.0107
25	0.0000	0.0020	0.0000	0.0001	0.0004	7	0.0100
26	0.0000	0.0020	0.0000	0.0001	0.0004	8	0.0092
27	0.0000	0.0020	0.0000	0.0001	0.0004	9	0.0084
28	0.0000	0.0020	0.0000	0.0001	0.0005	10	0.0076
29	0.0000	0.0020	0.0000	0.0001	0.0005	11	0.0068
30	0.0000	0.0020	0.0000	0.0001	0.0005	12	0.0060
31	0.0000	0.0020	0.0000	0.0001	0.0005	13	0.0054
32	0.0000	0.0020	0.0000	0.0001	0.0005	14	0.0048
33	0.0000	0.0021	0.0000	0.0001	0.0004	15	0.0042
34	0.0000	0.0022	0.0000	0.0001	0.0004	16	0.0036
35	0.0000	0.0023	0.0000	0.0001	0.0004	17	0.0030
36	0.0000	0.0024	0.0000	0.0001	0.0005	18	0.0024
37	0.0000	0.0025	0.0000	0.0001	0.0005	19	0.0018
38	0.0000	0.0026	0.0000	0.0001	0.0005	20 & Above	0.0000
39	0.0000	0.0027	0.0000	0.0001	0.0005		
40	0.0100	0.0028	0.0000	0.0001	0.0005		
41	0.0100	0.0029	0.0000	0.0001	0.0005		
42	0.0100	0.0030	0.0000	0.0001	0.0005		
43	0.0100	0.0031	0.0000	0.0001	0.0006		
44	0.0100	0.0032	0.0000	0.0001	0.0006		
45	0.0100	0.0033	0.0000	0.0001	0.0006		
46	0.0100	0.0034	0.0000	0.0001	0.0006		
47	0.0100	0.0035	0.0000	0.0001	0.0007		
48	0.0100	0.0040	0.0000	0.0001	0.0007		
49	0.0100	0.0050	0.0000	0.0001	0.0008		
50	0.0100	0.0100	0.0000	0.0001	0.0009		
51	0.0200	0.0120	0.0000	0.0001	0.0010		
52	0.0250	0.0140	0.0000	0.0001	0.0011		
53	0.0300	0.0300	0.0000	0.0001	0.0012		
54	0.1200	0.0500	0.0000	0.0001	0.0014		
55	0.2400	0.1200	0.0000	0.0001	0.0015		
56	0.1500	0.0900	0.0000	0.0001	0.0017		
57	0.1600	0.1000	0.0000	0.0001	0.0019		
58	0.1800	0.1000	0.0000	0.0001	0.0021		
59	0.2500	0.1000	0.0000	0.0001	0.0023		
60	0.3000	0.1000	0.0000	0.0001	0.0025		
61	0.3000	0.1000	0.0000	0.0001	0.0028		
62	0.3000	0.1000	0.0000	0.0001	0.0031		
63	0.3000	0.1000	0.0000	0.0001	0.0034		
64	0.3000	0.1000	0.0000	0.0001	0.0038		
65	1.0000	0.0000	0.0000	0.0000	0.0042		

**Table A-13: Rate of Separation from Active Service for Safety Members
 Plans A, B, & C – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0030	0.0000	0.0001	0.0002	0	0.0300
19	0.0000	0.0030	0.0000	0.0001	0.0002	1	0.0250
20	0.0000	0.0030	0.0000	0.0001	0.0002	2	0.0200
21	0.0000	0.0030	0.0000	0.0001	0.0002	3	0.0150
22	0.0000	0.0030	0.0000	0.0001	0.0002	4	0.0120
23	0.0000	0.0030	0.0000	0.0001	0.0002	5	0.0113
24	0.0000	0.0030	0.0000	0.0001	0.0002	6	0.0107
25	0.0000	0.0030	0.0000	0.0001	0.0002	7	0.0100
26	0.0000	0.0030	0.0000	0.0001	0.0002	8	0.0092
27	0.0000	0.0030	0.0000	0.0001	0.0002	9	0.0084
28	0.0000	0.0034	0.0000	0.0001	0.0002	10	0.0076
29	0.0000	0.0038	0.0000	0.0001	0.0002	11	0.0068
30	0.0000	0.0042	0.0000	0.0001	0.0002	12	0.0060
31	0.0000	0.0046	0.0000	0.0001	0.0002	13	0.0054
32	0.0000	0.0050	0.0000	0.0001	0.0002	14	0.0048
33	0.0000	0.0056	0.0000	0.0001	0.0003	15	0.0042
34	0.0000	0.0062	0.0000	0.0001	0.0003	16	0.0036
35	0.0000	0.0068	0.0000	0.0001	0.0003	17	0.0030
36	0.0000	0.0074	0.0000	0.0001	0.0003	18	0.0024
37	0.0000	0.0080	0.0000	0.0001	0.0003	19	0.0018
38	0.0000	0.0084	0.0000	0.0001	0.0003	20 & Above	0.0000
39	0.0000	0.0088	0.0000	0.0001	0.0004		
40	0.0100	0.0092	0.0000	0.0001	0.0004		
41	0.0100	0.0096	0.0000	0.0001	0.0004		
42	0.0100	0.0100	0.0000	0.0001	0.0005		
43	0.0100	0.0104	0.0000	0.0001	0.0005		
44	0.0100	0.0108	0.0000	0.0001	0.0006		
45	0.0100	0.0112	0.0000	0.0001	0.0007		
46	0.0100	0.0116	0.0000	0.0001	0.0007		
47	0.0100	0.0120	0.0000	0.0001	0.0008		
48	0.0100	0.0130	0.0000	0.0001	0.0009		
49	0.0100	0.0150	0.0000	0.0001	0.0010		
50	0.0100	0.0180	0.0000	0.0001	0.0011		
51	0.0200	0.0200	0.0000	0.0001	0.0012		
52	0.0250	0.0240	0.0000	0.0001	0.0013		
53	0.0300	0.0280	0.0000	0.0001	0.0014		
54	0.1200	0.0320	0.0000	0.0001	0.0015		
55	0.2400	0.1100	0.0000	0.0001	0.0017		
56	0.1500	0.0700	0.0000	0.0001	0.0018		
57	0.1600	0.0700	0.0000	0.0001	0.0019		
58	0.1800	0.0800	0.0000	0.0001	0.0021		
59	0.2500	0.0800	0.0000	0.0001	0.0023		
60	0.3000	0.0800	0.0000	0.0000	0.0024		
61	0.3000	0.0800	0.0000	0.0000	0.0026		
62	0.3000	0.0800	0.0000	0.0000	0.0029		
63	0.3000	0.0800	0.0000	0.0000	0.0031		
64	0.3000	0.0800	0.0000	0.0000	0.0034		
65	1.0000	0.0000	0.0000	0.0000	0.0037		

Table A-14: Probability of Initial Medical Enrollment

Males and Females:

<u>Years of Service</u>	<u>Assumed Enrollment %</u>
< 10	8%
10-14	44%
15-19	61%
20-24	81%
25+, Disabled	95%

This applies to the medical benefit. Beginning with the July 1, 2016 valuation, this also applies to the Medicare Part B premium reimbursement benefit.

Table A-15A: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 1

Non-Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	0.5%	1.0%		
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	1.5%	0.5%		
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	1.0%			
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children				
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor				
211	Anthem Blue Cross I	Retiree Only	0.5%	0.5%		0.5%
212	Anthem Blue Cross I	Retiree and Spouse		0.5%		
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.5%			
214	Anthem Blue Cross I	Retiree and Children				
215	Anthem Blue Cross I	Minor Survivor				
221	Anthem Blue Cross II	Retiree Only	5.5%	8.0%	1.0%	2.0%
222	Anthem Blue Cross II	Retiree and Spouse	14.0%	7.0%	3.5%	1.0%
223	Anthem Blue Cross II	Retiree, Spouse and Children	10.5%	2.0%	1.0%	
224	Anthem Blue Cross II	Retiree and Children	1.0%	1.0%		
225	Anthem Blue Cross II	Minor Survivor				
240	Anthem Blue Cross III	One Medicare		0.5%	6.5%	10.5%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare				
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			6.5%	1.0%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare			6.5%	4.0%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare				
245	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.5%	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare				
247	Anthem Blue Cross III	Retiree and Family 1 Medicare				
248	Anthem Blue Cross III	Retiree and Family 2 Medicare				
249	Anthem Blue Cross III	Retiree and Family 2 Medicare				
250	Anthem Blue Cross III	Retiree and Family 3 Medicare				
301	Cigna Network Model Plan	Retiree Only				
302	Cigna Network Model Plan	Retiree and Spouse		0.5%		
303	Cigna Network Model Plan	Retiree and Family				
304	Cigna Network Model Plan	Retiree and Children				
305	Cigna Network Model Plan	Minor Survivor				
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only				
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse				
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children				
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)				
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)				
401	Kaiser (CA)	Retiree Basic (Under 65)	12.5%	31.0%		
402	Kaiser (CA)	Retiree Cost ("M" Coverage)				
403	Kaiser (CA)	Retiree Risk (Senior Advantage)			20.0%	39.5%
404	Kaiser (CA)	Retiree Excess I			1.0%	2.0%
405	Kaiser (CA)	Retiree Excess II - Part B			2.0%	3.0%
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)				
411	Kaiser (CA)	Family Basic	36.0%	30.0%		
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic				
413	Kaiser (CA)	One Advantage, Others Basic			19.5%	4.5%
414	Kaiser (CA)	One Excess I, Others Basic			1.0%	
415	Kaiser (CA)	Two+ Cost ("M" Coverage)				
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)				
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)				
418	Kaiser (CA)	Two+ Advantage			14.0%	15.5%
419	Kaiser (CA)	One Excess I, One Advantage			0.5%	0.5%
420	Kaiser (CA)	Two+ Excess I			0.5%	
421	Kaiser (CA)	Survivor				
422	Kaiser (CA)	One Excess II - Part B, One Basic			2.0%	0.5%
423	Kaiser (CA)	One Excess III (MNP), One Basic			1.0%	
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B				
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)				
426	Kaiser (CA)	One Risk, One Excess II - Part B				
427	Kaiser (CA)	One Risk, One Excess III (MNP)				
428	Kaiser (CA)	One Excess I, One Excess II - Part B				
429	Kaiser (CA)	One Excess I, One Excess III (MNP)				
430	Kaiser (CA)	Two Excess II - Part B				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)				
432	Kaiser (CA)	Two Excess III - Both (MNP)				

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
450	Kaiser - Colorado Basic	Retiree Basic				
451	Kaiser - Colorado	Retiree Risk				
452	Kaiser (Other)	Retiree Only				
453	Kaiser - Colorado	Retiree Basic (Two Party)				
454	Kaiser - Colorado	Retiree Basic Family				
455	Kaiser - Colorado	One Risk, One Basic				
456	Kaiser (Other)	Retiree and Spouse				
457	Kaiser - Colorado	Two Retiree Risk				
458	Kaiser - Colorado	One Risk, Two or More Dependents				
459	Kaiser - Colorado	Two Risk, Two or More Dependents				
460	Kaiser (Other)	Retiree and Spouse				
440	Kaiser - Georgia	One Medicare Member with Part B only				
441	Kaiser - Georgia	One Medicare Member with Part A only				
442	Kaiser - Georgia	One Member without Medicare Part A&B				
443	Kaiser - Georgia	One Medicare Member (Renal Failure)				
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only				
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only				
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B				
461	Kaiser - Georgia Basic	Basic				
462	Kaiser - Georgia	Retiree Risk				
463	Kaiser - Georgia	Retiree (Two Party)				
464	Kaiser - Georgia	Retiree Basic Family				
465	Kaiser - Georgia	One Retiree Risk, One Basic				
466	Kaiser - Georgia	Two Retiree Risk				
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic				
468	Kaiser - Georgia	Two Retiree Risk, One Basic				
469	Kaiser - Georgia	Three Retiree Risk, One Basic				
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk				
471	Kaiser - Hawaii	Retiree Basic (Under 65)				
472	Kaiser - Hawaii	Retiree Risk				
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B				
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)				
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)				
476	Kaiser - Hawaii	One Retiree Risk, One Basic				
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic				
478	Kaiser - Hawaii	Two Retiree Risk				
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B				
481	Kaiser - Oregon	Retiree Basic (Under 65)				
482	Kaiser - Oregon	Retiree Risk				
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B				
484	Kaiser - Oregon	Retiree Basic (Two Party)				
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)				
486	Kaiser - Oregon	One Retiree Risk, One Basic				
487	Kaiser - Oregon	Retiree Cost				
488	Kaiser - Oregon	Two Retiree Risk				
489	Kaiser - Oregon	Retiree w/ Part A only				
490	Kaiser - Oregon	Retiree w/ Part B only				
491	Kaiser - Oregon	One Risk, One Medicare Part A only				
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare				
493	Kaiser - Oregon	One Risk, Two Basic				
494	Kaiser - Oregon	Two Risk, One Basic				
495	Kaiser - Oregon	Two Over 65 unassigned Medicare				
496	Kaiser - Oregon	Two Medicare Part A only				
497	Kaiser - Oregon	One Basic, One Medicare Part A only				
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B				
611	SCAN Health Plan	Retiree Only			0.5%	1.0%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)			0.5%	0.5%
701	United Healthcare Medicare Advantage	Retiree Only			3.0%	9.5%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	0.5%	2.0%	3.5%	1.0%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			3.5%	3.5%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.5%	1.5%	
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)			0.5%	
706	United Healthcare Medicare Advantage	Minor Survivor				
707	United Healthcare	Single	3.5%	9.0%		
708	United Healthcare	Two-Party	7.0%	5.0%		
709	United Healthcare	Family	5.5%	1.0%		
Total			100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent 77.5% 50.0% 66.0% 32.0%



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
801	Firefighters Local 1014	Med-Member under 65	7.0%	7.0%		
802	Firefighters Local 1014	Med-Member +1 under 65	47.0%	47.0%		
803	Firefighters Local 1014	Med-Member +2 under 65	46.0%	46.0%		
804	Firefighters Local 1014	Med-Member with Medicare			7.0%	7.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC				
806	Firefighters Local 1014	Med-Member +1; 2 MDC			47.0%	47.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC				
808	Firefighters Local 1014	Med-Member +2; 2 MDC			46.0%	46.0%
809	Firefighters Local 1014	Med-Surv. Sp. Under 65				
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65				
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65				
812	Firefighters Local 1014	Med-Surv. Sp. With MDC				
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC				
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC				
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC				
Total			100.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			93.0%	93.0%	93.0%	93.0%



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Table A-15B: Probability of Medical Plan and Tier Selection upon Initial Enrollment for Tier 2

Non-Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	0.5%	1.0%		
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	1.5%	0.5%		
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	1.0%			
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children				
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor				
211	Anthem Blue Cross I	Retiree Only	0.5%	0.5%		
212	Anthem Blue Cross I	Retiree and Spouse		0.5%		
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.5%			
214	Anthem Blue Cross I	Retiree and Children				
215	Anthem Blue Cross I	Minor Survivor				
221	Anthem Blue Cross II	Retiree Only	5.5%	8.0%		
222	Anthem Blue Cross II	Retiree and Spouse	14.0%	7.0%		
223	Anthem Blue Cross II	Retiree, Spouse and Children	10.5%	2.0%		
224	Anthem Blue Cross II	Retiree and Children	1.0%	1.0%		
225	Anthem Blue Cross II	Minor Survivor				
240	Anthem Blue Cross III	One Medicare		0.5%	7.5%	13.0%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare				
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			10.0%	2.0%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare			6.5%	4.0%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare				
245	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.5%	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare				
247	Anthem Blue Cross III	Retiree and Family 1 Medicare			1.0%	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare				
249	Anthem Blue Cross III	Retiree and Family 2 Medicare				
250	Anthem Blue Cross III	Retiree and Family 3 Medicare				
301	Cigna Network Model Plan	Retiree Only				
302	Cigna Network Model Plan	Retiree and Spouse		0.5%		
303	Cigna Network Model Plan	Retiree and Family				
304	Cigna Network Model Plan	Retiree and Children				
305	Cigna Network Model Plan	Minor Survivor				
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only				
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse				
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children				
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)				
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)				
401	Kaiser (CA)	Retiree Basic (Under 65)	12.5%	31.0%		
402	Kaiser (CA)	Retiree Cost ("M" Coverage)				
403	Kaiser (CA)	Retiree Risk (Senior Advantage)			23.0%	44.5%
404	Kaiser (CA)	Retiree Excess I				
405	Kaiser (CA)	Retiree Excess II - Part B				
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)				
411	Kaiser (CA)	Family Basic	36.0%	30.0%		
412	Kaiser (CA)	One Cost ("M" Coverage), Others Basic				
413	Kaiser (CA)	One Advantage, Others Basic			23.5%	5.0%
414	Kaiser (CA)	One Excess I, Others Basic				
415	Kaiser (CA)	Two+ Cost ("M" Coverage)				
416	Kaiser (CA)	One Advantage, One Cost ("M" Coverage)				
417	Kaiser (CA)	One Excess I, One Cost ("M" Coverage)				
418	Kaiser (CA)	Two+ Advantage			15.0%	16.0%
419	Kaiser (CA)	One Excess I, One Advantage				
420	Kaiser (CA)	Two+ Excess I				
421	Kaiser (CA)	Survivor				
422	Kaiser (CA)	One Excess II - Part B, One Basic				
423	Kaiser (CA)	One Excess III (MNP), One Basic				
424	Kaiser (CA)	One Cost ("M" Coverage), One Excess II - Part B				
425	Kaiser (CA)	One Cost ("M" Coverage), One Excess III (MNP)				
426	Kaiser (CA)	One Risk, One Excess II - Part B				
427	Kaiser (CA)	One Risk, One Excess III (MNP)				
428	Kaiser (CA)	One Excess I, One Excess II - Part B				
429	Kaiser (CA)	One Excess I, One Excess III (MNP)				
430	Kaiser (CA)	Two Excess II - Part B				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)				
432	Kaiser (CA)	Two Excess III - Both (MNP)				



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
450	Kaiser - Colorado Basic	Retiree Basic				
451	Kaiser - Colorado	Retiree Risk				
452	Kaiser (Other)	Retiree Only				
453	Kaiser - Colorado	Retiree Basic (Two Party)				
454	Kaiser - Colorado	Retiree Basic Family				
455	Kaiser - Colorado	One Risk, One Basic				
456	Kaiser (Other)	Retiree and Spouse				
457	Kaiser - Colorado	Two Retiree Risk				
458	Kaiser - Colorado	One Risk, Two or More Dependents				
459	Kaiser - Colorado	Two Risk, Two or More Dependents				
460	Kaiser (Other)	Retiree and Spouse				
440	Kaiser - Georgia	One Medicare Member with Part B only				
441	Kaiser - Georgia	One Medicare Member with Part A only				
442	Kaiser - Georgia	One Member without Medicare Part A&B				
443	Kaiser - Georgia	One Medicare Member (Renal Failure)				
444	Kaiser - Georgia	One Medicare Member + One Medicare with Part B only				
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only				
446	Kaiser - Georgia	One Medicare Member + One Medicare without Part A&B				
461	Kaiser - Georgia Basic	Basic				
462	Kaiser - Georgia	Retiree Risk				
463	Kaiser - Georgia	Retiree (Two Party)				
464	Kaiser - Georgia	Retiree Basic Family				
465	Kaiser - Georgia	One Retiree Risk, One Basic				
466	Kaiser - Georgia	Two Retiree Risk				
467	Kaiser - Georgia	One Retiree Risk, Two Retiree Basic				
468	Kaiser - Georgia	Two Retiree Risk, One Basic				
469	Kaiser - Georgia	Three Retiree Risk, One Basic				
470	Kaiser - Georgia	Any other Family, at least one Retiree Risk				
471	Kaiser - Hawaii	Retiree Basic (Under 65)				
472	Kaiser - Hawaii	Retiree Risk				
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B				
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)				
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)				
476	Kaiser - Hawaii	One Retiree Risk, One Basic				
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic				
478	Kaiser - Hawaii	Two Retiree Risk				
479	Kaiser - Hawaii	One Risk, One Over 65 without Medicare A&B				
481	Kaiser - Oregon	Retiree Basic (Under 65)				
482	Kaiser - Oregon	Retiree Risk				
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B				
484	Kaiser - Oregon	Retiree Basic (Two Party)				
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)				
486	Kaiser - Oregon	One Retiree Risk, One Basic				
487	Kaiser - Oregon	Retiree Cost				
488	Kaiser - Oregon	Two Retiree Risk				
489	Kaiser - Oregon	Retiree w/ Part A only				
490	Kaiser - Oregon	Retiree w/ Part B only				
491	Kaiser - Oregon	One Risk, One Medicare Part A only				
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare				
493	Kaiser - Oregon	One Risk, Two Basic				
494	Kaiser - Oregon	Two Risk, One Basic				
495	Kaiser - Oregon	Two Over 65 unassigned Medicare				
496	Kaiser - Oregon	Two Medicare Part A only				
497	Kaiser - Oregon	One Basic, One Medicare Part A only				
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B				
611	SCAN Health Plan	Retiree Only			0.5%	1.0%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)			0.5%	0.5%
701	United Healthcare Medicare Advantage	Retiree Only			3.0%	9.5%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	0.5%	2.0%	3.5%	1.0%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			3.5%	3.5%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.5%	1.5%	
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)			0.5%	
706	United Healthcare Medicare Advantage	Minor Survivor				
707	United Healthcare	Single	3.5%	9.0%		
708	United Healthcare	Two-Party	7.0%	5.0%		
709	United Healthcare	Family	5.5%	1.0%		
Total			100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent **77.5%** **50.0%** **66.0%** **32.0%**



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Pre 65		Post 65	
			Male	Female	Male	Female
801	Firefighters Local 1014	Med-Member under 65	7.0%	7.0%		
802	Firefighters Local 1014	Med-Member +1 under 65	47.0%	47.0%		
803	Firefighters Local 1014	Med-Member +2 under 65	46.0%	46.0%		
804	Firefighters Local 1014	Med-Member with Medicare			7.0%	7.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC				
806	Firefighters Local 1014	Med-Member +1; 2 MDC			47.0%	47.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC				
808	Firefighters Local 1014	Med-Member +2; 2 MDC			46.0%	46.0%
809	Firefighters Local 1014	Med-Surv. Sp. Under 65				
810	Firefighters Local 1014	Med-Surv. Sp. +1 Under 65				
811	Firefighters Local 1014	Med-Surv. Sp. +2 Under 65				
812	Firefighters Local 1014	Med-Surv. Sp. With MDC				
813	Firefighters Local 1014	Med-Surv. Sp. +1 1 MDC				
814	Firefighters Local 1014	Med-Surv. Sp. +2; 1 MDC				
815	Firefighters Local 1014	Med-Surv. Sp. +1; 2 MDC				
Total			100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent 93.0% 93.0% 93.0% 93.0%



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Table A-16: Probability of Medical Plan and Tier Selection for Pre 65 Retirees Who Become Eligible for a Post 65 Plan

We assume that Pre 65 retirees and dependents will choose Post 65 plans at age 65 according to the following table:

From Pre Age 65 Eligible Plan	To Post Age 65 Eligible Plan	Tier 1	Tier 2
Anthem Blue Cross I	Anthem Blue Cross I	40%	0%
	Anthem Blue Cross III	60%	100%
Anthem Blue Cross II	Anthem Blue Cross II	45%	0%
	Anthem Blue Cross III	55%	100%
Anthem Blue Cross Prudent Buyer	Anthem Blue Cross Prudent Buyer	55%	0%
	Anthem Blue Cross III	45%	100%
Cigna Network Model	Cigna Network Model Plan	46%	0%
	Cigna Medicare Select Plus Rx (AZ)	6%	0%
	Anthem Blue Cross I	1%	0%
	Anthem Blue Cross II	1%	0%
	Anthem Blue Cross III	18%	20%
	United Healthcare Medicare Advantage Senior Advantage	18%	80%
	SCAN Health Plan	4%	0%
United Healthcare	SCAN Health Plan	6%	0%
	United Healthcare Medicare Advantage	85%	87%
	Cigna Network Model Plan	2%	0%
	Anthem Blue Cross II	2%	0%
	Anthem Blue Cross III	6%	8%
	SCAN Health Plan	2%	2%
	Senior Advantage Excess II	2%	3%
Kaiser Retiree Basic	Excess II	1%	0%
	Senior Advantage	81%	98%
	Retiree Excess I	4%	0%
	Retiree Excess II	9%	0%
	Excess III (MNP)	4%	0%
Kaiser Family Basic	Anthem Blue Cross III	2%	2%
	2+ Advantage	82%	99%
	One Excess I, One Advantage	2%	0%
	One Advantage, One Excess II	8%	0%
	One Advantage, One Excess III (MNP)	6%	0%
	Two+ Excess II - Part B	0.5%	0%
	Anthem Blue Cross III	1%	1%
United Healthcare Medicare Advantage	0.5%	0%	
Firefighters Local 1014	Firefighters Local 1014	100%	100%

We assume that 100% of the retirees are eligible for Medicare with Part B Premium Reimbursement for the plans listed below. We assume these Post Medicare Only Plans are for enrollees who are entitled for Medicare Parts A and B:

- Anthem Blue Cross III
- Cigna Medicare Select Plus Rx (AZ)
- Firefighters Local 1014 Post Medicare Plan
- Kaiser Senior Advantage
- SCAN
- UnitedHealthcare - Medicare Advantage

We assume all other plans' retirees do not receive Part B Premium Reimbursement.

Tier 2 retirees, employees who are hired after June 30, 2014, are required to enroll in Medicare when eligible.

Effective January 1, 2007, Medicare Part B premiums vary depending on income status. For the non-Local 1014 members, the County does not pay the higher premiums, and we assume that there will be no shift in enrollment.

The Part B reimbursement for Tier 1 is for retiree and any spouse or child(ren), while the Part B reimbursement for Tier 2 is only for retirees and surviving spouses.

For purposes of this valuation, the average Medicare Part B premium reimbursement was \$111.25 per member. This is based on the 2016 calendar year Medicare Part B premium rates provided in the census adjusted for half a year of Medicare Part B trend.

Table A-17: Survivor and New Dependent Enrollment

The valuation methods and assumptions are adjusted with the following considerations from LACERA discussions:

Scenario I

If a dependent or spouse dies, the retiree may enroll a new spouse/domestic partner and/or a new dependent.

- We assume 3% will enroll a new spouse / domestic partner.
- We assume 3% of the retirees will enroll a new dependent.

Scenario II

If a retiree who has a retirement plan option which qualifies as eligible for continuing retirement benefits to the survivor dies and the spouse has retiree medical, Part B, or dental/vision coverage, the existing spouse or dependent may continue to be enrolled and may also enroll a new spouse/domestic partner and/or a new dependent.

- We assume 50% of the retirees with spouses have a spouse continuance option.
- We assume 10% of the surviving spouse/domestic partners with a continuance option will enroll a new spouse.
- Therefore, we assume 5% (or 50% of the 10%) of the surviving spouses' new spouses will enroll and receive the County subsidy.
- We assume 3% of the surviving spouse/domestic partners will enroll a new dependent.

Scenario III

If a retiree who has a retirement plan option which qualifies as eligible for continuing retirement benefits to the survivor dies and the spouse does NOT have retiree medical coverage, we assume no additional spouse/domestic partner or dependent will be enrolled.

Table A-18: Probability of Initial Dental/Vision Enrollment

Males and Females

<u>Years of Service</u>	<u>Assumed Enrollment %</u>
< 10	11%
10-14	49%
15-19	64%
20-24	82%
25+	95%
Disabled	94%

Table A-19: Probability of Dental/Vision Plan and Tier Selection Upon Dental/Vision Retirement Enrollment

Tier	<u>Cigna Indemnity Dental/Vision</u>			<u>Cigna HMO Dental/Vision</u>		
	<u>Retiree Only</u>	<u>Retiree and Dependents</u>	<u>Survivor</u>	<u>Retiree Only</u>	<u>Retiree and Dependents</u>	<u>Survivor</u>
Deduction Code	501	502	503	901	902	903
Percentage						
Male	20%	67%	0%	4%	9%	0%
Female	46%	39%	0%	9%	6%	0%

Table A-20: Premium Information

The following premium information is for retirees living in California who have less than 10 years of service and have to pay the full amount. Members who have more than 10 years of service receive a subsidy from the County. Details can be found in Appendix B. The premium rates in Table A-20 include the carriers' administration fees and LACERA's per retiree monthly administration fee. The per retiree monthly administration fee was \$8.00 effective July 1, 2016 and July 1, 2017, and is included in the premium rates.

**Pre and Post Age 65 Monthly Rates Effective July 1, 2016
 UnitedHealthcare is Pre Age 65 Only**

Tier	Anthem Blue Cross - Plan I	Anthem Blue Cross - Plan II	Anthem Blue Cross - Prudent Buyer	Cigna	United Healthcare
Retiree Only	\$ 1,065.79	\$ 1,065.79	\$ 843.86	\$ 1,332.53	
Retiree & Spouse	\$ 1,919.85	\$ 1,919.85	\$ 1,658.82	\$ 2,404.28	
Retiree & Family	\$ 2,264.26	\$ 2,264.26	\$ 1,871.87	\$ 2,838.00	
Retiree & Children	\$ 1,409.48	\$ 1,409.48	\$ 1,084.15	\$ 1,767.64	
Minor Survivor	\$ 354.51	\$ 354.51	\$ 231.33	\$ 443.00	\$ 289.23
UnitedHealthcare Single					\$ 1,006.94
UnitedHealthcare Two-Party					\$ 1,837.24
UnitedHealthcare Family					\$ 2,177.99

**Pre and Post Age 65 Monthly Rates Effective July 1, 2017
 UnitedHealthcare is Pre Age 65 Only**

Tier	Anthem Blue Cross - Plan I	Anthem Blue Cross - Plan II	Anthem Blue Cross - Prudent Buyer	Cigna	United Healthcare
Retiree Only	\$ 1,094.88	\$ 1,094.88	\$ 866.85	\$ 1,419.91	
Retiree & Spouse	\$ 1,972.43	\$ 1,972.43	\$ 1,704.22	\$ 2,562.34	
Retiree & Family	\$ 2,326.31	\$ 2,326.31	\$ 1,923.13	\$ 3,025.54	
Retiree & Children	\$ 1,448.02	\$ 1,448.02	\$ 1,113.74	\$ 1,883.69	
Minor Survivor	\$ 364.04	\$ 364.04	\$ 237.47	\$ 472.39	\$ 307.71
UnitedHealthcare Single					\$ 1,072.60
UnitedHealthcare Two-Party					\$ 1,957.45
UnitedHealthcare Family					\$ 2,320.60

Post Age 65 Monthly Rates Effective July 1, 2016

Tier	Anthem Blue Cross - Plan III	SCAN	United Healthcare Medicare Advantage
One Medicare	\$ 431.70		
Retiree & Spouse- 1 Medicare	\$ 1,375.57		
Retiree & Spouse- 2 Medicare	\$ 857.14		
Retiree & Children- 1 Medicare	\$ 771.33		
Retiree & Family- 1 Medicare	\$ 1,715.10		
Retiree & Family- 2 Medicare	\$ 1,196.59		
Retiree & Family- 3 Medicare	\$ 1,340.77		
Retiree Only		\$ 307.00	\$ 332.58
Retiree & 1 Dependent (1 Medicare)			\$ 1,331.52
Retiree & 1 Dependent (2 Medicare)		\$ 606.00	\$ 657.16
Retiree & 2 + Deps. (1 Medicare)			\$ 1,503.62
Retiree & 2 + Deps. (2 Medicare)			\$ 829.26

Post Age 65 Monthly Rates Effective July 1, 2017

Tier	Anthem Blue Cross - Plan III	SCAN	United Healthcare Medicare Advantage
One Medicare	\$ 443.35		
Retiree & Spouse- 1 Medicare	\$ 1,413.18		
Retiree & Spouse- 2 Medicare	\$ 880.49		
Retiree & Children- 1 Medicare	\$ 792.32		
Retiree & Family- 1 Medicare	\$ 1,762.05		
Retiree & Family- 2 Medicare	\$ 1,229.28		
Retiree & Family- 3 Medicare	\$ 1,377.42		
Retiree Only		\$ 298.00	\$ 339.07
Retiree & 1 Dependent (1 Medicare)			\$ 1,403.67
Retiree & 1 Dependent (2 Medicare)		\$ 588.00	\$ 670.14
Retiree & 2 + Deps. (1 Medicare)			\$ 1,587.08
Retiree & 2 + Deps. (2 Medicare)			\$ 853.55

Kaiser California Monthly Rates

Effective Date	July 1, 2016	July 1, 2017
Retiree Basic (Under 65)	\$911.95	\$937.63
Retiree Risk (Senior Advantage)	\$242.60	\$256.62
Retiree Excess I	\$990.72	\$1,035.65
Retiree Excess II - Part B	\$952.41	\$980.76
Excess III - Medicare Not Provided (MNP)	\$1,694.50	\$1,745.10
Family Basic	\$1,815.90	\$1,867.26
One Advantage, One Basic	\$1,146.55	\$1,186.25
One Excess I, One Basic	\$1,894.67	\$1,965.28
One Excess II - Part B, One Basic	\$1,856.36	\$1,910.39
One Excess III (MNP), One Basic	\$2,598.45	\$2,674.73
Two+ Advantage	\$477.20	\$505.24
One Excess I, One Advantage	\$1,225.32	\$1,284.27
One Advantage, One Excess II - Part B	\$1,187.01	\$1,229.38
One Advantage, One Excess III (MNP)	\$1,929.10	\$1,993.72
Two+ Excess I	\$1,973.44	\$2,063.30
One Excess I, One Excess II - Part B	\$1,935.13	\$2,008.41
One Excess I, One Excess III (MNP)	\$2,677.22	\$2,772.75
Two Excess II - Part B	\$1,896.82	\$1,953.52
One Excess II - Part B, One Excess III (MNP)	\$2,638.91	\$2,717.86
Two Excess III - Both (MNP)	\$3,381.00	\$3,482.20
Survivor	\$911.95	\$937.63

Firefighters Local 1014 Monthly Rates

Effective Date	July 1, 2016	July 1, 2017
Medical Member Under 65	\$ 1,034.00	\$ 1,078.15
Medical Member + 1 Under 65	1,864.38	1,943.99
Medical Member + 2 Under 65	2,199.20	2,293.11
Medical Member with Medicare	1,034.00	1,078.15
Medical Member + 1; 1 MDC	1,864.38	1,943.99
Medical Member + 1; 2 MDC	1,864.38	1,943.99
Medical Member + 2; 1 MDC	2,199.20	2,293.11
Medical Member + 2; 2 MDC	2,199.20	2,293.11
Medical Surviving Spouse Under 65	1,034.00	1,078.15
Medical Surviving Spouse + 1 Under 65	1,864.38	1,943.99
Medical Surviving Spouse + 2 Under 65	2,199.20	2,293.11
Medical Surviving Spouse with MDC	1,034.00	1,078.15
Medical Surviving Spouse + 1; 1 MDC	1,864.38	1,943.99
Medical Surviving Spouse + 2; 1 MDC	2,199.20	2,293.11
Medical Surviving Spouse + 1; 2 MDC	1,864.38	1,943.99

Dental/Vision Monthly Rates

<u>Effective Date</u>	July 1, 2016		July 1, 2017	
	Cigna Dental <u>HMO/Vision</u>	Cigna Indemnity <u>Dental/Vision</u>	Cigna Dental <u>HMO/Vision</u>	Cigna Indemnity <u>Dental/Vision</u>
<u>Tier</u>				
Retiree Only	\$46.17	\$51.13	\$46.19	\$52.16
Retiree & Dependents	\$94.00	\$106.24	\$94.52	\$108.60
Minor Survivor	\$46.75	\$62.84	\$46.78	\$64.15

COUNTY CONTRIBUTIONS TOWARDS RETIREE HEALTH BENEFITS

Medical

If a Tier 1 retiree has 10 years of retirement service credit, the County contributes 40% of the health care plan premium or 40% of the Tier 1 benchmark plan rate (Anthem Blue Cross Plans I and II), whichever is less. If a Tier 2 retiree has 10 years of retirement service credit, the County contributes 40% of the retiree only health care plan premium or 40% of the Tier 2 retiree only benchmark plan rate whichever is less. The Tier 2 benchmark plan is Anthem Blue Cross Plans I and II for Medicare-ineligible retirees and Anthem Blue Cross Plan III for Medicare eligible retirees. If a Tier 2 retiree selects a family coverage and the retiree rate is less than the Tier 2 benchmark, there is a spouse subsidy. For each year of retirement service credit beyond 10 years, the County contributes an additional 4% per year, up to a maximum of 100% for a member with 25 years of service credit. The County contribution can never exceed the premium of the benchmark plan; this means that if the premium for the chosen plan and coverage option exceeds the benchmark premium, the retiree is required to pay the difference, even if the retiree has 25 years of service. Likewise, if the retiree has 25 years of service and the plan premium is less than the benchmark rate, the County contributes 100% of the plan premium only, not the benchmark plan rate.

Dental/Vision

The contribution percentages follow the same contribution proportions based on years of service as the medical plans where the benchmark plan is the indemnity plan for both Tier 1 and Tier 2. The Tier 2 benchmark is retiree-only premium whereas the Tier 1 benchmark is the indemnity premium based on the selected member coverage (retiree only or retiree and dependents).

Service-Connected Disability

Any retiree with a service-connected disability retirement with less than 13 years of service will receive a different County contribution for both medical and dental/vision plans. The County contributes 50% of the lesser of the benchmark plan rate or the premium of the plan the retiree is enrolled in. If a retiree with service-connected disability retirement has 13 or more years of service, the County subsidy is the same as a retiree with service retirement.

FIREFIGHTERS LOCAL 1014 CONTRIBUTIONS TOWARDS RETIREE HEALTH BENEFITS

Medical, Dental/Vision, and Service-Connected Disability

Contributions are the same as for the County.

Table A-21A: Claim Cost Analysis

All of the plans' premium rates have been determined based on retiree only information. Active premium rates are established independently. Therefore, no implicit subsidy exists between active and retiree rates. However, some plans pooled the Medicare enrolled and non-Medicare enrolled retirees to determine the rates. The following plans did not pool Medicare and non-Medicare retirees (or have an insignificant Medicare enrollment), so we can assume the premium rates are representative of the average claim costs used to develop the age and gender adjusted claim costs:

- Anthem Blue Cross I and II (Combined)
- Anthem Blue Cross III
- Anthem Blue Cross Prudent Buyer
- Cigna Medicare Select Plus Rx (AZ)
- UnitedHealthcare
- UnitedHealthcare Medicare Advantage
- SCAN Health Plan
- Kaiser and Kaiser Interregional
 - Basic
 - Senior Advantage
 - Medicare Cost Supplement
 - Excess I
 - Excess II
 - Excess III
- Cigna Indemnity Dental/Vision
- Cigna HMO Dental/Vision

The following plans pooled Medicare and non-Medicare retirees to determine premium rates. Therefore, we adjusted the premium rates to compensate for the coordination with Medicare in making our claim cost assumption.

- Cigna Network Model Plan
- Firefighters Local 1014 Plan

For current active members projected to retire in the future, we used the enrollment assumptions in Table A-15A (Tier 1) and Table A-15B (Tier 2) to develop weighted average claim costs as of July 1, 2016. The weighted average claim costs used for future retirees and dependents are shown in the following tables.

Note that the medical claim costs for pre 65 retirees are different than for post 65 retirees due to different plan selection assumptions.

Tier 1

A. Future Retirees Retiring Before Age 65

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 305.26	\$ 610.61	\$ 456.42	\$ 343.08	\$ 473.95	\$ 444.18
30	\$ 409.87	\$ 775.18	\$ 590.71	\$ 361.86	\$ 542.82	\$ 501.65
35	\$ 679.82	\$ 900.53	\$ 789.08	\$ 369.32	\$ 542.25	\$ 502.91
40	\$ 952.67	\$ 1,095.10	\$ 1,023.18	\$ 445.77	\$ 577.57	\$ 547.58
45	\$ 877.15	\$ 1,028.16	\$ 951.90	\$ 522.38	\$ 643.55	\$ 615.98
50	\$ 770.51	\$ 887.44	\$ 828.39	\$ 606.28	\$ 715.80	\$ 690.88
55	\$ 812.95	\$ 871.16	\$ 841.77	\$ 749.97	\$ 815.54	\$ 800.62
60	\$ 916.63	\$ 921.55	\$ 919.07	\$ 969.70	\$ 959.04	\$ 961.47
65 (Pre 65)	\$ 1,093.88	\$ 1,085.50	\$ 1,089.73	\$ 1,235.37	\$ 1,182.28	\$ 1,194.36
65 (Post 65)	\$ 389.54	\$ 338.70	\$ 362.32	\$ 323.39	\$ 369.23	\$ 354.75
70	\$ 488.34	\$ 428.70	\$ 456.41	\$ 405.41	\$ 467.34	\$ 447.78
75	\$ 562.57	\$ 492.94	\$ 525.29	\$ 467.03	\$ 537.37	\$ 515.15
80	\$ 602.40	\$ 525.03	\$ 560.98	\$ 500.10	\$ 572.35	\$ 549.53
85	\$ 633.58	\$ 547.13	\$ 587.30	\$ 525.98	\$ 596.44	\$ 574.19
90	\$ 657.30	\$ 561.43	\$ 605.97	\$ 545.67	\$ 612.03	\$ 591.07
95	\$ 657.30	\$ 561.43	\$ 605.97	\$ 545.67	\$ 612.03	\$ 591.07

B. Future Retirees Retiring After Age 65

Age	Retiree			Spouse/Dependents		
	Male	Female	Total	Male	Female	Total
25	N/A	N/A	N/A	\$ 347.08	\$ 487.58	\$ 455.62
30	N/A	N/A	N/A	\$ 366.07	\$ 558.43	\$ 514.67
35	N/A	N/A	N/A	\$ 373.62	\$ 557.85	\$ 515.94
40	N/A	N/A	N/A	\$ 450.96	\$ 594.19	\$ 561.60
45	N/A	N/A	N/A	\$ 528.46	\$ 662.07	\$ 631.67
50	N/A	N/A	N/A	\$ 613.33	\$ 736.39	\$ 708.39
55	N/A	N/A	N/A	\$ 758.70	\$ 839.00	\$ 820.73
60	N/A	N/A	N/A	\$ 980.99	\$ 986.63	\$ 985.35
65 (Pre 65)	N/A	N/A	N/A	\$ 1,249.76	\$ 1,216.30	\$ 1,223.91
65 (Post 65)	\$ 311.23	\$ 263.73	\$ 285.80	\$ 248.56	\$ 311.54	\$ 291.65
70	\$ 390.17	\$ 333.80	\$ 359.99	\$ 311.60	\$ 394.31	\$ 368.19
75	\$ 449.48	\$ 383.82	\$ 414.33	\$ 358.96	\$ 453.40	\$ 423.57
80	\$ 481.30	\$ 408.81	\$ 442.49	\$ 384.37	\$ 482.92	\$ 451.79
85	\$ 506.21	\$ 426.02	\$ 463.28	\$ 404.26	\$ 503.25	\$ 471.98
90	\$ 525.16	\$ 437.16	\$ 478.05	\$ 419.39	\$ 516.41	\$ 485.77
95	\$ 525.16	\$ 437.16	\$ 478.05	\$ 419.39	\$ 516.41	\$ 485.77

The Firefighters Local 1014 and dental/vision claim costs are shown in the tables on the following page.

Tier 1

Firefighters Local 1014 Plan Monthly Medical Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 430.96	\$ 844.62	\$ 432.46	\$ 477.12	\$ 669.59	\$ 666.67
30	\$ 578.65	\$ 1,072.26	\$ 580.44	\$ 503.23	\$ 766.89	\$ 762.88
35	\$ 959.76	\$ 1,245.64	\$ 960.80	\$ 513.61	\$ 766.09	\$ 762.25
40	\$ 1,344.98	\$ 1,514.77	\$ 1,345.60	\$ 619.93	\$ 815.99	\$ 813.01
45	\$ 1,238.37	\$ 1,422.17	\$ 1,239.04	\$ 726.47	\$ 909.21	\$ 906.43
50	\$ 1,087.81	\$ 1,227.52	\$ 1,088.32	\$ 843.14	\$ 1,011.28	\$ 1,008.73
55	\$ 1,147.73	\$ 1,205.00	\$ 1,147.94	\$ 1,042.97	\$ 1,152.19	\$ 1,150.53
60	\$ 1,294.11	\$ 1,274.70	\$ 1,294.04	\$ 1,348.54	\$ 1,354.93	\$ 1,354.83
65 (Pre 65)	\$ 1,544.34	\$ 1,501.48	\$ 1,544.19	\$ 1,718.01	\$ 1,670.33	\$ 1,671.05
65 (Post 65)	\$ 571.41	\$ 555.55	\$ 571.32	\$ 571.41	\$ 555.55	\$ 555.64
70	\$ 716.34	\$ 703.16	\$ 716.27	\$ 716.34	\$ 703.16	\$ 703.24
75	\$ 825.23	\$ 808.53	\$ 825.14	\$ 825.23	\$ 808.53	\$ 808.63
80	\$ 883.66	\$ 861.17	\$ 883.54	\$ 883.66	\$ 861.17	\$ 861.31
85	\$ 929.40	\$ 897.42	\$ 929.23	\$ 929.40	\$ 897.42	\$ 897.62
90	\$ 964.19	\$ 920.88	\$ 963.96	\$ 964.19	\$ 920.88	\$ 921.15
95	\$ 964.19	\$ 920.88	\$ 963.96	\$ 964.19	\$ 920.88	\$ 921.15

Future Retirees Monthly Dental/Vision Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 26.14	\$ 32.85	\$ 29.58	\$ 28.25	\$ 35.59	\$ 33.30
30	\$ 29.16	\$ 34.15	\$ 31.71	\$ 31.51	\$ 37.00	\$ 35.29
35	\$ 30.43	\$ 35.14	\$ 32.84	\$ 32.88	\$ 38.07	\$ 36.45
40	\$ 31.55	\$ 36.52	\$ 34.09	\$ 34.09	\$ 39.57	\$ 37.86
45	\$ 33.73	\$ 38.64	\$ 36.24	\$ 36.45	\$ 41.86	\$ 40.17
50	\$ 38.13	\$ 42.26	\$ 40.24	\$ 41.20	\$ 45.79	\$ 44.36
55	\$ 43.08	\$ 45.48	\$ 44.31	\$ 46.55	\$ 49.28	\$ 48.43
60	\$ 47.81	\$ 49.00	\$ 48.42	\$ 51.66	\$ 53.09	\$ 52.64
65	\$ 51.68	\$ 50.82	\$ 51.24	\$ 55.84	\$ 55.07	\$ 55.31
70	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
75	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
80	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
85	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
90	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
95	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19

For current retired members, spouses, and dependents, the claim costs are based on the actual premiums by deduction code, adjusted for age and gender. The tables that follow show the age 65 adjusted claim costs. Adjustments by age and gender are based on the same methodology used in the tables above.

Tier 1

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
201	Anthem Blue Cross Prudent Buyer	Retiree Only	\$ 706.94				\$ 706.94			\$ 532.18		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 706.94	\$ 706.94	\$ 918.91		\$ 706.94	\$ 706.94		\$ 532.18	\$ 532.18	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 706.94	\$ 706.94	\$ 918.91		\$ 706.94	\$ 706.94		\$ 532.18	\$ 532.18	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 706.94	\$ 706.94	\$ 918.91		\$ 706.94			\$ 532.18		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 918.91			\$ 918.91			
211	Anthem Blue Cross I	Retiree Only	\$ 500.44				\$ 500.44			\$ 391.33		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 500.44	\$ 500.44	\$ 650.49		\$ 500.44	\$ 500.44		\$ 391.33	\$ 391.33	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 500.44	\$ 500.44	\$ 650.49		\$ 500.44	\$ 500.44		\$ 391.33	\$ 391.33	
214	Anthem Blue Cross I	Retiree and Children	\$ 500.44	\$ 500.44	\$ 650.49		\$ 500.44			\$ 391.33		
215	Anthem Blue Cross I	Minor Survivor				\$ 650.49			\$ 650.49			\$ 650.49
221	Anthem Blue Cross II	Retiree Only	\$ 1,013.02				\$ 1,013.02			\$ 631.09		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,013.02	\$ 1,013.02	\$ 1,316.78		\$ 1,013.02	\$ 1,013.02		\$ 631.09	\$ 631.09	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,013.02	\$ 1,013.02	\$ 1,316.78		\$ 1,013.02	\$ 1,013.02		\$ 631.09	\$ 631.09	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,013.02	\$ 1,013.02	\$ 1,316.78		\$ 1,013.02			\$ 631.09		
225	Anthem Blue Cross II	Minor Survivor				\$ 1,316.78			\$ 1,316.78			\$ 1,316.78
240	Anthem Blue Cross III	One Medicare					\$ 318.59			\$ 318.59		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59			\$ 318.59	\$ 318.59	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59			\$ 318.59	\$ 318.59	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
301	Cigna Network Model Plan	Retiree Only	\$ 1,349.60				\$ 959.57			\$ 596.55		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,349.60	\$ 1,349.60	\$ 1,754.28		\$ 959.57	\$ 959.57		\$ 596.55	\$ 596.32	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,349.60	\$ 1,349.60	\$ 1,754.28		\$ 959.57	\$ 959.57		\$ 596.55	\$ 596.32	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,349.60	\$ 1,349.60	\$ 1,754.28		\$ 959.57			\$ 596.55		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,754.28			\$ 1,754.28			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 270.87			\$ 270.87		
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,138.98							\$ 297.21		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 181.09					
404	Kaiser (CA)	Retiree Excess I					\$ 739.52					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 710.93					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,264.86					
411	Kaiser (CA)	Family Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51					\$ 244.79	\$ 238.91	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 1

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
413	Kaiser (CA)	One Advantage, One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 181.09	\$ 175.12		\$ 181.09	\$ 238.91	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 739.52	\$ 733.58		\$ 739.52	\$ 238.91	
418	Kaiser (CA)	Two+ Advantage					\$ 181.09	\$ 175.12				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 460.31	\$ 454.35				
420	Kaiser (CA)	Two+ Excess I					\$ 739.52	\$ 733.58				
421	Kaiser (CA)	Survivor				\$ 1,480.51			\$ 1,480.51			\$ 1,480.51
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 710.93	\$ 704.98		\$ 710.93	\$ 238.91	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 1,264.86	\$ 1,258.94		\$ 1,264.86	\$ 238.91	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 446.01	\$ 440.05				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 722.97	\$ 717.03				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 725.22	\$ 719.28				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 1,002.19	\$ 996.26				
430	Kaiser (CA)	Two Excess II - Part B					\$ 710.93	\$ 704.98				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 987.89	\$ 981.96				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,264.86	\$ 1,258.94				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,273.52							\$ 250.37		
451	Kaiser - Colorado	Retiree Risk					\$ 250.37					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,273.52	\$ 1,616.09						\$ 250.37	\$ 245.16	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,273.52	\$ 1,616.09	\$ 5,129.29					\$ 250.37	\$ 245.16	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,273.52	\$ 1,324.57			\$ 250.37	\$ 245.16		\$ 250.37	\$ 245.16	
457	Kaiser - Colorado	Two Retiree Risk					\$ 250.37	\$ 245.16				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,273.52	\$ 1,324.57	\$ 6,193.57		\$ 250.37	\$ 245.16		\$ 250.37	\$ 245.16	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 6,576.06		\$ 250.37	\$ 245.16		\$ 250.37	\$ 245.16	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 849.56					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 849.56					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 849.56					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 849.56	\$ 292.78				
461	Kaiser - Georgia Basic	Basic	\$ 1,395.53							\$ 297.87		
462	Kaiser - Georgia	Retiree Risk					\$ 297.87					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,395.53	\$ 1,452.44	\$ 7,210.90		\$ 297.87	\$ 292.78		\$ 297.87	\$ 292.78	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,395.53	\$ 1,452.44	\$ 7,210.84					\$ 297.87	\$ 292.78	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 489.29	\$ 1,452.43	\$ 7,210.84		\$ 297.87	\$ 292.78		\$ 297.87	\$ 292.78	
466	Kaiser - Georgia	Two Retiree Risk					\$ 297.87	\$ 292.78				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,202.32							\$ 275.95		
472	Kaiser - Hawaii	Retiree Risk					\$ 275.95					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,091.76					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,202.32	\$ 1,249.95						\$ 275.95	\$ 270.81	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,202.32	\$ 1,249.95	\$ 6,205.61					\$ 275.95	\$ 270.81	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,202.32	\$ 1,249.95	\$ 6,205.61		\$ 275.95	\$ 270.81		\$ 275.95	\$ 270.81	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,202.32	\$ 1,249.95	\$ 6,205.61		\$ 1,091.76	\$ 1,088.70		\$ 1,091.76	\$ 1,088.70	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 275.95	\$ 270.81				



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 1

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
481	Kaiser - Oregon	Retiree Basic (Under 65)	\$ 1,305.52							\$ 332.27		
482	Kaiser - Oregon	Retiree Risk					\$ 332.27					
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 843.48					
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,305.52	\$ 1,358.10						\$ 332.27	\$ 327.27	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,305.52	\$ 2,716.21	\$ 6,742.55					\$ 332.27	\$ 327.27	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,305.52	\$ 1,358.10	\$ 6,742.55		\$ 332.27	\$ 327.27		\$ 332.27	\$ 327.27	
488	Kaiser - Oregon	Two Retiree Risk					\$ 332.27	\$ 327.27				
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 723.09					
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 723.09	\$ 327.27				
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,385.53	\$ 561.94			\$ 843.48	\$ 327.27		\$ 332.27	\$ 327.27	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,305.52	\$ 1,358.10			\$ 332.27	\$ 327.27		\$ 332.27	\$ 327.27	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,305.52	\$ 1,358.10	\$ 6,742.55		\$ 332.27	\$ 330.93		\$ 332.27	\$ 330.93	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 843.48	\$ 839.79				
496	Kaiser - Oregon	Two Medicare Part A only					\$ 723.09	\$ 719.09				
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,305.52	\$ 1,358.10			\$ 723.09	\$ 719.09		\$ 723.09	\$ 719.09	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,305.52	\$ 1,358.10			\$ 843.48	\$ 839.79		\$ 843.48	\$ 839.79	
611	SCAN Health Plan	Retiree Only					\$ 213.61					
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 213.61	\$ 213.61				
701	United Healthcare	Retiree Only	\$ 1,223.44				\$ 257.55			\$ 257.55		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29		\$ 257.55	\$ 257.55		\$ 257.55	\$ 257.55	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 257.55	\$ 257.55		\$ 257.55	\$ 257.55	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29		\$ 257.55	\$ 257.55		\$ 257.55	\$ 257.55	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29		\$ 257.55	\$ 257.55		\$ 257.55	\$ 257.55	
706	United Healthcare	Minor Survivor				\$ 1,590.29			\$ 1,590.29			
707	United Healthcare	Single	\$ 1,223.44							\$ 292.49		
708	United Healthcare	Two-Party	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29					\$ 292.49	\$ 292.31	
709	United Healthcare	Family	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29					\$ 292.49	\$ 292.31	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 1

Fire Fighters Local 1014 Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
801	Firefighters' Local 1014	Med-Member under 65	\$ 1,544.34				\$ 571.41			\$ 571.41		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,544.34	\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,544.34	\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
804	Firefighters' Local 1014	Med-Member or Surviving Sp w ith Medicare					\$ 571.41		\$ 571.41	\$ 571.41		\$ 571.41
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,544.34	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC					\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC					\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41

Dental/Vision Male Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 52.35		
502	Cigna Indemnity Dental/Vision	Family	\$ 52.35	\$ 56.19	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 52.35
901	Cigna Dental HMO/Vision	Retiree Only	\$ 47.17		
902	Cigna Dental HMO/Vision	Family	\$ 47.17	\$ 53.55	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 47.17



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 1

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
201	Anthem Blue Cross Prudent Buyer	Retiree Only	\$ 687.31				\$ 687.31			\$ 517.41		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 687.31	\$ 687.31	\$ 629.01		\$ 687.31	\$ 687.31		\$ 517.41	\$ 517.41	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 687.31	\$ 687.31	\$ 629.01		\$ 687.31	\$ 687.31		\$ 517.41	\$ 517.41	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 687.31	\$ 687.31	\$ 629.01		\$ 687.31			\$ 517.41		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 629.01			\$ 629.01			
211	Anthem Blue Cross I	Retiree Only	\$ 486.55				\$ 486.55			\$ 380.47		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 486.55	\$ 486.55	\$ 445.27		\$ 486.55	\$ 486.55		\$ 380.47	\$ 380.47	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 486.55	\$ 486.55	\$ 445.27		\$ 486.55	\$ 486.55		\$ 380.47	\$ 380.47	
214	Anthem Blue Cross I	Retiree and Children	\$ 486.55	\$ 486.55	\$ 445.27		\$ 486.55			\$ 380.47		
215	Anthem Blue Cross I	Minor Survivor				\$ 445.27			\$ 445.27			\$ 445.27
221	Anthem Blue Cross II	Retiree Only	\$ 984.90				\$ 984.90			\$ 613.57		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 984.90	\$ 984.90	\$ 901.35		\$ 984.90	\$ 984.90		\$ 613.57	\$ 613.57	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 984.90	\$ 984.90	\$ 901.35		\$ 984.90	\$ 984.90		\$ 613.57	\$ 613.57	
224	Anthem Blue Cross II	Retiree and Children	\$ 984.90	\$ 984.90	\$ 901.35		\$ 984.90			\$ 613.57		
225	Anthem Blue Cross II	Minor Survivor				\$ 901.35			\$ 901.35			\$ 901.35
240	Anthem Blue Cross III	One Medicare					\$ 309.75			\$ 309.75		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75			\$ 309.75	\$ 309.75	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75			\$ 309.75	\$ 309.75	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
301	Cigna Network Model Plan	Retiree Only	\$ 1,312.14				\$ 932.93			\$ 579.99		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,312.14	\$ 1,312.14	\$ 1,200.83		\$ 932.93	\$ 932.93		\$ 579.99	\$ 579.76	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,312.14	\$ 1,312.14	\$ 1,200.83		\$ 932.93	\$ 932.93		\$ 579.99	\$ 579.76	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,312.14	\$ 1,312.14	\$ 1,200.83		\$ 932.93			\$ 579.99		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,200.83			\$ 1,200.83			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 263.35					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 263.35	\$ 263.35		\$ 263.35	\$ 263.35	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 263.35	\$ 263.35				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 263.35	\$ 263.35		\$ 263.35	\$ 263.35	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 263.35	\$ 263.35		\$ 263.35	\$ 263.35	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 263.35	\$ 263.35				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,107.37							\$ 288.96		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 176.06					
404	Kaiser (CA)	Retiree Excess I					\$ 719.00					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 691.19					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,229.75					
411	Kaiser (CA)	Family Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42					\$ 237.99	\$ 232.28	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 1

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
413	Kaiser (CA)	One Advantage, One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 176.06	\$ 170.26		\$ 176.06	\$ 232.28	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 719.00	\$ 713.22		\$ 719.00	\$ 232.28	
418	Kaiser (CA)	Two+ Advantage					\$ 176.06	\$ 170.26				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 447.53	\$ 441.74				
420	Kaiser (CA)	Two+ Excess I					\$ 719.00	\$ 713.22				
421	Kaiser (CA)	Survivor				\$ 1,013.42			\$ 1,013.42			\$ 1,013.42
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 691.19	\$ 685.42		\$ 691.19	\$ 232.28	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 1,229.75	\$ 1,224.00		\$ 1,229.75	\$ 232.28	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 433.63	\$ 427.84				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 702.91	\$ 697.13				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 705.09	\$ 699.32				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 974.37	\$ 968.61				
430	Kaiser (CA)	Two Excess II - Part B					\$ 691.19	\$ 685.42				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 960.47	\$ 954.71				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,229.75	\$ 1,224.00				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,238.17							\$ 243.42		
451	Kaiser - Colorado	Retiree Risk					\$ 243.42					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,238.17	\$ 1,571.24						\$ 243.42	\$ 238.36	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,238.17	\$ 1,571.24	\$ 3,511.06					\$ 243.42	\$ 238.36	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,238.17	\$ 1,287.80			\$ 243.42	\$ 238.36		\$ 243.42	\$ 238.36	
457	Kaiser - Colorado	Two Retiree Risk					\$ 243.42	\$ 238.36				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,238.17	\$ 1,287.80	\$ 4,239.57		\$ 243.42	\$ 238.36		\$ 243.42	\$ 238.36	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 4,501.39		\$ 243.42	\$ 238.36		\$ 243.42	\$ 238.36	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 825.98					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 825.98					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 825.98					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 825.98	\$ 284.65				
461	Kaiser - Georgia Basic	Basic	\$ 1,356.79							\$ 289.60		
462	Kaiser - Georgia	Retiree Risk					\$ 289.60					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,356.79	\$ 1,412.12	\$ 4,935.95		\$ 289.60	\$ 284.65		\$ 289.60	\$ 284.65	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,356.79	\$ 1,412.12	\$ 4,935.90					\$ 289.60	\$ 284.65	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 475.71	\$ 1,412.11	\$ 4,935.90		\$ 289.60	\$ 284.65		\$ 289.60	\$ 284.65	
466	Kaiser - Georgia	Two Retiree Risk					\$ 289.60	\$ 284.65				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,168.94							\$ 268.29		
472	Kaiser - Hawaii	Retiree Risk					\$ 268.29					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,061.45					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,168.94	\$ 1,215.26						\$ 268.29	\$ 263.29	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,168.94	\$ 1,215.26	\$ 4,247.81					\$ 268.29	\$ 263.29	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,168.94	\$ 1,215.26	\$ 4,247.81		\$ 268.29	\$ 263.29		\$ 268.29	\$ 263.29	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,168.94	\$ 1,215.26	\$ 4,247.81		\$ 1,061.45	\$ 1,058.48		\$ 1,061.45	\$ 1,058.48	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 268.29	\$ 263.29				



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 1

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
481	Kaiser - Oregon	Retiree Basic (Under 65)	\$ 1,269.28							\$ 323.05		
482	Kaiser - Oregon	Retiree Risk					\$ 323.05					
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 820.07					
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,269.28	\$ 1,320.41						\$ 323.05	\$ 318.19	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,269.28	\$ 2,640.81	\$ 4,615.35					\$ 323.05	\$ 318.19	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,269.28	\$ 1,320.41	\$ 4,615.35		\$ 323.05	\$ 318.19		\$ 323.05	\$ 318.19	
488	Kaiser - Oregon	Two Retiree Risk					\$ 323.05	\$ 318.19				
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 703.02					
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 703.02	\$ 318.19				
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,347.07	\$ 546.34			\$ 820.07	\$ 318.19		\$ 323.05	\$ 318.19	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,269.28	\$ 1,320.41			\$ 323.05	\$ 318.19		\$ 323.05	\$ 318.19	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,269.28	\$ 1,320.41	\$ 4,615.35		\$ 323.05	\$ 321.74		\$ 323.05	\$ 321.74	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 820.07	\$ 816.48				
496	Kaiser - Oregon	Two Medicare Part A only					\$ 703.02	\$ 699.13				
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,269.28	\$ 1,320.41			\$ 703.02	\$ 699.13		\$ 703.02	\$ 699.13	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,269.28	\$ 1,320.41			\$ 820.07	\$ 816.48		\$ 820.07	\$ 816.48	
611	SCAN Health Plan	Retiree Only					\$ 207.68					
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 207.68	\$ 207.68				
701	United Healthcare	Retiree Only	\$ 1,189.48				\$ 250.40			\$ 250.40		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57		\$ 250.40	\$ 250.40		\$ 250.40	\$ 250.40	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 250.40	\$ 250.40		\$ 250.40	\$ 250.40	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57		\$ 250.40	\$ 250.40		\$ 250.40	\$ 250.40	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57		\$ 250.40	\$ 250.40		\$ 250.40	\$ 250.40	
706	United Healthcare	Minor Survivor				\$ 1,088.57			\$ 1,088.57			
707	United Healthcare	Single	\$ 1,189.48							\$ 284.37		
708	United Healthcare	Two-Party	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57					\$ 284.37	\$ 284.20	
709	United Healthcare	Family	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57					\$ 284.37	\$ 284.20	



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 1

Fire Fighters Local 1014 Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
801	Firefighters' Local 1014	Med-Member under 65	\$ 1,501.48				\$ 555.55			\$ 555.55		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,501.48	\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,501.48	\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
804	Firefighters' Local 1014	Med-Member or Surviving Sp w with Medicare					\$ 555.55		\$ 555.55	\$ 555.55		\$ 555.55
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55

Dental/Vision Female Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 51.59		
502	Cigna Indemnity Dental/Vision	Family	\$ 51.59	\$ 55.38	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 51.59
901	Cigna Dental HMO/Vision	Retiree Only	\$ 46.48		
902	Cigna Dental HMO/Vision	Family	\$ 46.48	\$ 52.77	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 46.48



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 2

A. Future Retirees Retiring Before Age 65

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 305.26	\$ 610.61	\$ 456.42	\$ 343.08	\$ 473.95	\$ 444.18
30	\$ 409.87	\$ 775.18	\$ 590.71	\$ 361.86	\$ 542.82	\$ 501.65
35	\$ 679.82	\$ 900.53	\$ 789.08	\$ 369.32	\$ 542.25	\$ 502.91
40	\$ 952.67	\$ 1,095.10	\$ 1,023.18	\$ 445.77	\$ 577.57	\$ 547.58
45	\$ 877.15	\$ 1,028.16	\$ 951.90	\$ 522.38	\$ 643.55	\$ 615.98
50	\$ 770.51	\$ 887.44	\$ 828.39	\$ 606.28	\$ 715.80	\$ 690.88
55	\$ 812.95	\$ 871.16	\$ 841.77	\$ 749.97	\$ 815.54	\$ 800.62
60	\$ 916.63	\$ 921.55	\$ 919.07	\$ 969.70	\$ 959.04	\$ 961.47
65 (Pre 65)	\$ 1,093.88	\$ 1,085.50	\$ 1,089.73	\$ 1,235.37	\$ 1,182.28	\$ 1,194.36
65 (Post 65)	\$ 242.87	\$ 217.78	\$ 229.44	\$ 214.15	\$ 231.77	\$ 226.21
70	\$ 304.47	\$ 275.65	\$ 289.04	\$ 268.47	\$ 293.36	\$ 285.50
75	\$ 350.75	\$ 316.96	\$ 332.66	\$ 309.28	\$ 337.32	\$ 328.46
80	\$ 375.58	\$ 337.59	\$ 355.24	\$ 331.18	\$ 359.28	\$ 350.40
85	\$ 395.02	\$ 351.80	\$ 371.88	\$ 348.32	\$ 374.40	\$ 366.16
90	\$ 409.81	\$ 361.00	\$ 383.68	\$ 361.36	\$ 384.19	\$ 376.98
95	\$ 409.81	\$ 361.00	\$ 383.68	\$ 361.36	\$ 384.19	\$ 376.98

B. Future Retirees Retiring After Age 65

Age	Retiree			Spouse/Dependents		
	Male	Female	Total	Male	Female	Total
25	N/A	N/A	N/A	\$ 349.87	\$ 491.07	\$ 458.95
30	N/A	N/A	N/A	\$ 369.02	\$ 562.43	\$ 518.43
35	N/A	N/A	N/A	\$ 376.63	\$ 561.84	\$ 519.70
40	N/A	N/A	N/A	\$ 454.59	\$ 598.44	\$ 565.71
45	N/A	N/A	N/A	\$ 532.71	\$ 666.81	\$ 636.30
50	N/A	N/A	N/A	\$ 618.27	\$ 741.67	\$ 713.60
55	N/A	N/A	N/A	\$ 764.81	\$ 845.01	\$ 826.76
60	N/A	N/A	N/A	\$ 988.89	\$ 993.69	\$ 992.60
65 (Pre 65)	N/A	N/A	N/A	\$ 1,259.83	\$ 1,225.00	\$ 1,232.92
65 (Post 65)	\$ 225.65	\$ 212.34	\$ 218.53	\$ 214.22	\$ 218.83	\$ 217.37
70	\$ 282.89	\$ 268.77	\$ 275.33	\$ 268.55	\$ 276.97	\$ 274.31
75	\$ 325.89	\$ 309.05	\$ 316.87	\$ 309.37	\$ 318.48	\$ 315.60
80	\$ 348.96	\$ 329.17	\$ 338.37	\$ 331.27	\$ 339.21	\$ 336.70
85	\$ 367.02	\$ 343.03	\$ 354.18	\$ 348.42	\$ 353.49	\$ 351.89
90	\$ 380.76	\$ 352.00	\$ 365.36	\$ 361.46	\$ 362.73	\$ 362.33
95	\$ 380.76	\$ 352.00	\$ 365.36	\$ 361.46	\$ 362.73	\$ 362.33

The Firefighters Local 1014 and dental/vision claim costs are shown in the tables on the following page.



Tier 2

Firefighters Local 1014 Plan Monthly Medical Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 430.96	\$ 844.62	\$ 432.46	\$ 477.12	\$ 669.59	\$ 666.67
30	\$ 578.65	\$ 1,072.26	\$ 580.44	\$ 503.23	\$ 766.89	\$ 762.88
35	\$ 959.76	\$ 1,245.64	\$ 960.80	\$ 513.61	\$ 766.09	\$ 762.25
40	\$ 1,344.98	\$ 1,514.77	\$ 1,345.60	\$ 619.93	\$ 815.99	\$ 813.01
45	\$ 1,238.37	\$ 1,422.17	\$ 1,239.04	\$ 726.47	\$ 909.21	\$ 906.43
50	\$ 1,087.81	\$ 1,227.52	\$ 1,088.32	\$ 843.14	\$ 1,011.28	\$ 1,008.73
55	\$ 1,147.73	\$ 1,205.00	\$ 1,147.94	\$ 1,042.97	\$ 1,152.19	\$ 1,150.53
60	\$ 1,294.11	\$ 1,274.70	\$ 1,294.04	\$ 1,348.54	\$ 1,354.93	\$ 1,354.83
65 (Pre 65)	\$ 1,544.34	\$ 1,501.48	\$ 1,544.19	\$ 1,718.01	\$ 1,670.33	\$ 1,671.05
65 (Post 65)	\$ 571.41	\$ 555.55	\$ 571.32	\$ 571.41	\$ 555.55	\$ 555.64
70	\$ 716.34	\$ 703.16	\$ 716.27	\$ 716.34	\$ 703.16	\$ 703.24
75	\$ 825.23	\$ 808.53	\$ 825.14	\$ 825.23	\$ 808.53	\$ 808.63
80	\$ 883.66	\$ 861.17	\$ 883.54	\$ 883.66	\$ 861.17	\$ 861.31
85	\$ 929.40	\$ 897.42	\$ 929.23	\$ 929.40	\$ 897.42	\$ 897.62
90	\$ 964.19	\$ 920.88	\$ 963.96	\$ 964.19	\$ 920.88	\$ 921.15
95	\$ 964.19	\$ 920.88	\$ 963.96	\$ 964.19	\$ 920.88	\$ 921.15

Future Retirees Monthly Dental/Vision Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 26.14	\$ 32.85	\$ 29.58	\$ 28.25	\$ 35.59	\$ 33.30
30	\$ 29.16	\$ 34.15	\$ 31.71	\$ 31.51	\$ 37.00	\$ 35.29
35	\$ 30.43	\$ 35.14	\$ 32.84	\$ 32.88	\$ 38.07	\$ 36.45
40	\$ 31.55	\$ 36.52	\$ 34.09	\$ 34.09	\$ 39.57	\$ 37.86
45	\$ 33.73	\$ 38.64	\$ 36.24	\$ 36.45	\$ 41.86	\$ 40.17
50	\$ 38.13	\$ 42.26	\$ 40.24	\$ 41.20	\$ 45.79	\$ 44.36
55	\$ 43.08	\$ 45.48	\$ 44.31	\$ 46.55	\$ 49.28	\$ 48.43
60	\$ 47.81	\$ 49.00	\$ 48.42	\$ 51.66	\$ 53.09	\$ 52.64
65	\$ 51.68	\$ 50.82	\$ 51.24	\$ 55.84	\$ 55.07	\$ 55.31
70	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
75	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
80	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
85	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
90	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19
95	\$ 54.24	\$ 50.85	\$ 52.51	\$ 58.61	\$ 55.10	\$ 56.19

For current retired members, spouses, and dependents, the claim costs are based on the actual premiums by deduction code, adjusted for age and gender. The tables that follow show the age 65 adjusted claim costs. Adjustments by age and gender are based on the same methodology used in the tables above.

Tier 2

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
201	Anthem Blue Cross Prudent Buyer	Retiree Only	\$ 706.94				\$ 706.94			\$ 318.59		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 706.94	\$ 706.94	\$ 918.91		\$ 706.94	\$ 706.94		\$ 318.59	\$ 318.59	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 706.94	\$ 706.94	\$ 918.91		\$ 706.94	\$ 706.94		\$ 318.59	\$ 318.59	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 706.94	\$ 706.94	\$ 918.91		\$ 706.94			\$ 318.59		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 918.91			\$ 918.91			
211	Anthem Blue Cross I	Retiree Only	\$ 500.44				\$ 500.44			\$ 318.59		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 500.44	\$ 500.44	\$ 650.49		\$ 500.44	\$ 500.44		\$ 318.59	\$ 318.59	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 500.44	\$ 500.44	\$ 650.49		\$ 500.44	\$ 500.44		\$ 318.59	\$ 318.59	
214	Anthem Blue Cross I	Retiree and Children	\$ 500.44	\$ 500.44	\$ 650.49		\$ 500.44			\$ 318.59		
215	Anthem Blue Cross I	Minor Survivor				\$ 650.49			\$ 650.49			\$ 650.49
221	Anthem Blue Cross II	Retiree Only	\$ 1,013.02				\$ 1,013.02			\$ 318.59		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,013.02	\$ 1,013.02	\$ 1,316.78		\$ 1,013.02	\$ 1,013.02		\$ 318.59	\$ 318.59	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,013.02	\$ 1,013.02	\$ 1,316.78		\$ 1,013.02	\$ 1,013.02		\$ 318.59	\$ 318.59	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,013.02	\$ 1,013.02	\$ 1,316.78		\$ 1,013.02			\$ 318.59		
225	Anthem Blue Cross II	Minor Survivor				\$ 1,316.78			\$ 1,316.78			\$ 1,316.78
240	Anthem Blue Cross III	One Medicare					\$ 318.59			\$ 318.59		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59			\$ 318.59	\$ 318.59	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59			\$ 318.59	\$ 318.59	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,121.44	\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,121.44	\$ 1,457.70		\$ 318.59	\$ 318.59		\$ 318.59	\$ 318.59	
301	Cigna Network Model Plan	Retiree Only	\$ 1,349.60				\$ 959.57			\$ 269.76		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,349.60	\$ 1,349.60	\$ 1,754.28		\$ 959.57	\$ 959.57		\$ 269.76	\$ 269.76	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,349.60	\$ 1,349.60	\$ 1,754.28		\$ 959.57	\$ 959.57		\$ 269.76	\$ 269.76	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,349.60	\$ 1,349.60	\$ 1,754.28		\$ 959.57			\$ 269.76		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,754.28			\$ 1,754.28			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 270.87					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 270.87	\$ 270.87				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 270.87	\$ 270.87		\$ 270.87	\$ 270.87	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 270.87	\$ 270.87				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,138.98							\$ 183.84		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 181.09					
404	Kaiser (CA)	Retiree Excess I					\$ 739.52					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 710.93					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,264.86					
411	Kaiser (CA)	Family Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51					\$ 182.46	\$ 176.56	

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 2

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
413	Kaiser (CA)	One Advantage, One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 181.09	\$ 175.12		\$ 181.09	\$ 176.56	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 739.52	\$ 733.58		\$ 739.52	\$ 176.56	
418	Kaiser (CA)	Two+ Advantage					\$ 181.09	\$ 175.12				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 460.31	\$ 454.35				
420	Kaiser (CA)	Two+ Excess I					\$ 739.52	\$ 733.58				
421	Kaiser (CA)	Survivor				\$ 1,480.51			\$ 1,480.51			\$ 1,480.51
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 710.93	\$ 704.98		\$ 710.93	\$ 176.56	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,138.98	\$ 1,138.98	\$ 1,480.51		\$ 1,264.86	\$ 1,258.94		\$ 1,264.86	\$ 176.56	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 446.01	\$ 440.05				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 722.97	\$ 717.03				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 725.22	\$ 719.28				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 1,002.19	\$ 996.26				
430	Kaiser (CA)	Two Excess II - Part B					\$ 710.93	\$ 704.98				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 987.89	\$ 981.96				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,264.86	\$ 1,258.94				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,273.52							\$ 250.37		
451	Kaiser - Colorado	Retiree Risk					\$ 250.37					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,273.52	\$ 1,616.09						\$ 250.37	\$ 245.16	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,273.52	\$ 1,616.09	\$ 5,129.29					\$ 250.37	\$ 245.16	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,273.52	\$ 1,324.57			\$ 250.37	\$ 245.16		\$ 250.37	\$ 245.16	
457	Kaiser - Colorado	Two Retiree Risk					\$ 250.37	\$ 245.16				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,273.52	\$ 1,324.57	\$ 6,193.57		\$ 250.37	\$ 245.16		\$ 250.37	\$ 245.16	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 6,576.06		\$ 250.37	\$ 245.16		\$ 250.37	\$ 245.16	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 849.56					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 849.56					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 849.56					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 849.56	\$ 292.78				
461	Kaiser - Georgia Basic	Basic	\$ 1,395.53							\$ 297.87		
462	Kaiser - Georgia	Retiree Risk					\$ 297.87					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,395.53	\$ 1,452.44	\$ 7,210.90		\$ 297.87	\$ 292.78		\$ 297.87	\$ 292.78	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,395.53	\$ 1,452.44	\$ 7,210.84					\$ 297.87	\$ 292.78	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 489.29	\$ 1,452.43	\$ 7,210.84		\$ 297.87	\$ 292.78		\$ 297.87	\$ 292.78	
466	Kaiser - Georgia	Two Retiree Risk					\$ 297.87	\$ 292.78				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,202.32							\$ 275.95		
472	Kaiser - Hawaii	Retiree Risk					\$ 275.95					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,091.76					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,202.32	\$ 1,249.95						\$ 275.95	\$ 270.81	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,202.32	\$ 1,249.95	\$ 6,205.61					\$ 275.95	\$ 270.81	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,202.32	\$ 1,249.95	\$ 6,205.61		\$ 275.95	\$ 270.81		\$ 275.95	\$ 270.81	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,202.32	\$ 1,249.95	\$ 6,205.61		\$ 1,091.76	\$ 1,088.70		\$ 1,091.76	\$ 1,088.70	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 275.95	\$ 270.81				

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 2

Non Local 1014 Fire Fighters Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees			
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv	
481	Kaiser - Oregon	Retiree Basic (Under 65)	\$ 1,305.52								\$ 332.27		
482	Kaiser - Oregon	Retiree Risk					\$ 332.27						
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 843.48						
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,305.52	\$ 1,358.10							\$ 332.27	\$ 327.27	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,305.52	\$ 2,716.21	\$ 6,742.55						\$ 332.27	\$ 327.27	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,305.52	\$ 1,358.10	\$ 6,742.55		\$ 332.27	\$ 327.27			\$ 332.27	\$ 327.27	
488	Kaiser - Oregon	Two Retiree Risk					\$ 332.27	\$ 327.27					
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 723.09						
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 723.09	\$ 327.27					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,385.53	\$ 561.94			\$ 843.48	\$ 327.27			\$ 332.27	\$ 327.27	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,305.52	\$ 1,358.10			\$ 332.27	\$ 327.27			\$ 332.27	\$ 327.27	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,305.52	\$ 1,358.10	\$ 6,742.55		\$ 332.27	\$ 330.93			\$ 332.27	\$ 330.93	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 843.48	\$ 839.79					
496	Kaiser - Oregon	Two Medicare Part A only					\$ 723.09	\$ 719.09					
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,305.52	\$ 1,358.10			\$ 723.09	\$ 719.09			\$ 723.09	\$ 719.09	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,305.52	\$ 1,358.10			\$ 843.48	\$ 839.79			\$ 843.48	\$ 839.79	
611	SCAN Health Plan	Retiree Only					\$ 213.61						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 213.61	\$ 213.61					
701	United Healthcare	Retiree Only	\$ 1,223.44				\$ 257.55				\$ 257.55		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29		\$ 257.55	\$ 257.55			\$ 257.55	\$ 257.55	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 257.55	\$ 257.55			\$ 257.55	\$ 257.55	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29		\$ 257.55	\$ 257.55			\$ 257.55	\$ 257.55	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29		\$ 257.55	\$ 257.55			\$ 257.55	\$ 257.55	
706	United Healthcare	Minor Survivor							\$ 1,590.29				
707	United Healthcare	Single	\$ 1,223.44								\$ 259.26		
708	United Healthcare	Two-Party	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29						\$ 259.26	\$ 259.08	
709	United Healthcare	Family	\$ 1,223.44	\$ 1,223.44	\$ 1,590.29						\$ 259.26	\$ 259.08	

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 2

Fire Fighters Local 1014 Male Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
801	Firefighters' Local 1014	Med-Member under 65	\$ 1,544.34				\$ 571.41			\$ 571.41		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,544.34	\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,544.34	\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 571.41		\$ 571.41	\$ 571.41		\$ 571.41
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,544.34	\$ 2,007.42		\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41	\$ 571.41
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,544.34		\$ 571.41	\$ 571.41		\$ 571.41	\$ 571.41
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34		\$ 571.41	\$ 571.41		\$ 571.41	\$ 571.41
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34		\$ 571.41	\$ 571.41		\$ 571.41	\$ 571.41
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 571.41	\$ 571.41		\$ 571.41	\$ 571.41
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34		\$ 571.41	\$ 571.41		\$ 571.41	\$ 571.41
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 1,544.34	\$ 2,007.42	\$ 1,544.34		\$ 571.41	\$ 571.41		\$ 571.41	\$ 571.41
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 571.41	\$ 571.41		\$ 571.41	\$ 571.41

Dental/Vision Male Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 52.35		
502	Cigna Indemnity Dental/Vision	Family	\$ 52.35	\$ 56.19	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 52.35
901	Cigna Dental HMO/Vision	Retiree Only	\$ 47.17		
902	Cigna Dental HMO/Vision	Family	\$ 47.17	\$ 53.55	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 47.17

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 2

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
201	Anthem Blue Cross Prudent Buyer	Retiree Only	\$ 687.31				\$ 687.31			\$ 309.75		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 687.31	\$ 687.31	\$ 629.01		\$ 687.31	\$ 687.31		\$ 309.75	\$ 309.75	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 687.31	\$ 687.31	\$ 629.01		\$ 687.31	\$ 687.31		\$ 309.75	\$ 309.75	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 687.31	\$ 687.31	\$ 629.01		\$ 687.31			\$ 309.75		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 629.01			\$ 629.01			
211	Anthem Blue Cross I	Retiree Only	\$ 486.55				\$ 486.55			\$ 309.75		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 486.55	\$ 486.55	\$ 445.27		\$ 486.55	\$ 486.55		\$ 309.75	\$ 309.75	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 486.55	\$ 486.55	\$ 445.27		\$ 486.55	\$ 486.55		\$ 309.75	\$ 309.75	
214	Anthem Blue Cross I	Retiree and Children	\$ 486.55	\$ 486.55	\$ 445.27		\$ 486.55			\$ 309.75		
215	Anthem Blue Cross I	Minor Survivor				\$ 445.27			\$ 445.27			\$ 445.27
221	Anthem Blue Cross II	Retiree Only	\$ 984.90				\$ 984.90			\$ 309.75		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 984.90	\$ 984.90	\$ 901.35		\$ 984.90	\$ 984.90		\$ 309.75	\$ 309.75	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 984.90	\$ 984.90	\$ 901.35		\$ 984.90	\$ 984.90		\$ 309.75	\$ 309.75	
224	Anthem Blue Cross II	Retiree and Children	\$ 984.90	\$ 984.90	\$ 901.35		\$ 984.90			\$ 309.75		
225	Anthem Blue Cross II	Minor Survivor				\$ 901.35			\$ 901.35			\$ 901.35
240	Anthem Blue Cross III	One Medicare					\$ 309.75			\$ 309.75		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75			\$ 309.75	\$ 309.75	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75			\$ 309.75	\$ 309.75	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,090.31	\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,090.31	\$ 997.81		\$ 309.75	\$ 309.75		\$ 309.75	\$ 309.75	
301	Cigna Network Model Plan	Retiree Only	\$ 1,312.14				\$ 932.93			\$ 262.27		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,312.14	\$ 1,312.14	\$ 1,200.83		\$ 932.93	\$ 932.93		\$ 262.27	\$ 262.27	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,312.14	\$ 1,312.14	\$ 1,200.83		\$ 932.93	\$ 932.93		\$ 262.27	\$ 262.27	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,312.14	\$ 1,312.14	\$ 1,200.83		\$ 932.93			\$ 262.27		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,200.83			\$ 1,200.83			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 263.35					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 263.35	\$ 263.35		\$ 263.35	\$ 263.35	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 263.35	\$ 263.35				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 263.35	\$ 263.35		\$ 263.35	\$ 263.35	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 263.35	\$ 263.35		\$ 263.35	\$ 263.35	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 263.35	\$ 263.35				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,107.37							\$ 178.74		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 176.06					
404	Kaiser (CA)	Retiree Excess I					\$ 719.00					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 691.19					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,229.75					
411	Kaiser (CA)	Family Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42					\$ 177.40	\$ 171.66	

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



Tier 2

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
413	Kaiser (CA)	One Advantage, One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 176.06	\$ 170.26		\$ 176.06	\$ 171.66	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 719.00	\$ 713.22		\$ 719.00	\$ 171.66	
418	Kaiser (CA)	Two+ Advantage					\$ 176.06	\$ 170.26				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 447.53	\$ 441.74				
420	Kaiser (CA)	Two+ Excess I					\$ 719.00	\$ 713.22				
421	Kaiser (CA)	Survivor				\$ 1,013.42			\$ 1,013.42		\$ 1,013.42	
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 691.19	\$ 685.42		\$ 691.19	\$ 171.66	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,107.37	\$ 1,107.37	\$ 1,013.42		\$ 1,229.75	\$ 1,224.00		\$ 1,229.75	\$ 171.66	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 433.63	\$ 427.84				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 702.91	\$ 697.13				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 705.09	\$ 699.32				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 974.37	\$ 968.61				
430	Kaiser (CA)	Two Excess II - Part B					\$ 691.19	\$ 685.42				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 960.47	\$ 954.71				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,229.75	\$ 1,224.00				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,238.17							\$ 243.42		
451	Kaiser - Colorado	Retiree Risk					\$ 243.42					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,238.17	\$ 1,571.24						\$ 243.42	\$ 238.36	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,238.17	\$ 1,571.24	\$ 3,511.06					\$ 243.42	\$ 238.36	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,238.17	\$ 1,287.80			\$ 243.42	\$ 238.36		\$ 243.42	\$ 238.36	
457	Kaiser - Colorado	Two Retiree Risk					\$ 243.42	\$ 238.36				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,238.17	\$ 1,287.80	\$ 4,239.57		\$ 243.42	\$ 238.36		\$ 243.42	\$ 238.36	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 4,501.39		\$ 243.42	\$ 238.36		\$ 243.42	\$ 238.36	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 825.98					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 825.98					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 825.98					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 825.98	\$ 284.65				
461	Kaiser - Georgia Basic	Basic	\$ 1,356.79							\$ 289.60		
462	Kaiser - Georgia	Retiree Risk					\$ 289.60					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,356.79	\$ 1,412.12	\$ 4,935.95		\$ 289.60	\$ 284.65		\$ 289.60	\$ 284.65	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,356.79	\$ 1,412.12	\$ 4,935.90					\$ 289.60	\$ 284.65	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 475.71	\$ 1,412.11	\$ 4,935.90		\$ 289.60	\$ 284.65		\$ 289.60	\$ 284.65	
466	Kaiser - Georgia	Two Retiree Risk					\$ 289.60	\$ 284.65				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,168.94							\$ 268.29		
472	Kaiser - Hawaii	Retiree Risk					\$ 268.29					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,061.45					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,168.94	\$ 1,215.26						\$ 268.29	\$ 263.29	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,168.94	\$ 1,215.26	\$ 4,247.81					\$ 268.29	\$ 263.29	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,168.94	\$ 1,215.26	\$ 4,247.81		\$ 268.29	\$ 263.29		\$ 268.29	\$ 263.29	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,168.94	\$ 1,215.26	\$ 4,247.81		\$ 1,061.45	\$ 1,058.48		\$ 1,061.45	\$ 1,058.48	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 268.29	\$ 263.29				

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.



Tier 2

Non Local 1014 Fire Fighters Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees			
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv	
481	Kaiser - Oregon	Retiree Basic (Under 65)	\$ 1,269.28								\$ 323.05		
482	Kaiser - Oregon	Retiree Risk					\$ 323.05						
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 820.07						
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,269.28	\$ 1,320.41							\$ 323.05	\$ 318.19	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,269.28	\$ 2,640.81	\$ 4,615.35						\$ 323.05	\$ 318.19	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,269.28	\$ 1,320.41	\$ 4,615.35		\$ 323.05	\$ 318.19			\$ 323.05	\$ 318.19	
488	Kaiser - Oregon	Two Retiree Risk					\$ 323.05	\$ 318.19					
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 703.02						
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 703.02	\$ 318.19					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,347.07	\$ 546.34			\$ 820.07	\$ 318.19			\$ 323.05	\$ 318.19	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,269.28	\$ 1,320.41			\$ 323.05	\$ 318.19			\$ 323.05	\$ 318.19	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,269.28	\$ 1,320.41	\$ 4,615.35		\$ 323.05	\$ 321.74			\$ 323.05	\$ 321.74	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 820.07	\$ 816.48					
496	Kaiser - Oregon	Two Medicare Part A only					\$ 703.02	\$ 699.13					
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,269.28	\$ 1,320.41			\$ 703.02	\$ 699.13			\$ 703.02	\$ 699.13	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,269.28	\$ 1,320.41			\$ 820.07	\$ 816.48			\$ 820.07	\$ 816.48	
611	SCAN Health Plan	Retiree Only					\$ 207.68						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 207.68	\$ 207.68					
701	United Healthcare	Retiree Only	\$ 1,189.48				\$ 250.40				\$ 250.40		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57		\$ 250.40	\$ 250.40			\$ 250.40	\$ 250.40	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 250.40	\$ 250.40			\$ 250.40	\$ 250.40	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57		\$ 250.40	\$ 250.40			\$ 250.40	\$ 250.40	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57		\$ 250.40	\$ 250.40			\$ 250.40	\$ 250.40	
706	United Healthcare	Minor Survivor					\$ 1,088.57			\$ 1,088.57			
707	United Healthcare	Single	\$ 1,189.48								\$ 252.06		
708	United Healthcare	Two-Party	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57						\$ 252.06	\$ 251.89	
709	United Healthcare	Family	\$ 1,189.48	\$ 1,189.48	\$ 1,088.57						\$ 252.06	\$ 251.89	

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Tier 2

Fire Fighters Local 1014 Female Retirees

Deduct Code	Plan	Tier	Pre 65 Claim Costs				Post 65 Claim Costs for Post 65 Retirees			Post 65 Claim Costs for Pre 65 Retirees		
			Retiree	Spouse	Child	Surv	Retiree	Spouse	Surv	Retiree	Spouse	Surv
801	Firefighters' Local 1014	Med-Member under 65	\$ 1,501.48				\$ 555.55			\$ 555.55		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,501.48	\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,501.48	\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 555.55		\$ 555.55	\$ 555.55		\$ 555.55
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,501.48	\$ 1,374.10		\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55	\$ 555.55
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,501.48	\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55	\$ 555.55
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65	\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55	\$ 555.55
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65	\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55	\$ 555.55
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC					\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55	\$ 555.55
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC	\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55	\$ 555.55
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC	\$ 1,501.48	\$ 1,374.10	\$ 1,501.48		\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55	\$ 555.55
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC					\$ 555.55	\$ 555.55		\$ 555.55	\$ 555.55	\$ 555.55

Dental/Vision Female Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 51.59		
502	Cigna Indemnity Dental/Vision	Family	\$ 51.59	\$ 55.38	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 51.59
901	Cigna Dental HMO/Vision	Retiree Only	\$ 46.48		
902	Cigna Dental HMO/Vision	Family	\$ 46.48	\$ 52.77	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 46.48



Table A-22: Health Cost Trend Assumptions

The following table presents the trend assumptions without the impact of the Excise Tax.

	Fiscal Year Ending		LACERA Medical		Part B Premiums	Dental Under and Over 65	Weighted Average Trend
	From	To	Under 65	Over 65			
2016	6/30/2017	6/30/2018	4.40%	4.60%	6.80%	2.00%	4.57%
2017	6/30/2018	6/30/2019	6.70%	6.60%	7.70%	3.30%	6.50%
2018	6/30/2019	6/30/2020	6.50%	6.40%	5.65%	4.80%	6.24%
2019	6/30/2020	6/30/2021	5.70%	5.60%	5.60%	3.00%	5.45%
2020	6/30/2021	6/30/2022	5.30%	5.30%	5.60%	3.00%	5.18%
2021	6/30/2022	6/30/2023	5.30%	5.30%	5.60%	3.00%	5.18%
2022	6/30/2023	6/30/2024	5.30%	5.30%	5.60%	2.95%	5.18%
2023	6/30/2024	6/30/2025	5.30%	5.30%	5.60%	2.95%	5.18%
2024	6/30/2025	6/30/2026	5.30%	5.30%	5.60%	2.95%	5.19%
2025	6/30/2026	6/30/2027	5.30%	5.30%	5.60%	2.90%	5.19%
2026	6/30/2027	6/30/2028	5.40%	5.40%	5.60%	2.90%	5.27%
2036	6/30/2037	6/30/2038	5.50%	5.50%	5.05%	2.70%	5.31%
2046	6/30/2047	6/30/2048	5.20%	5.20%	4.60%	2.55%	5.02%
2056	6/30/2057	6/30/2058	5.10%	5.10%	4.50%	2.70%	4.94%
2066	6/30/2067	6/30/2068	4.90%	4.90%	4.50%	2.95%	4.80%
2076	6/30/2077	6/30/2078	4.40%	4.40%	4.50%	3.15%	4.39%
2086	6/30/2087	6/30/2088	4.40%	4.40%	4.35%	3.40%	4.37%
2096	6/30/2097	6/30/2098	4.40%	4.40%	4.35%	3.60%	4.38%
2101	6/30/2102	6/30/2103	4.40%	4.40%	4.35%	3.70%	4.38%

Note that after fiscal year ending June 30, 2028, selected years are shown in the table. The trend for the years not shown grade ratably into the next value shown in the table. After fiscal year ending June 30, 2074, the medical trend rate remains at 4.40%.

Table A-23: Retirement of Vested Terminated Members

Annual Rates			
Age	General Plans A, B, C, D & G	General Plan E	Safety Plans A, B & C
<40	0.00%	0.00%	0.00%
40	0.00%	0.00%	6.00%
41	0.00%	0.00%	6.00%
42	0.00%	0.00%	40.00%
43	0.00%	0.00%	35.00%
44	0.00%	0.00%	25.00%
45	0.00%	0.00%	25.00%
46	0.00%	0.00%	25.00%
47	0.00%	0.00%	25.00%
48	0.00%	0.00%	25.00%
49	0.00%	0.00%	25.00%
50	24.00%	0.00%	25.00%
51	7.00%	0.00%	11.00%
52	7.00%	0.00%	16.00%
53	7.00%	0.00%	16.00%
54	7.00%	0.00%	21.00%
55	10.00%	27.00%	30.00%
56	10.00%	7.00%	21.00%
57	10.00%	7.00%	24.00%
58	10.00%	6.00%	26.00%
59	12.00%	6.00%	27.00%
60	13.00%	8.00%	28.00%
61	14.00%	8.00%	29.00%
62	17.00%	10.00%	30.00%
63	20.00%	12.00%	31.00%
64	24.00%	24.00%	32.00%
65	28.00%	37.00%	100.00%
66	26.00%	16.00%	100.00%
67	27.00%	13.00%	100.00%
68	28.00%	12.00%	100.00%
69	28.00%	16.00%	100.00%
70	28.00%	20.00%	100.00%
71	28.00%	23.00%	100.00%
72	29.00%	24.00%	100.00%
73	30.00%	26.00%	100.00%
74	31.00%	31.00%	100.00%
75	100.00%	100.00%	100.00%
75 or older	100.00%	100.00%	100.00%



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Appendix B: Summary of Program Provisions



The following description of retiree health and death benefits is intended to be only a brief summary. For details, reference should be made to the County and LACERA agreements, and employee booklets.

All actuarial calculations are based on our understanding of the statutes governing LACERA as contained in the County Employees Retirement Law (CERL) of 1937 and the California Public Employees' Pension Reform Act of 2013 (PEPRA), with provisions adopted by the LACERA Board of Retirement, effective through July 1, 2013. The benefit and contribution provisions of this law are summarized briefly below. This summary does not attempt to cover all the detailed provisions of the law.

ELIGIBILITY FOR RETIREE HEALTH AND DEATH BENEFITS

Employees are eligible for the LACERA administered Retiree Healthcare Benefits Program if they are a member of LACERA and retire from the County of Los Angeles or Participating agencies of the County of Los Angeles. Health care benefits are also offered to qualifying survivors of deceased active employees who are eligible to retire at the time of death and to qualifying survivors of retired members. Since eligibility for retiree qualifying health and death benefits is dependent on receipt of a retirement benefit, the eligibility and other aspects of the retirement benefits are applicable for retirement health and death benefits. Participation in the Retiree Healthcare Benefits Program is for life in most instances.

New retirees have 60 days from the date of retirement, to sign up for medical and dental/vision coverage. If a retiree applies for coverage after the 60 day window, there is a waiting period of 6 months for medical enrollment and 1 year for dental/vision enrollment.

If a retiree's spouse or domestic partner is also a LACERA retiree there cannot be dual coverage. If the spouse or domestic partner is covering the retiree under medical or dental/vision, the retiree may not also enroll as a retiree in medical or dental/vision.

LACERA MEMBERSHIP

Permanent employees of Los Angeles County (County) and participating districts who work $\frac{3}{4}$ time or more are eligible for membership in LACERA.

Employees eligible for safety membership (law enforcement, fire fighters and specific lifeguards) become safety members on the first day of the month after date of hire. Employees who become members on or after January 1, 2013, will enter into Safety Plan C.

All other employees become general members on the first day of the month after date of hire, or the first day of the month after they make an election of either Plan D or Plan E, depending on the law in effect at that time. Employees who become members on or after January 1, 2013 will enter into General Plan G.

Elective officers become members on the first day of the month after filing a declaration with the Board of Retirement.

RETIREMENT PLANS

The County has established nine defined benefit plans. The following outlines the dates these plans were available, based on a member's date of entry into LACERA:

Safety Member Plans:

- Plan A: Inception to August 1977
- Plan B: September 1977 through December 2012
- Plan C: January 2013 to present

General Member Plans:

- Plan A: Inception through August 1977
- Plan B: September 1977 through September 1978
- Plan C: October 1978 through May 1979
- Plan D: June 1979 through December 2012
- Plan E: January 1982 through December 2012
- Plan G: January 2013 to present

NOTE: After review of a new member's account, a member with prior membership or reciprocity may be enrolled into one of the pre-PEPRA plans, if they meet eligibility requirements.

SERVICE RETIREMENT ELIGIBILITY

Plans A-D:

General Members:

Age 50 with 10 years of County service;
Any age with 30 years of service; or
Age 70 regardless of service.

Non-Contributory

Plan E:

Age 55 with 10 years of service.

Plan G: Age 52 with 5 years of service, or age 70 regardless of service.

Plans A-B: **Safety Members:**
Age 50 with 10 years of County service;
Any age with 20 years of service.

Plan C: **Safety Members:**
Age 50 with 5 years of service.

VESTING REQUIREMENT

Plans A-D, G: 5 years of County and reciprocal service. Member contributions must be left on deposit.

Plan E: 10 years of County and reciprocal service.

SERVICE-CONNECTED DISABILITY RETIREMENT ELIGIBILITY

Plans A-D, G: Any age or years of service; disability must result from occupational injury or disease, and member must be permanently incapacitated for the performance of duty.

Plan E: Not available under Plan E.

NONSERVICE-CONNECTED DISABILITY RETIREMENT ELIGIBILITY

Plans A-D, G: Any age with 5 years of service and permanently incapacitated for the performance of duty.

Plan E: Not available under Plan E.

SERVICE-CONNECTED PRE-RETIREMENT DEATH ELIGIBILITY

Plans A-D, G: Active members who die in service as a result of injury or disease arising out of and in the course of employment.

Plan E: Not available under Plan E.

NONSERVICE-CONNECTED PRE-RETIREMENT DEATH ELIGIBILITY

- Plans A-D, G:** Active members who die while in service or while physically or mentally incapacitated for the performance of duty.
- Plan E:** Not available under Plan E.

ELIGIBLE SURVIVING DEPENDENTS

In order for a survivor of a LACERA active member to receive health benefits, the LACERA active member has to be eligible for retirement at date of death. In order for a survivor of a retired LACERA member to be eligible to receive health benefits, the retired member needed to have had a retirement plan option which qualified as eligible for continuing retirement benefits to the survivor. If one of these requirements is met, the following survivors are eligible for health benefits:

- A surviving spouse or domestic partner
- Surviving children who are unmarried and natural or legally adopted or stepchildren. Must be under age 19 or up to age 22, if enrolled as full-time students
- A new spouse or domestic partner
- A newborn child, or legally adopted children

COUNTY CONTRIBUTIONS TOWARDS RETIREE HEALTH BENEFITS

Medical

If a retiree has 10 years of retirement service credit, the County contributes 40% of the health care plan premium or 40% of the benchmark plan rate, whichever is less. For each year of retirement service credit beyond 10 years, the County contributes an additional 4% per year, up to a maximum of 100% for a member with 25 years of service credit. Details of the benchmark plan rate are in the table below. Tier 2 is for County employees who are hired after June 30, 2014 and are eligible for LACERA membership.

Tier	<u>Pre / Post Medicare</u>	<u>Benchmark Plan</u>	<u>Benchmark Amount</u>
1	Pre	Anthem Blue Cross I & II	Same tier that member selects
1	Post	Anthem Blue Cross I & II	Same tier that member selects
2	Pre	Anthem Blue Cross I & II	Retiree only tier
2	Post	Anthem Blue Cross III	Retiree only tier

The County contribution can never exceed the premium of the benchmark plan; this means that if the premium for the chosen plan and coverage option exceeds the benchmark premium, the retiree is required to pay the difference, even if the retiree has 25 years of service. Likewise, if the retiree has 25 years of service and the plan premium is less than the benchmark rate, the County contributes 100% of the plan premium only, not the benchmark plan rate.

Dental / Vision

The contribution percentages follow the same contribution proportions based on years of service as the medical plans where the benchmark plan is the indemnity plan.

Disability

Any retiree with a service connected disability retirement with less than 13 years of service will receive a different County contribution for both medical and dental / vision plans. The County contributes 50% of the lesser of the benchmark plan rate or the premium of the plan the retiree is enrolled in. If a retiree with service connected disability retirement has 13 or more years of service, the County subsidy is the same as a non-disabled retiree.

FIREFIGHTERS LOCAL 1014 CONTRIBUTIONS TOWARDS RETIREE HEALTH BENEFITS

Medical, Dental / Vision, and Disability

Contributions are the same as for the County employees.

DEATH/BURIAL BENEFIT

There is a one-time lump sum \$5,000 death benefit payable to the designated beneficiary upon the death of retirees. Actives and Vested Terminated Inactives are eligible for this benefit once they retire. Spouses and Dependents are not eligible for this death benefit upon their death. This benefit does not go through the 401(h) or any other funding vehicle; rather, is paid by LACERA and billed directly to the County on a monthly basis.

HEALTH BENEFIT PLAN DESCRIPTIONS ARE IN APPENDIX E, F, G and H

Appendix E

Medical Plan Descriptions:

http://www.lacera.com/healthcare/pdf/healthcare_charts/plan_comparison.pdf
http://www.lacera.com/healthcare/pdf/healthcare_charts/plan_comparison_oa.pdf
http://www.lacera.com/healthcare/pdf/healthcare_charts/plan_comparison_medicare.pdf

Appendix F

Fire Fighters Local 1014 Medical Description: Selected pages from:

http://www.local1014medical.org/docs/2012spd_v5%20%283%29.pdf

Appendix G

Dental and Vision Plan Description:

http://www.lacera.com/healthcare/pdf/healthcare_charts/dental_vision_charts.pdf

Appendix H

Medicare Part B Reimbursement Plan Description:

http://www.lacera.com/healthcare/Medicare/medicare_a_b.html

Appendix C: Valuation Data and Schedules



Data on LACERA's retirement benefit program membership as of June 30, 2016 was supplied to us by LACERA's Systems Division staff. Active and vested terminated data is used from the 2016 retirement benefits program valuation. Data for retired members, survivors, and dependents was provided separately for this OPEB valuation. On the following tables, we present a summary of LACERA membership at June 30, 2016 for active, vested terminated, and retired members.

- Exhibit C-1: Summary of Active Members
- Exhibit C-2: Summary of Vested Terminated Members
- Exhibit C-3: Summary of Retired Members, Spouses, and Dependents
- Exhibit C-4: Age and Service Distribution of Active Members
- Exhibit C-5: Age and Service Distribution of Vested Terminated Members
- Exhibit C-6: Age and Service Distributions of Retired Members in Medical Plans
- Exhibit C-7: Age and Service Distributions of Spouses and Dependents of Retired Members in Medical Plans
- Exhibit C-8: Age and Service Distributions of Retired Members in Dental/Vision Plans
- Exhibit C-9: Age and Service Distributions of Spouses and Dependents of Retired Members in Dental/Vision Plans
- Exhibit C-10: Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 1
- Exhibit C-11: Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 2
- Exhibit C-12: Treatment of Incomplete Data

Note that Exhibits C-1 through C-9 were prepared using an "age nearest birthday" basis for calculating ages as used by our valuation system. Exhibit C-10 and C-11 were prepared using an "attained age" basis to reflect when someone becomes 65.

Exhibit C-1: Summary of Active Members

	Sex	Members		Annual Salary	Average Age	Average Credited Service
		Tier 1	Tier 2			
General Members- LA County*						
Plan A	M	69	-	\$ 7,670,808	68.2	36.8
	F	152	-	12,378,192	66.1	36.1
Plan B	M	22	-	1,842,684	65.4	38.4
	F	59	-	5,301,180	62.1	36.3
Plan C	M	25	-	2,088,756	63.5	37.8
	F	54	-	4,703,988	62.1	36.3
Plan D	M	14,762	43	1,239,292,656	48.7	15.7
	F	29,310	50	2,226,923,904	48.1	15.8
Plan E	M	6,389	-	509,692,860	53.1	19.7
	F	13,169	-	868,314,420	52.9	20.7
Plan G	M	1,645	3,170	271,358,088	36.5	1.6
	F	3,140	6,348	489,614,112	35.7	1.6
Total		68,796	9,611	\$ 5,639,181,648	47.3	14.4
Safety Members- LA County*						
Plan A	M	4	-	\$ 800,184	64.3	41.6
	F	-	-	-	-	-
Plan B	M	7,027	17	768,606,060	43.9	17.7
	F	1,550	4	163,602,072	41.8	15.2
Plan C	M	179	560	56,126,580	29.8	1.3
	F	60	114	13,468,368	29.2	1.6
Total		8,820	695	\$ 1,002,603,264	42.2	15.7
Safety Members- Local 1014						
Plan A	M	6	-	\$ 771,108	61.3	34.4
	F	-	-	-	-	-
Plan B	M	2,643	9	312,220,728	46.1	18.4
	F	53	-	5,776,212	43.7	16.2
Plan C	M	90	191	18,944,928	31.0	1.7
	F	3	5	563,388	31.8	1.4
Total		2,795	205	\$ 338,276,364	44.7	16.8

* LA County does not include Safety Local 1014, Superior Court, and SCAQMD members. LA County includes General Local 1014 members because on retirement they enroll in LA County coverage.

Exhibit C-1 (continued): Summary of Active Members

		<u>Members</u>			Average	Average Credited
Sex	Tier 1	Tier 2	Annual Salary	Age	Service	
General Members- Superior Court						
Plan A	M	7	-	\$ 817,176	70.6	27.4
	F	7	-	806,508	65.7	33.5
Plan B	M	2	-	248,100	65.0	15.3
	F	8	-	614,856	60.1	38.7
Plan C	M	-	-	-	-	-
	F	6	-	464,436	58.8	38.3
Plan D	M	543	5	40,057,872	50.4	19.2
	F	2,024	6	144,544,380	50.7	19.7
Plan E	M	338	-	24,579,144	51.9	21.0
	F	893	-	58,452,072	52.8	22.7
Plan G	M	18	163	10,291,956	36.9	1.1
	F	45	307	18,203,280	36.8	1.2
Total		3,891	481	\$ 299,079,780	49.6	18.2
General Members- SCAQMD						
Plan A	M	-	-	\$ -	-	-
	F	-	-	-	-	-
Plan B	M	-	-	-	-	-
	F	1	-	28,200	59.0	38.7
Plan C	M	-	-	-	-	-
	F	-	-	-	-	-
Plan D	M	-	-	-	-	-
	F	-	-	-	-	-
Plan E	M	-	-	-	-	-
	F	-	-	-	-	-
Plan G	M	-	-	-	-	-
	F	-	-	-	-	-
Total		1	-	\$ 28,200	59.0	38.7
All General Members						
Plan A	M	76	-	\$ 8,487,984	68.4	35.9
	F	159	-	13,184,700	66.1	36.0
Plan B	M	24	-	2,090,784	65.3	36.4
	F	68	-	5,944,236	61.8	36.6
Plan C	M	25	-	2,088,756	63.5	37.8
	F	60	-	5,168,424	61.7	36.5
Plan D	M	15,305	48	1,279,350,528	48.7	15.8
	F	31,334	56	2,371,468,284	48.3	16.0
Plan E	M	6,727	-	534,272,004	53.1	19.8
	F	14,062	-	926,766,492	52.9	20.9
Plan G	M	1,663	3,333	281,650,044	36.5	1.6
	F	3,185	6,655	507,817,392	35.7	1.5
Total		72,688	10,092	\$ 5,938,289,628	47.4	14.6
All Safety Members						
Plan A	M	10	-	\$ 1,571,292	62.5	37.3
	F	-	-	-	-	-
Plan B	M	9,670	26	1,080,826,788	44.5	17.9
	F	1,603	4	169,378,284	41.8	15.2
Plan C	M	269	751	75,071,508	30.1	1.4
	F	63	119	14,031,756	29.4	1.6
Total		11,615	900	\$ 1,340,879,628	42.8	16.0
Grand Total		84,303	10,992	\$ 7,279,169,256	46.8	14.8
Grand Total (Tiers Combined)		95,295				

This excludes 149 active pension members who are receiving retiree healthcare benefits.

Exhibit C-2: Summary of Vested Terminated Members

	Sex	Members		Average Age
		Tier 1	Tier 2	
General Members- LA County*				
Plan A	M	16	-	69.3
	F	33	-	66.1
Plan B	M	4	-	64.3
	F	14	-	65.7
Plan C	M	3	-	63.3
	F	9	-	61.6
Plan D	M	1,253	3	48.6
	F	2,437	4	46.9
Plan E	M	987	-	56.0
	F	2,202	-	55.7
Plan G	M	11	10	33.5
	F	27	12	36.4
Total		6,996	29	51.4

Safety Members- LA County*

Plan A	M	3	-	66.3
	F	-	-	-
Plan B	M	392	-	43.0
	F	119	1	43.2
Plan C	M	1	-	31.0
	F	-	-	-
Total		515	1	43.1

Safety Members- Local 1014

Plan A	M	-	-	-
	F	-	-	-
Plan B	M	39	-	40.4
	F	10	-	39.7
Plan C	M	1	-	29.0
	F	-	-	-
Total		50	-	40.1

* LA County Group does not include Safety Local 1014, Superior Court, and SCAQMD members.
 LA County includes General Local 1014 members because on retirement they enroll in LA County coverage.

Exhibit C-2 (continued): Summary of Vested Terminated Members

General Members- Superior Court

Plan A	M	2	-	64.0
	F	8	-	64.1
Plan B	M	-	-	-
	F	2	-	61.5
Plan C	M	-	-	-
	F	1	-	62.0
Plan D	M	66	-	48.0
	F	205	-	48.9
Plan E	M	97	-	53.5
	F	233	-	53.5
Plan G	M	-	1	35.0
	F	1	-	37.0
Total		615	1	51.6

General Members- SCAQMD

Plan A	M	-	-	-
	F	-	-	-
Plan B	M	-	-	-
	F	-	-	-
Plan C	M	-	-	-
	F	-	-	-
Plan D	M	-	-	-
	F	-	-	-
Plan E	M	-	-	-
	F	-	-	-
Plan G	M	-	-	-
	F	-	-	-
Total		-	-	-

All General Members

Plan A	M	18	-	68.7
	F	41	-	65.7
Plan B	M	4	-	64.3
	F	16	-	65.2
Plan C	M	3	-	63.3
	F	10	-	61.6
Plan D	M	1,319	3	48.6
	F	2,642	4	47.0
Plan E	M	1,084	-	55.8
	F	2,435	-	55.5
Plan G	M	11	11	33.6
	F	28	12	36.4
Total		7,611	30	51.4

All Safety Members

Plan A	M	3	-	66.3
	F	-	-	-
Plan B	M	431	-	42.7
	F	129	1	42.9
Plan C	M	2	-	30.0
	F	-	-	-
Total		565	1	42.9

Grand Total 8,176 31 50.8

Grand Total (Tiers Combined) 8,207

Pension data includes 5,285 non vested terminated members.
 This excludes 33 vested terminated pension members who are receiving retiree healthcare benefits.
 This also excludes 2 records of members who died before 7/1/2016.

Exhibit C-3: Summary of Retired Members, Spouses, and Dependents

Medical

Gender	Count					Average Age			
	Retirees and Survivors		Spouses and Dependents		Total	Retirees and Survivors	Spouses and Dependents	Total	
	Tier 1	Tier 2	Tier 1	Tier 2					
LA County	M	19,363	-	7,483	-	26,846	72.5	62.0	69.6
	F	24,667	-	14,064	-	38,731	73.7	63.0	69.8
	Total	44,030	-	21,547	-	65,577	73.2	62.7	69.7
Local 1014	M	1,476	-	161	-	1,637	69.5	22.6	64.9
	F	248	-	1,405	-	1,653	77.5	60.3	62.9
	Total	1,724	-	1,566	-	3,290	70.7	56.4	63.9
Superior Court	M	556	-	488	-	1,044	74.2	65.3	70.0
	F	1,537	-	352	-	1,889	72.6	62.1	70.6
	Total	2,093	-	840	-	2,933	73.0	64.0	70.4
SCAQMD	M	33	-	4	-	37	82.7	61.0	80.4
	F	23	-	22	-	45	82.8	76.0	79.5
	Total	56	-	26	-	82	82.7	73.7	79.9
Total Medical	M	21,428	-	8,136	-	29,564	72.4	61.4	69.3
	F	26,475	-	15,843	-	42,318	73.7	62.8	69.6
	Total	47,903	-	23,979	-	71,882	73.1	62.3	69.5
Tiers Combined	Total	47,903		23,979					

Dental/Vision

Gender	Count					Average Age			
	Retirees and Survivors		Spouses and Dependents		Total	Retirees and Survivors	Spouses and Dependents	Total	
	Tier 1	Tier 2	Tier 1	Tier 2					
LA County	M	19,774	-	8,265	-	28,039	72.3	62.5	69.4
	F	25,270	-	14,637	-	39,907	73.6	62.9	69.7
	Total	45,044	-	22,902	-	67,946	73.0	62.8	69.6
Local 1014	M	1,451	-	136	-	1,587	69.4	24.2	65.5
	F	231	-	1,362	-	1,593	77.3	62.0	64.2
	Total	1,682	-	1,498	-	3,180	70.5	58.6	64.9
Superior Court	M	543	-	552	-	1,095	74.2	66.3	70.2
	F	1,574	-	358	-	1,932	72.5	62.3	70.6
	Total	2,117	-	910	-	3,027	72.9	64.7	70.5
SCAQMD	M	32	-	4	-	36	83.5	61.0	81.0
	F	20	-	22	-	42	82.4	76.0	79.0
	Total	52	-	26	-	78	83.1	73.7	79.9
Total Dental/Vision	M	21,800	-	8,957	-	30,757	72.2	62.2	69.3
	F	27,095	-	16,379	-	43,474	73.6	62.8	69.5
	Total	48,895	-	25,336	-	74,231	72.9	62.6	69.4
Tiers Combined	Total	48,895		25,336					

Exhibit C-3 (continued): Summary of Retired Members, Spouses, and Dependents

Death Benefit *		Count					Average Age		
		Retirees		Spouses and Dependents		Total	Retirees	Spouses and Dependents	Total
		Tier 1	Tier 2	Tier 1	Tier 2				
Gender	Tier 1	Tier 2	Tier 1	Tier 2	Total	Retirees	Spouses and Dependents	Total	
LA County	M	23,145	-	NA	NA	23,145	71.7	NA	71.7
	F	25,599	-	NA	NA	25,599	72.3	NA	72.3
	Total	48,744	-	NA	NA	48,744	72.0	NA	72.0
Local 1014	M	1,474	-	NA	NA	1,474	69.5	NA	69.5
	F	7	-	NA	NA	7	70.6	NA	70.6
	Total	1,481	-	NA	NA	1,481	69.5	NA	69.5
Superior Court	M	685	-	NA	NA	685	72.7	NA	72.7
	F	1,847	-	NA	NA	1,847	71.1	NA	71.1
	Total	2,532	-	NA	NA	2,532	71.5	NA	71.5
SCAQMD	M	34	-	NA	NA	34	83.1	NA	83.1
	F	6	-	NA	NA	6	80.2	NA	80.2
	Total	40	-	NA	NA	40	82.7	NA	82.7
Total Death Benefit	M	25,338	-	NA	NA	25,338	71.6	NA	71.6
	F	27,459	-	NA	NA	27,459	72.2	NA	72.2
	Total	52,797	-	NA	NA	52,797	71.9	NA	71.9
Tiers Combined	Total	52,797		NA					

* Totals do not include 419 people that are both a Retiree and a Survivor, but have elected their Retiree Medical benefits as a Survivor.

Exhibit C-4: Age and Service Distribution of Active Members

Age	Members' Years of Service								Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Above	
Under 18	-	-	-	-	-	-	-	-	-
18-19	4	-	-	-	-	-	-	-	4
20-24	779	-	-	-	-	-	-	-	779
25-29	4,966	628	10	-	-	-	-	-	5,604
30-34	5,085	3,681	945	33	-	-	-	-	9,744
35-39	3,077	3,912	3,297	1,252	68	-	-	-	11,606
40-44	2,004	2,722	3,041	3,894	810	61	-	-	12,532
45-49	1,487	2,043	2,367	3,808	2,689	1,838	169	-	14,401
50-54	1,104	1,466	1,795	2,585	2,298	3,688	1,378	148	14,462
55-59	774	1,193	1,398	2,085	1,526	2,439	1,684	1,163	12,262
60-64	391	795	983	1,498	1,093	1,496	971	1,635	8,862
65-69	102	383	460	732	547	595	289	566	3,674
70-74	13	89	138	206	166	173	68	144	997
75-79	5	8	33	59	46	59	25	38	273
80-84	-	3	11	18	18	9	4	32	95
85 & Over	-	-	-	-	-	-	-	-	-
Total Count	19,791	16,923	14,478	16,170	9,261	10,358	4,588	3,726	95,295

This excludes 149 active retirement program members who are receiving retiree healthcare benefits.

Exhibit C-5: Age and Service Distribution of Vested Terminated Members

Age	Members' Years of Service								Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Above	
Under 18	-	-	-	-	-	-	-	-	-
18-19	-	-	-	-	-	-	-	-	-
20-24	3	-	-	-	-	-	-	-	3
25-29	40	37	1	-	-	-	-	-	78
30-34	101	240	36	-	-	-	-	-	377
35-39	195	434	132	20	-	-	-	-	781
40-44	227	513	282	86	11	4	-	-	1,123
45-49	183	513	512	199	73	15	1	-	1,496
50-54	161	354	593	254	126	59	14	-	1,561
55-59	87	242	416	189	78	64	27	8	1,111
60-64	75	188	474	170	63	72	30	62	1,134
65-69	27	99	211	79	14	5	2	4	441
70-74	11	10	28	18	7	1	-	-	75
75-79	5	2	8	3	2	1	1	-	22
80-84	2	1	-	-	-	1	-	-	4
85 & Over	-	1	-	-	-	-	-	-	1
Total Count	1,117	2,634	2,693	1,018	374	222	75	74	8,207

Retirement program data includes 5,282 non vested terminated members.

This table excludes 36 vested terminated retirement members who are receiving retiree healthcare and/or dental benefits.

This table excludes 2 vested terminated retirement members who died before 7/1/2016.



Exhibit C-6: Age and Service Distributions of Retired Members in Medical Plans

LA County
 Retirees and Survivors with Medical Coverage

Age	Retirees' Years of Service								Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above	Disableds	
Under 35	-	-	-	2	4	2	-	12	20
35-39	-	-	-	-	-	-	-	11	11
40-44	-	-	-	-	1	-	1	40	42
45-49	-	-	4	2	13	5	3	142	169
50-54	-	-	22	17	47	108	36	359	589
55-59	-	1	42	65	133	453	574	605	1,873
60-64	2	2	120	168	325	1,005	1,946	872	4,440
65-69	3	15	364	497	711	1,703	4,671	1,291	9,255
70-74	5	27	450	662	819	1,857	4,252	1,447	9,519
75-79	6	15	420	531	712	1,703	2,614	1,114	7,115
80-84	5	19	299	472	675	1,315	1,620	777	5,182
85-89	5	22	243	406	529	799	1,001	493	3,498
90-94	-	8	175	254	259	338	543	194	1,771
95-99	1	-	66	73	67	90	145	48	490
100 & Over	-	-	13	8	11	12	9	3	56
Total Count	27	109	2,218	3,157	4,306	9,390	17,415	7,408	44,030

Local 1014
 Retirees and Survivors with Medical Coverage

Age	Retirees' Years of Service								Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above	Disableds	
Under 35	-	-	-	-	-	-	-	1	1
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	2	2
45-49	-	-	-	-	-	1	-	5	6
50-54	-	-	-	1	1	1	-	11	14
55-59	-	-	1	2	2	22	64	140	231
60-64	-	-	1	-	1	35	49	223	309
65-69	-	-	2	1	3	18	46	192	262
70-74	-	-	-	-	-	11	46	268	325
75-79	-	-	-	-	2	9	16	164	191
80-84	-	-	-	-	3	13	18	160	194
85-89	-	-	-	1	1	21	33	80	136
90-94	-	-	1	-	1	8	15	25	50
95-99	-	-	-	-	-	1	1	1	3
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	-	5	5	14	140	288	1,272	1,724



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-6 (continued): Age and Service Distributions of Retired Members in Medical Plans

**Superior Court
 Retirees and Survivors with Medical Coverage**

Age	Retirees' Years of Service								Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above	Disableds	
Under 35	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	1	1
40-44	-	-	-	-	-	-	-	2	2
45-49	-	-	-	-	-	-	-	1	1
50-54	-	-	-	2	3	6	1	6	18
55-59	-	1	6	6	18	22	18	16	87
60-64	-	-	14	20	24	64	118	34	274
65-69	-	2	18	31	39	97	231	37	455
70-74	1	2	31	41	60	95	181	36	447
75-79	-	4	14	22	33	71	100	29	273
80-84	-	2	23	26	43	56	66	24	240
85-89	-	-	10	26	27	37	54	10	164
90-94	-	1	10	13	19	20	34	3	100
95-99	-	1	4	5	4	7	5	1	27
100 & Over	-	-	-	-	1	1	2	-	4
Total Count	1	13	130	192	271	476	810	200	2,093

**SCAQMD
 Retirees and Survivors with Medical Coverage**

Age	Retirees' Years of Service								Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above	Disableds	
Under 35	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-
65-69	1	-	-	-	-	1	2	-	4
70-74	1	1	-	-	-	-	1	2	5
75-79	-	-	-	-	-	1	5	1	7
80-84	1	-	-	1	3	2	5	1	13
85-89	-	-	2	1	4	2	7	-	16
90-94	-	-	3	2	2	3	-	-	10
95-99	-	-	-	-	-	-	1	-	1
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	3	1	5	4	9	9	21	4	56



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-6 (continued): Age and Service Distributions of Retired Members in Medical Plans

**All Members
 Retirees and Survivors with Medical Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	2	4	2	-	13	21
35-39	-	-	-	-	-	-	-	12	12
40-44	-	-	-	-	1	-	1	44	46
45-49	-	-	4	2	13	6	3	148	176
50-54	-	-	22	20	51	115	37	376	621
55-59	-	2	49	73	153	497	656	761	2,191
60-64	2	2	135	188	350	1,104	2,113	1,129	5,023
65-69	4	17	384	529	753	1,819	4,950	1,520	9,976
70-74	7	30	481	703	879	1,963	4,480	1,753	10,296
75-79	6	19	434	553	747	1,784	2,735	1,308	7,586
80-84	6	21	322	499	724	1,386	1,709	962	5,629
85-89	5	22	255	434	561	859	1,095	583	3,814
90-94	-	9	189	269	281	369	592	222	1,931
95-99	1	1	70	78	71	98	152	50	521
100 & Over	-	-	13	8	12	13	11	3	60
Total Count	31	123	2,358	3,358	4,600	10,015	18,534	8,884	47,903



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-7: Age and Service Distributions of Spouses and Dependents of Retired Members in Medical Plans

LA County
 Spouses and Dependents with Medical Coverage

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	1	-	53	75	165	577	947	765	2,583
35-39	-	1	1	4	8	16	29	29	88
40-44	-	-	4	3	13	18	28	39	105
45-49	-	-	12	9	22	65	104	127	339
50-54	-	-	15	23	42	212	319	289	900
55-59	1	-	26	40	97	432	713	455	1,764
60-64	-	7	68	82	186	666	1,401	542	2,952
65-69	2	9	143	201	304	788	2,023	702	4,172
70-74	4	8	145	260	350	749	1,665	631	3,812
75-79	1	3	133	179	272	602	982	335	2,507
80-84	1	6	67	135	179	364	480	167	1,399
85-89	-	3	29	60	84	181	231	75	663
90-94	-	1	23	30	28	49	75	21	227
95-99	1	-	4	9	5	7	5	2	33
100 & Over	-	-	-	-	1	-	2	-	3
Total Count	11	38	723	1,110	1,756	4,726	9,004	4,179	21,547

Local 1014
 Spouses and Dependents with Medical Coverage

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	1	2	1	30	59	188	281
35-39	-	-	-	-	-	-	-	1	1
40-44	-	-	-	-	-	1	-	4	5
45-49	-	-	-	-	-	-	-	3	3
50-54	-	-	1	2	3	15	48	103	172
55-59	-	-	1	-	-	31	50	194	276
60-64	-	-	1	-	1	10	32	166	210
65-69	-	-	1	1	1	11	39	197	250
70-74	-	-	-	-	1	11	19	134	165
75-79	-	-	-	-	3	5	9	94	111
80-84	-	-	-	-	-	10	6	49	65
85-89	-	-	-	-	-	6	9	10	25
90-94	-	-	-	-	-	-	2	-	2
95-99	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	-	5	5	10	130	273	1,143	1,566



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-7 (continued): Age and Service Distributions of Spouses and Dependents of Retired Members in Medical Plans

**Superior Court
 Spouses and Dependents with Medical Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	1	6	3	10	22	34	18	94
35-39	-	-	1	-	-	-	3	1	5
40-44	-	-	-	-	1	-	-	1	2
45-49	-	-	-	2	-	3	3	2	10
50-54	-	-	1	2	4	4	5	-	16
55-59	-	-	4	5	4	13	24	6	56
60-64	-	1	2	6	12	45	48	12	126
65-69	-	-	7	10	20	60	77	11	185
70-74	-	2	9	12	23	31	58	13	148
75-79	-	1	6	2	12	23	40	6	90
80-84	-	-	5	3	6	20	19	5	58
85-89	-	-	6	4	6	3	16	1	36
90-94	-	-	-	4	5	3	1	-	13
95-99	-	-	-	1	-	-	-	-	1
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	5	47	54	103	227	328	76	840

**SCAQMD
 Spouses and Dependents with Medical Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	-	-	-	-	1	1
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	1	1
50-54	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	1	-	1
60-64	-	-	-	-	-	-	-	-	-
65-69	1	1	-	-	-	-	1	1	4
70-74	-	-	-	1	-	-	4	1	6
75-79	-	-	-	-	1	2	1	1	5
80-84	-	-	1	-	-	1	2	-	4
85-89	-	-	1	-	-	-	1	-	2
90-94	-	-	1	-	-	-	1	-	2
95-99	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	1	1	3	1	1	3	11	5	26



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-7 (continued): Age and Service Distributions of Spouses and Dependents of Retired Members in Medical Plans

**All Members
 Spouses and Dependents with Medical Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	1	1	60	80	176	629	1,040	972	2,959
35-39	-	1	2	4	8	16	32	31	94
40-44	-	-	4	3	14	19	28	44	112
45-49	-	-	12	11	22	68	107	133	353
50-54	-	-	17	27	49	231	372	392	1,088
55-59	1	-	31	45	101	476	788	655	2,097
60-64	-	8	71	88	199	721	1,481	720	3,288
65-69	3	10	151	212	325	859	2,140	911	4,611
70-74	4	10	154	273	374	791	1,746	779	4,131
75-79	1	4	139	181	288	632	1,032	436	2,713
80-84	1	6	73	138	185	395	507	221	1,526
85-89	-	3	36	64	90	190	257	86	726
90-94	-	1	24	34	33	52	79	21	244
95-99	1	-	4	10	5	7	5	2	34
100 & Over	-	-	-	-	1	-	2	-	3
Total Count	12	44	778	1,170	1,870	5,086	9,616	5,403	23,979



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-8: Age and Service Distributions of Retired Members in Dental/Vision Plans

**LA County
 Retirees and Survivors with Dental/Vision Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	2	4	2	-	15	23
35-39	-	-	-	-	-	-	-	16	16
40-44	-	-	-	-	1	-	1	57	59
45-49	-	-	5	2	13	5	3	168	196
50-54	-	2	27	23	51	109	36	412	660
55-59	-	2	61	77	142	452	572	664	1,970
60-64	4	10	163	198	335	1,007	1,935	923	4,575
65-69	4	22	404	543	736	1,711	4,673	1,371	9,464
70-74	11	39	480	682	847	1,865	4,270	1,512	9,706
75-79	6	27	411	558	750	1,708	2,621	1,147	7,228
80-84	3	27	306	491	683	1,326	1,633	790	5,259
85-89	7	19	248	409	545	806	1,010	500	3,544
90-94	3	11	192	258	264	343	548	185	1,804
95-99	1	2	73	68	70	88	145	42	489
100 & Over	-	-	9	5	13	12	9	3	51
Total Count	39	161	2,379	3,316	4,454	9,434	17,456	7,805	45,044

**Local 1014
 Retirees and Survivors with Dental/Vision Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	2	2
45-49	-	-	-	-	-	1	-	3	4
50-54	-	-	-	1	1	1	-	11	14
55-59	-	-	1	2	2	22	64	139	230
60-64	-	-	1	-	1	35	47	218	302
65-69	-	-	2	1	4	17	46	190	260
70-74	-	-	-	-	-	11	45	265	321
75-79	-	-	-	-	2	9	16	161	188
80-84	-	-	-	-	3	12	18	154	187
85-89	-	-	-	-	1	21	30	76	128
90-94	-	-	-	-	-	8	14	21	43
95-99	-	-	-	-	-	1	1	1	3
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	-	4	4	14	138	281	1,241	1,682



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-8 (continued): Age and Service Distributions of Retired Members in Dental/Vision Plans

Superior Court

Retirees and Survivors with Dental/Vision Coverage

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	1	1
40-44	-	-	-	-	-	-	-	2	2
45-49	-	-	-	-	-	-	-	2	2
50-54	-	-	-	2	3	7	1	8	21
55-59	-	4	8	5	18	21	17	17	90
60-64	-	1	16	21	23	64	115	37	277
65-69	-	1	23	32	42	96	231	40	465
70-74	-	1	31	40	59	97	179	36	443
75-79	-	4	14	24	33	71	101	31	278
80-84	-	4	27	22	39	58	66	25	241
85-89	-	2	14	24	24	37	53	8	162
90-94	-	1	12	14	19	20	36	3	105
95-99	-	-	4	5	4	7	5	1	26
100 & Over	-	-	-	-	1	1	2	-	4
Total Count	-	18	149	189	265	479	806	211	2,117

SCAQMD

Retirees and Survivors with Dental/Vision Coverage

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-
65-69	1	-	-	-	-	1	2	-	4
70-74	-	1	-	-	-	-	1	2	4
75-79	-	-	-	-	-	1	5	1	7
80-84	-	-	-	1	2	2	5	1	11
85-89	-	-	2	-	3	2	7	-	14
90-94	-	-	3	2	2	3	-	-	10
95-99	-	-	-	1	-	-	1	-	2
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	1	1	5	4	7	9	21	4	52



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-8 (continued): Age and Service Distributions of Retired Members in Dental/Vision Plans

**All Members
 Retirees and Survivors with Dental/Vision Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	2	4	2	-	15	23
35-39	-	-	-	-	-	-	-	17	17
40-44	-	-	-	-	1	-	1	61	63
45-49	-	-	5	2	13	6	3	173	202
50-54	-	2	27	26	55	117	37	431	695
55-59	-	6	70	84	162	495	653	820	2,290
60-64	4	11	180	219	359	1,106	2,097	1,178	5,154
65-69	5	23	429	576	782	1,825	4,952	1,601	10,193
70-74	11	41	511	722	906	1,973	4,495	1,815	10,474
75-79	6	31	425	582	785	1,789	2,743	1,340	7,701
80-84	3	31	333	514	727	1,398	1,722	970	5,698
85-89	7	21	264	433	573	866	1,100	584	3,848
90-94	3	12	207	274	285	374	598	209	1,962
95-99	1	2	77	74	74	96	152	44	520
100 & Over	-	-	9	5	14	13	11	3	55
Total Count	40	180	2,537	3,513	4,740	10,060	18,564	9,261	48,895



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-9: Age and Service Distributions of Spouses and Dependents of Retired Members in Dental/Vision Plans

LA County
 Spouses and Dependents with Dental/Vision Coverage

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	2	4	72	91	175	587	947	890	2,768
35-39	-	2	1	5	7	19	32	34	100
40-44	-	1	4	4	13	20	33	43	118
45-49	-	-	12	12	22	65	103	152	366
50-54	-	-	19	22	46	213	313	325	938
55-59	3	1	29	51	99	426	707	481	1,797
60-64	1	7	86	104	200	669	1,396	589	3,052
65-69	4	12	166	233	334	835	2,093	762	4,439
70-74	1	9	170	273	381	798	1,750	659	4,041
75-79	-	4	129	204	300	650	1,039	359	2,685
80-84	3	6	83	161	208	402	520	189	1,572
85-89	1	1	35	77	94	197	251	79	735
90-94	1	1	24	34	39	48	79	21	247
95-99	-	1	4	9	7	9	8	1	39
100 & Over	-	-	-	-	2	1	2	-	5
Total Count	16	49	834	1,280	1,927	4,939	9,273	4,584	22,902

Local 1014
 Spouses and Dependents with Dental/Vision Coverage

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	1	1	2	27	48	163	242
35-39	-	-	-	-	-	-	-	2	2
40-44	-	-	-	-	-	-	2	7	9
45-49	-	-	-	1	1	2	4	17	25
50-54	-	-	1	1	-	6	25	66	99
55-59	-	-	2	-	-	22	50	130	204
60-64	-	-	1	1	1	22	36	200	261
65-69	-	-	-	-	1	10	34	187	232
70-74	-	-	-	-	1	15	22	147	185
75-79	-	-	-	-	3	5	14	94	116
80-84	-	-	-	-	-	9	10	64	83
85-89	-	-	-	-	-	9	10	16	35
90-94	-	-	-	-	-	1	1	2	4
95-99	-	-	-	-	-	-	1	-	1
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	-	5	4	9	128	257	1,095	1,498



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-9 (continued): Age and Service Distributions of Spouses and Dependents of Retired Members in Dental/Vision Plans

**Superior Court
 Spouses and Dependents with Dental/Vision Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	2	6	2	7	25	29	21	92
35-39	-	-	1	-	-	-	3	1	5
40-44	-	-	-	-	1	-	-	-	1
45-49	-	-	-	2	-	3	3	2	10
50-54	-	1	1	-	4	4	6	3	19
55-59	-	-	4	5	6	14	22	7	58
60-64	-	1	2	6	16	45	48	12	130
65-69	-	-	11	13	22	61	82	13	202
70-74	-	-	13	16	25	33	66	16	169
75-79	-	-	9	6	11	24	42	9	101
80-84	-	1	6	3	8	21	21	6	66
85-89	-	-	6	5	6	3	15	2	37
90-94	-	-	2	5	5	4	2	-	18
95-99	-	-	-	1	-	-	-	-	1
100 & Over	-	-	-	-	1	-	-	-	1
Total Count	-	5	61	64	112	237	339	92	910

**SCAQMD
 Spouses and Dependents with Dental/Vision Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	-	-	-	-	-	1	1
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	1	1
50-54	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	1	-	1
60-64	-	-	-	-	-	-	-	-	-
65-69	1	1	-	-	-	-	1	1	4
70-74	-	-	-	1	-	-	4	1	6
75-79	-	-	-	-	1	2	1	1	5
80-84	-	-	1	-	-	1	2	-	4
85-89	-	-	1	-	-	-	1	-	2
90-94	-	-	1	-	-	-	1	-	2
95-99	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	1	1	3	1	1	3	11	5	26



Exhibit C-9 (continued): Age and Service Distributions of Spouses and Dependents of Retired Members in Dental/Vision Plans

**All Members
 Spouses and Dependents with Dental/Vision Coverage**

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	2	6	79	94	184	639	1,024	1,075	3,103
35-39	-	2	2	5	7	19	35	37	107
40-44	-	1	4	4	14	20	35	50	128
45-49	-	-	12	15	23	70	110	172	402
50-54	-	1	21	23	50	223	344	394	1,056
55-59	3	1	35	56	105	462	780	618	2,060
60-64	1	8	89	111	217	736	1,480	801	3,443
65-69	5	13	177	246	357	906	2,210	963	4,877
70-74	1	9	183	290	407	846	1,842	823	4,401
75-79	-	4	138	210	315	681	1,096	463	2,907
80-84	3	7	90	164	216	433	553	259	1,725
85-89	1	1	42	82	100	209	277	97	809
90-94	1	1	27	39	44	53	83	23	271
95-99	-	1	4	10	7	9	9	1	41
100 & Over	-	-	-	-	3	1	2	-	6
Total Count	17	55	903	1,349	2,049	5,307	9,880	5,776	25,336



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-10: Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 1

	Retirees and Survivors			Spouses and Dependents			Total		
	Pre 65	Post 65	Total	Pre 65	Post 65	Total	Pre 65	Post 65	Total
<u>Medical Plans</u>									
Blue Cross I	194	1,188	1,382	201	270	471	395	1,458	1,853
Blue Cross II	1,974	2,755	4,729	2,151	1,020	3,171	4,125	3,775	7,900
Blue Cross III	234	10,853	11,087	974	4,008	4,982	1,208	14,861	16,069
Blue Cross Prudent Buyer Plan	399	927	1,326	430	258	688	829	1,185	2,014
CIGNA Healthcare for Seniors	1	49	50	11	20	31	12	69	81
CIGNA Network Model Plan	129	473	602	130	123	253	259	596	855
Kaiser (Other)	58	322	380	43	99	142	101	421	522
Kaiser (CA)	4,069	18,448	22,517	4,286	6,142	10,428	8,355	24,590	32,945
United Healthcare	1,165	2,582	3,747	1,225	925	2,150	2,390	3,507	5,897
SCAN Health Plan	2	357	359	2	95	97	4	452	456
Firefighters' Local 1014	583	1,141	1,724	974	592	1,566	1,557	1,733	3,290
Total Medical	8,808	39,095	47,903	10,427	13,552	23,979	19,235	52,647	71,882
<u>Medicare Part B Coverage</u>									
LA County									
Receiving Reimbursement	819	28,865	29,684	2,382	10,401	12,783	3,201	39,266	42,467
Not Receiving Reimbursement	6,995	7,351	14,346	6,733	2,031	8,764	13,728	9,382	23,110
Total	7,814	36,216	44,030	9,115	12,432	21,547	16,929	48,648	65,577
Firefighters' Local 1014									
Receiving Reimbursement	28	1,120	1,148	188	586	774	216	1,706	1,922
Not Receiving Reimbursement	555	21	576	786	6	792	1,341	27	1,368
Total	583	1,141	1,724	974	592	1,566	1,557	1,733	3,290
Superior Court									
Receiving Reimbursement	65	1,345	1,410	102	416	518	167	1,761	1,928
Not Receiving Reimbursement	346	337	683	232	90	322	578	427	1,005
Total	411	1,682	2,093	334	506	840	745	2,188	2,933
SCAQMD									
Receiving Reimbursement	-	42	42	2	17	19	2	59	61
Not Receiving Reimbursement	-	14	14	2	5	7	2	19	21
Total	-	56	56	4	22	26	4	78	82
All Members									
Receiving Reimbursement	912	31,372	32,284	2,674	11,420	14,094	3,586	42,792	46,378
Not Receiving Reimbursement	7,896	7,723	15,619	7,753	2,132	9,885	15,649	9,855	25,504
Grand Total Medicare Part B	8,808	39,095	47,903	10,427	13,552	23,979	19,235	52,647	71,882
<u>Dental/Vision Plans</u>									
LA County									
Cigna Indemnity Dental/Vision	6,257	33,632	39,889	7,848	12,624	20,472	14,105	46,256	60,361
Cigna Dental HMO/Vision	1,242	3,913	5,155	1,291	1,139	2,430	2,533	5,052	7,585
Total	7,499	37,545	45,044	9,139	13,763	22,902	16,638	51,308	67,946
Firefighters' Local 1014									
Cigna Indemnity Dental/Vision	537	1,101	1,638	822	638	1,460	1,359	1,739	3,098
Cigna Dental HMO/Vision	15	29	44	20	18	38	35	47	82
Total	552	1,130	1,682	842	656	1,498	1,394	1,786	3,180
Superior Court									
Cigna Indemnity Dental/Vision	332	1,552	1,884	279	541	820	611	2,093	2,704
Cigna Dental HMO/Vision	61	172	233	36	54	90	97	226	323
Total	393	1,724	2,117	315	595	910	708	2,319	3,027
SCAQMD									
Cigna Indemnity Dental/Vision	-	50	50	3	23	26	3	73	76
Cigna Dental HMO/Vision	-	2	2	-	-	-	-	2	2
Total	-	52	52	3	23	26	3	75	78
All Members									
Cigna Indemnity Dental/Vision	7,126	36,335	43,461	8,952	13,826	22,778	16,078	50,161	66,239
Cigna Dental HMO/Vision	1,318	4,116	5,434	1,347	1,211	2,558	2,665	5,327	7,992
Grand Total Dental/Vision	8,444	40,451	48,895	10,299	15,037	25,336	18,743	55,488	74,231

Exhibit C-10 (continued): Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 1

	Retirees			Spouses			Total		
	Pre 65	Post 65	Total	Pre 65	Post 65	Total	Pre 65	Post 65	Total
<u>Death Benefit*</u>									
LA County	10,406	38,338	48,744	NA	NA	NA	10,406	38,338	48,744
Firefighters' Local 1014	551	930	1,481	NA	NA	NA	551	930	1,481
Superior Court	637	1,895	2,532	NA	NA	NA	637	1,895	2,532
SCAQMD	-	40	40	NA	NA	NA	-	40	40
Grand Total Death Benefit	11,594	41,203	52,797	NA	NA	NA	11,594	41,203	52,797

* Totals do not include 419 people that are both a Retiree and a Survivor, but have elected their Retiree Medical benefits as a Survivor.

Exhibit C-11: Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 2

	Retirees and Survivors			Spouses and Dependents			Total		
	Pre 65	Post 65	Total	Pre 65	Post 65	Total	Pre 65	Post 65	Total
<u>Medical Plans</u>									
Blue Cross I	-	-	-	-	-	-	-	-	-
Blue Cross II	-	-	-	-	-	-	-	-	-
Blue Cross III	-	-	-	-	-	-	-	-	-
Blue Cross Prudent Buyer Plan	-	-	-	-	-	-	-	-	-
CIGNA Healthcare for Seniors	-	-	-	-	-	-	-	-	-
CIGNA Network Model Plan	-	-	-	-	-	-	-	-	-
Kaiser (Other)	-	-	-	-	-	-	-	-	-
Kaiser (CA)	-	-	-	-	-	-	-	-	-
United Healthcare	-	-	-	-	-	-	-	-	-
SCAN Health Plan	-	-	-	-	-	-	-	-	-
Firefighters' Local 1014	-	-	-	-	-	-	-	-	-
Total Medical	-	-	-	-	-	-	-	-	-
<u>Medicare Part B Coverage</u>									
LA County									
Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Not Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Firefighters' Local 1014									
Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Not Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Superior Court									
Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Not Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
SCAQMD									
Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Not Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
All Members									
Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Not Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Grand Total Medicare Part B	-	-	-	-	-	-	-	-	-
<u>Dental/Vision Plans</u>									
LA County									
Cigna Indemnity Dental/Vision	-	-	-	-	-	-	-	-	-
Cigna Dental HMO/Vision	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Firefighters' Local 1014									
Cigna Indemnity Dental/Vision	-	-	-	-	-	-	-	-	-
Cigna Dental HMO/Vision	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Superior Court									
Cigna Indemnity Dental/Vision	-	-	-	-	-	-	-	-	-
Cigna Dental HMO/Vision	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
SCAQMD									
Cigna Indemnity Dental/Vision	-	-	-	-	-	-	-	-	-
Cigna Dental HMO/Vision	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
All Members									
Cigna Indemnity Dental/Vision	-	-	-	-	-	-	-	-	-
Cigna Dental HMO/Vision	-	-	-	-	-	-	-	-	-
Grand Total Dental/Vision	-	-	-	-	-	-	-	-	-

Exhibit C-11 (continued): Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 2

	Retirees			Spouses			Total		
	<u>Pre 65</u>	<u>Post 65</u>	<u>Total</u>	<u>Pre 65</u>	<u>Post 65</u>	<u>Total</u>	<u>Pre 65</u>	<u>Post 65</u>	<u>Total</u>
<u>Death Benefit *</u>									
LA County	-	-	-	NA	NA	NA	-	-	-
Firefighters' Local 1014	-	-	-	NA	NA	NA	-	-	-
Superior Court	-	-	-	NA	NA	NA	-	-	-
SCAQMD	-	-	-	NA	NA	NA	-	-	-
Grand Total Death Benefit	-	-	-	NA	NA	NA	-	-	-

* Totals do not include 419 people that are both a Retiree and a Survivor, but have elected their Retiree Medical benefits as a Survivor.

Exhibit C-12: Treatment of Incomplete Data

ID	Size	Situation	Assumption and Resolution
1	2 medical 0 dental	Retirees had YOS (Years of Service) of zero.	YOS was calculated using DOR (Date of Retirement) minus DOH (Date of Hire).
2	2 medical 8 dental	Retirees did not have a valid gender.	Half of the retirees were designated as males and half as females (based off the distribution of gender amongst retiree records).
3	2 medical 1 dental	Dependent did not have a valid gender.	Dependent was given gender opposite of the retiree.
4	342 medical N/A dental	There were no children listed in Retiree and Family or Retiree and Children deduction codes.	To be consistent with the tier, children were added. Children were designated as 19 years old since the average age of LACERA children under 26 is 19; half were listed as male and half as female. Children were not added for Kaiser plans, based on previous discussions with LACERA.
5	1,587 medical 645 dental	There was no spouse listed in Retiree and Spouse, Retiree & Family, or Retiree +1 deduction codes.	To be consistent with the tier, spouses were added. Even in the Retiree+1 case, a spouse was added rather than a child as this is a more conservative addition. Spouses were given a gender opposite of the retiree and DOB (Date of Birth) was determined according to the marriage age difference assumption.
6	0 medical 1 dental	Retiree did not have a valid DOB	DOB was given to the retiree based off the average DOB of retirees in dental data.
7	0 medical 1 dental	Dependent had DepType (Dependent Type) of "O".	DepType was changed to "C" based on the dependent's DOB.
8	107 medical 111 dental	Members were deceased before 7/1/2016.	Removed records from data.

Appendix D: Glossary



The following definitions are excerpts from other actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to LACERA. Defined terms are capitalized throughout this Appendix.

Actuarial Accrued Liability

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of postemployment plan benefits and expenses which is not provided for by future Normal Costs.

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting OPEB costs, such as: mortality, termination of employment, disability, retirement; changes in medical costs; and other relevant items.

Actuarial Cost Method

A procedure for determining the Actuarial Present Value of OPEB program benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarial Gain (Loss)

A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

Actuarial Valuation

The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for an OPEB plan.

Actuarial Value of Assets

The value of cash, investments and other property belonging to an OPEB plan, as used by the actuary for the purpose of an Actuarial Valuation.

Amortization Payment

That portion of the ARC that is designed to recognize interest on and to amortize the Unfunded Actuarial Accrued Liability.

Annual Required Contributions (“ARC”)	This is the employer’s periodic required contribution to a defined benefit OPEB plan, calculated in accordance with the set of requirements for calculating actuarially determined OPEB information included in financial reports.
Attribution Period	The period of an employee’s service to which the expected postretirement benefit obligation for that employee is assigned. The beginning of the attribution period is the employee’s date of hire. The end of the attribution period is the time of assumed exit from OPEB active member status.
Benefit Payments	The monetary or in-kind benefits or benefit coverage to which participants may be entitled under a post employment benefit plan, including health care benefits and life insurance not provided through a retirement program.
GASB 43	The statement that establishes financial reporting standards for postemployment benefit <u>plans</u> other than retirement programs.
GASB 45	The statement that establishes financial reporting standards for <u>employers</u> that sponsor postemployment benefits other than retirement programs.
Net OPEB Obligation	This is the cumulative difference since the effective date of this statement between annual OPEB cost and the employer’s contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB related debt.
Normal Cost	That portion of the Actuarial Present Value of OPEB plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
Other Postemployment Benefits (“OPEB”)	This refers to postemployment benefits other than retirement program benefits, including healthcare benefits regardless of the type of plan that provides them, and all other postemployment benefits provided separately from a retirement program, excluding benefits defined as termination benefits or offers.

Present Value of Future Benefits	<p>This is the value, as of the applicable date, of future payments for benefits and expenses under the Plan, where each payment is:</p> <ul style="list-style-type: none">(a) Multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and(b) Discounted at the assumed discount rate.
Projected Benefits	<p>Those OPEB plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.</p>
Substantive Plan	<p>The terms of the OPEB plan as understood by an employer that provides postretirement benefits and the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for the plan.</p>
Trend Rate	<p>The rate of increase in per person health costs paid by a plan as a result of factors such as price increases, utilization of healthcare services, plan design, and technological developments.</p>
Unfunded Actuarial Accrued Liability	<p>The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.</p>

Appendix E: Medical Plan Comparisons

Comparisons are from the following areas of the LACERA website:

http://www.lacera.com/healthcare/pdf/healthcare_charts/plan_comparison.pdf

http://www.lacera.com/healthcare/pdf/healthcare_charts/plan_comparison_ooa.pdf

http://www.lacera.com/healthcare/pdf/healthcare_charts/plan_comparison_medicare.pdf

COMPARISON OF MEDICAL PLANS

2016

Effective July 1, 2016

Indemnity Medical Plans

- Anthem Blue Cross I
- Anthem Blue Cross II
- Anthem Blue Cross Prudent Buyer Plan

Health Maintenance Organizations (HMOs)

- Cigna Network Model Plan (Arizona and California only)
- Kaiser Permanente (California only)
- UnitedHealthcare

This chart represents a summary of benefits only. Additional benefit information is provided by each insurance carrier. This chart does not replace or modify the official documents that legally govern each plan's operation.

The benefits offered by all LACERA-administered health plans change when an enrolled member permanently moves outside the provider network area. Moving to a location outside the coverage area can impact your plan's rates and coverage levels.

Indemnity Insurance Plans

	Anthem Blue Cross I	Anthem Blue Cross II
Calendar Year Deductibles/Copayments	\$100 – individual; \$100 – family	\$500 – individual; \$1,500 – family
Annual Maximum Out-of-Pocket Expenses (for most services)	N/A	\$2,500, including deductible (Does not include amounts over allowable charges)
Lifetime Maximum Benefits	\$1,000,000	\$1,000,000
Hospital Benefits		
Room and Board	\$75 per day maximum ¹ ; \$150 per day maximum special care unit ¹	90% for PPO hospital ² ; 80% non-PPO for semi-private room; special care unit up to 2.5 times semi-private room rate
Surgical Services	80% ¹	80%
Hospital Services and Supplies	100% ¹	90% PPO hospital ² ; 80% non-PPO hospital
Hospital Admission Authorization Requirements	Preadmission authorization required in advance (on first business day following emergency admission) unless covered by Medicare Part A. \$200 deductible for unauthorized hospital admission or late notice	Preadmission authorization required in advance (on first business day following emergency admission) unless covered by Medicare Part A. \$200 deductible for unauthorized hospital admission or late notice
Nursing Benefits		
Skilled Nursing Facility Care	70% (in-network) or 50% (out-of-network) up to \$150 per day for up to 100 days per calendar year ¹	70% (in-network) or 50% (out-of-network) up to 100 days per calendar year ¹
Private Duty Nurses	80% in accordance with requirements	80% in accordance with requirements
Home Healthcare	100% in accordance with requirements ¹	100% in accordance with requirements ¹
Hospice Care	100% up to plan limitations, in accordance with requirements ¹	100% in accordance with requirements ¹
Emergency Benefits		
Inpatient	\$75 per day ¹ maximum; \$150 per day maximum special care unit ¹	90% PPO hospital ² ; 80% non-PPO hospital
Outpatient	100% at a hospital only ¹	80%
Ambulance	80% for transportation to first hospital where care is given	80% for transportation to first hospital where care is given
Outpatient Benefits		
Doctor's Office Visits	80%	80%
Preadmission X-Ray and Lab Tests	100% ¹	100% ¹
Routine Checkups, CA only		
—Adult	\$25 copay; covered in-network only; maximum of \$250	\$25 copay; covered in-network only; maximum of \$250
—Children Under 17	\$25 copay in-network; 80% out-of-network	\$25 copay in-network; 80% out-of-network
Immunizations	Not covered except for children under age 17	Not covered except for children under age 17
Outpatient Surgical Services	100% ¹	100% ¹ (80% hospital facility fees)
Physical Therapy	80% in accordance with requirements	80% in accordance with requirements
Speech Therapy	80% in accordance with requirements	80% in accordance with requirements
Maternity	80% in accordance with requirements	80% in accordance with requirements
Prescription Drug Benefits		
Prescription Drugs	Retail: 80% in-network; 60% out-of-network Mail order: \$10 generic/\$30 brand/\$50 non-preferred brand/ \$150 specialty copay for 90-day supply (Copay prorated for less than 90-day supply)	Retail: 80% in-network; 60% out-of-network Mail order: \$10 generic/\$30 brand/\$50 non-preferred brand/ \$150 specialty copay for 90-day supply (Copay prorated for less than 90-day supply)
Mental Health and Substance Abuse Benefits		
Inpatient	\$75 per day ¹ maximum; \$150 per day maximum intensive care ¹	90% PPO; 80% non-PPO
Outpatient	80% of covered expenses	80% of covered expenses
Vision Benefits		
Eye Exams	Covered after accident only ³	Covered after accident only ³
Lenses	Covered after accident ³ and after eye surgery	Covered after accident ³ and after eye surgery
Frames	Covered after accident ³ or eye surgery only	Covered after accident ³ or eye surgery only
Hearing Care Benefits		
Hearing Exams	Covered after accident only ³	Covered after accident only ³
Hearing Aids	Covered after accident only ³	Covered after accident only ³

Comparison of Medical Plans

HMOs

Anthem Blue Cross Prudent Buyer Plan	Cigna Network Model Plan
\$100 – individual; \$200 – family	None
N/A	\$1,500 – individual; \$3,000 – family
\$1,000,000	Unlimited
80% Prudent Buyer; 70% non-Prudent Buyer with \$75 per day maximum; \$150 per day intensive care (for non-Prudent Buyer)	No charge
80% Prudent Buyer; 70% non-Prudent Buyer	No charge for inpatient or outpatient
80% Prudent Buyer; 70% non-Prudent Buyer (up to \$250 per day for non-Prudent Buyer)	No charge
Authorization by a Prudent Buyer physician required. Non-Prudent Buyer physicians must contact Anthem Blue Cross	Authorization by a Cigna HealthCare physician required within 48 hours in case of emergency outside service area
80% of semi-private room rate for up to 100 days per confinement period	No charge; limit 60 days per contract year (limit 100 days per contract year for CA only)
80% in accordance with requirements	No charge if authorized by a Cigna HealthCare physician (100 visits per contract year together with Home Healthcare)
100% in accordance with requirements	No charge; limited 60 visits per contract year (100 visits per contract year for CA only) together with Private Duty Nursing
100% up to plan limitations, in accordance with requirements ¹	No charge
80% Prudent Buyer; 70% non-Prudent Buyer	No charge
80% Prudent Buyer; 70% non-Prudent Buyer	\$50 copay; waived if admitted; \$25 copay for urgent care center
80%	No charge when true emergency authorized by a Cigna HealthCare physician
80% Prudent Buyer; 70% non-Prudent Buyer	\$5 copay
100% Prudent Buyer; 70% non-Prudent Buyer	No charge
\$25 copay; covered in-network only; maximum of \$250 \$25 copay in-network; out-of-network covered up to \$20	\$5 copay
Not covered except for children under age 17	No charge (after \$5 office visit copay, if applicable)
100% ¹ Prudent Buyer (Hospital facility fees: 80% Prudent Buyer; 70% non-Prudent Buyer)	No charge
80% Prudent Buyer; 70% non-Prudent Buyer	\$20 copay; limited 20 days for all therapies combined (unlimited days based on medical necessity for CA only)
80% in accordance with requirements	\$20 copay; limited 20 days for all therapies combined (unlimited days based on medical necessity for CA only)
80% Prudent Buyer; 70% Non-Prudent Buyer; in accordance with requirements	\$5 copay for initial visit to confirm pregnancy; no charge for subsequent maternity visits
Retail: 80% in-network; out-of network coverage may vary. Contact Anthem Blue Cross for more information. Mail order: \$10 generic/\$30 brand/\$50 non-preferred brand/\$150 specialty for a 90-day supply /specialty copay prorated for less than 90-day supply	Retail: \$7 copay for 30-day supply; Mail order: \$14 copay for 90-day supply
80% Prudent Buyer; 70% non-Prudent Buyer	No charge for an unlimited number of days
80% Prudent Buyer; 70% non-Prudent Buyer	No charge for an unlimited number of visits
Not covered	\$10 copay; limit one exam every 12 months through Cigna Vision
One pair, after eye surgery	Covered after cataract surgery
Not covered	Not covered
Not covered	Not covered
Not covered	Not covered

Kaiser Permanente	UnitedHealthcare⁴
None	None
Maximum copays of \$1,500 per individual, \$3,000 per family	Maximum copays of \$2,000 per individual, \$6,000 per family
Unlimited	Unlimited
No charge	No charge
No charge for inpatient; \$5 copay for outpatient	No charge for inpatient or outpatient
No charge	No charge
Authorization by a Kaiser Permanente physician required within 24 hours or as soon as reasonably possible in case of emergency outside service area	Authorization by a participating UnitedHealthcare medical group or physician required. Within 24 hours in case of emergency
No charge; limit 100 days per benefit period	No charge; up to 100 days per benefit period
No charge if authorized by Kaiser Permanente physician	No charge (if medically necessary)
No charge if authorized by Kaiser Permanente physician	No charge; 100 visits maximum per calendar year
No charge if authorized by Kaiser Permanente physician (up to 100 2-hour visits per calendar year)	No charge when authorized by a UnitedHealthcare participating physician or medical group. Prognosis of life expectancy of one year or less.
No charge	No charge
\$5 at Kaiser Permanente facility; waived if admitted directly to the hospital	\$50; waived on admission
No charge if emergency	No charge when medically necessary
\$5 copay	\$5 copay
No charge	No charge with an office visit
\$5 copay	\$5 copay; no charge for age 2 and under
No charge if generally available	\$5 copay; no charge for age 2 and under
\$5 copay	No charge
\$5 copay	Inpatient: no charge; outpatient: \$5 copay
\$5 copay	Inpatient: no charge; outpatient: \$5 copay
\$5 copay	No charge; office visit copays are waived after initial office visit copay
\$7 copay for up to 100-day supply; can be in person, through mail order, by telephone, or online at www.kp.org/myhealthmanager	Retail: \$7 copay for 30-day supply; Mail order: \$7 copay for 90-day supply
No charge; for an unlimited number of days	No charge; for an unlimited number of days (both Mental Health and Substance Abuse)
\$5 copay per visit; for an unlimited number of visits	Mental Health: \$5 copay; for an unlimited number of visits, must be authorized through UnitedHealthcare Behavioral Health ⁵ Substance Abuse: No charge; for an unlimited number of visits (Includes Partial Hospitalization/Day Treatment and Intensive Outpatient Treatment)
\$5 copay	\$5 copay through PCP ⁵
Not covered	Not covered
Not covered	Not covered
\$5 copay	\$5 copay
Not covered	\$5,000 maximum benefit every 3 years. Limited to a single hearing aid (including repair/replacement every 3 years).

Carrier Notes:

Anthem Blue Cross Plans I, II, and Prudent Buyer

Coinsurance payment is the percentage of eligible charges after you meet the plan deductible, unless otherwise noted. **All plan reimbursements are based on negotiated rates or usual and customary charges.** Usual and Customary charges are the maximum amounts the plan will pay for a service based on what providers in that geographic area charge for similar services or supplies.

¹ Indicates deductible waived.

Anthem Blue Cross II

² For non-Medicare members only.

Anthem Blue Cross I and II

³ Treatment must be due to an accidental injury while insured and treatment must be received within two years of accident.

HMOs

Medical care must be received from HMO or contracted provider, physician or facility.

Mental Health Benefits for California Base Contracts: refer to evidence of coverage.

UnitedHealthcare

⁴ Refer to UnitedHealthcare HMO Schedule of Benefits and Evidence of Coverage for detailed plan information.

⁵ Your PCP is your Preferred Care Provider in the UnitedHealthcare HMO.

COMPARISON OF MEDICAL PLANS

2016

Effective July 1, 2016

Health Maintenance Organizations (HMOs) and Medicare Advantage Prescription Drug (MA-PD) HMOs

- Kaiser Permanente – Colorado
- Kaiser Permanente – Georgia
- Kaiser Permanente – Hawaii
- Kaiser Permanente – Oregon

This chart represents a summary of benefits only. Additional benefit information is provided by each insurance carrier. This chart does not replace or modify the official documents, which legally govern each plan's operation.

The health plans and benefit designs available from the LACERA-administered options change when an enrolled member permanently moves outside the provider network area. Moving to a location outside the coverage area will impact your eligibility to be enrolled in the health plan, the benefit designs available and the rates you pay.

Note: The benefit levels contained in this booklet are subject to approval by the Centers for Medicare and Medicaid Services (CMS) and may be adjusted during the plan year.

BASIC (UNDER 65 OR OVER 65 WITHOUT MEDICARE COVERAGE) HMOs

	Kaiser Permanente – Colorado	Kaiser Permanente – Georgia
Calendar Year Deductible/Copayment	None	None
Annual Maximum Out-of-Pocket Expenses (for most services)	Individual – \$2,000 Family – \$4,500	Individual – \$2,000 Family – \$4,000
Lifetime Maximum Benefits	None	None
Hospital Benefits		
Room and Board	\$250 copay per admission	\$250 copay per admission
Surgical Services	Inpatient – no charge Outpatient – \$50 copay	Inpatient – no charge Outpatient – \$100 copay
Hospital Services and Supplies	Durable medical equipment covered at 80%	Durable medical equipment covered at 80%
Hospital Admission Authorization Requirements	No authorization needed when referred by a Kaiser Permanente physician	Authorization required for hospital admissions
Nursing Benefits		
Skilled Nursing Facility Care	No charge; 100 days per period	\$250 copay per admission; 100 days per year
Private Duty Nurses	No charge if in service area only and referred by a network provider	No charge if authorized
Home Health Care	No charge if authorized	No charge if authorized
Hospice Care	No charge	No charge if authorized
Emergency Benefits		
Inpatient	\$100 copay (waived if admitted)	\$100 (waived if admitted)
Outpatient	\$100 copay	\$100 (waived if admitted)
Ambulance	20% copay; max. of \$500 per trip	\$100 copay
Outpatient Benefits		
Doctor's Office Visits	\$5 copay (\$25 copay for after-hours care; \$15 copay for specialist visit)	\$15 copay
Preadmission Diagnostic X-ray and Lab Tests	Included in office visit copay	No charge
Routine Checkups		
– Adults	No charge	No charge
– Children Under 17	No charge	No charge
Immunizations	\$5 copay; no charge if preventive	\$15 copay; no charge if preventive
Outpatient Surgical Services	\$50 copay	\$100 copay
Physical Therapy	\$250 copay inpatient; \$5 copay outpatient; limited to 20 visits per year	\$15 copay
Speech Therapy	\$250 copay inpatient; \$5 copay outpatient; limited to 20 visits per year	\$15 copay
Maternity	\$5 copay	\$15 copay for 1st visit; no charge thereafter
Prescription Drug Benefits		
Prescription Drugs	\$10 copay for up to 60-day supply	\$15 generic/\$30 brand copay for up to 30-day supply at Kaiser Permanente; \$25 generic/\$40 brand copay for up to 30-day supply at Rite Aid or Walgreens
Mental Health Benefits		
Inpatient	\$250 per admission	\$250 copay
Outpatient	\$5 copay	\$15 copay
Substance Abuse Benefits		
Inpatient	\$250 per admission	\$250 copay per admission (detox only)
Outpatient	\$5 copay	\$15 copay
Residential Day	\$250/admission	Not covered
Vision/Hearing Care Benefits		
Eye Exams	\$5 copay	\$15 copay
Lenses	\$150 credit toward lenses, contact lenses or frames combined every 2 years	\$100 credit toward lenses, contact lenses or frames combined every 2 years
Frames		
Hearing Exam	\$5 copay	\$15 copay (if exam copay applies)
Hearing Aids	Not covered	Not covered

U & C = Usual and customary: The maximum amount the plan will pay for a service based on what providers in that geographic area charge for similar services or supplies.

Kaiser Permanente – Hawaii

Kaiser Permanente – Oregon

None	None
Individual – \$2,500 (including prescription drugs) Family (3 or more) – \$7,500 (including prescription drugs)	Individual – \$600 Family – \$1,200
Unlimited	None
\$50/day	No charge
No charge	Inpatient – no charge Outpatient – \$5 copay
Durable medical equipment covered at 80%; diabetes equipment covered at 50%	No charge
Authorization required by a Kaiser Permanente Medical Group physician	Authorization required by a Kaiser Permanente physician
No charge; 120 days per accumulated period	No charge; 100 days per year
Not covered	Not covered
No charge if authorized	No charge if authorized; limited to 130 days
No charge if authorized	No charge
\$50/visit within service area; 20% copay outside of service area (waived if admitted)	\$75 copay (waived if admitted)
\$50/visit within service area; 20% copay outside of service area	\$75 copay (waived if admitted)
No charge	\$75 copay
\$15 copay	\$5 copay
No charge	No charge
No charge	No charge
No charge	No charge for routine
\$15 copay	\$5 copay
\$15 copay	\$5 copay; up to 20 visits per therapy, per calendar year
\$15 copay	\$5 copay; up to 20 visits per therapy, per calendar year
No charge (after confirmation of pregnancy)	Hospitalization – no charge; doctor's office visit – no charge
\$10 copay for up to 30-day supply	\$5 copay for up to 30-day supply
\$50/day*	No charge
\$15 copay*	\$5 copay
\$50/day	No charge
\$15 copay	\$5 copay
20% of applicable charges up to 60 days per calendar year	No charge
\$15 copay	\$5 copay
Not covered	Not covered
Not covered	Not covered
\$15 copay	\$5 copay
Covered at 40%	Covered for children only

*When prescribed by a physician, services for serious mental illness will be provided in accordance with state law.

RETIREE WITH MEDICARE MA-PD HMOs

	Kaiser Permanente – Colorado	Kaiser Permanente – Georgia
Calendar Year Deductible/Copayment	None	None
Annual Maximum Out-of-Pocket Expenses (for most services)	Individual – \$2,500	Individual – \$2,000
Lifetime Maximum Benefits	None	None
Hospital Benefits		
Room and Board	\$250 copay per admission	\$250 copay per admission
Surgical Services	Inpatient – no charge; outpatient – \$50 copay	Inpatient – no charge; outpatient – \$100 copay
Hospital Services and Supplies	Durable medical equipment covered at 80%	No charge
Hospital Admission Authorization Requirements	No authorization needed when referred by a Kaiser Permanente physician	Authorization required for hospital admissions
Nursing Benefits		
Skilled Nursing Facility Care	No charge; 100 days per period	\$250 copay per admission; 100 days per period
Private Duty Nurses	No charge in service area	No charge if authorized
Home Health Care	No charge in service area	No charge if authorized
Hospice Care	No charge (only home-based hospice care)	No charge
Emergency Benefits		
Inpatient	\$50 copay (waived if admitted)	\$50 copay (waived if admitted)
Outpatient	\$50 copay	\$50 copay (waived if admitted)
Ambulance	20% copay; max. of \$500 per trip	\$100 copay
Outpatient Benefits		
Doctor's Office Visits	\$5 copay (\$15 copay for specialist visit)*	\$15 copay
Preadmission Diagnostic X-ray and Lab Tests	Included in office visit copay	Copay varies
Routine Checkups		
– Adults	No charge	No charge
– Children Under 17	No charge	No charge
Immunizations	\$5 copay; no charge if preventive	\$15 copay; no charge if preventive
Outpatient Surgical Services	\$50 copay	\$100 copay
Physical Therapy	\$250 copay inpatient; \$5 copay outpatient	\$15 copay outpatient
Speech Therapy	\$250 copay inpatient; \$5 copay outpatient	\$15 copay outpatient
Maternity	No charge	No charge
Prescription Drug Benefits		
Prescription Drugs	\$10 copay for up to 60-day supply	\$15 generic/\$30 brand copay for up to 30-day supply at Kaiser Permanente; \$25 generic/\$40 brand copay for 30-day supply at Rite Aid or Walgreens
Mental Health Benefits		
Inpatient	\$250 per admission	\$250 per admission
Outpatient	\$5 copay	\$15 copay
Substance Abuse Benefits		
Inpatient	\$250 per admission	\$250 per admission; detox and rehab
Outpatient	\$5 copay	\$15 copay
Vision/Hearing Care Benefits		
Eye Exams	\$5 copay	\$15 copay
Lenses	\$150 credit toward lenses, contact lenses or frames combined every 2 years	\$100 credit toward lenses and/or frames combined every 2 years
Frames		
Hearing Exam	\$5 copay	\$15 copay
Hearing Aids	Not covered	Not covered

U & C = Usual and customary: The maximum amount the plan will pay for a service based on what providers in that geographic area charge for similar services or supplies.

*All office-administered prescription drugs covered by Medicare Part B (except preventive immunizations and diagnostic drugs) will be subject to 20% coinsurance. This coinsurance will apply to the annual maximum out-of-pocket expenses.

Kaiser Permanente – Hawaii	Kaiser Permanente – Oregon
None	None
Individual – \$2,500 Family – \$7,500	Individual – \$600
Unlimited	None
\$50/day	No charge
No charge	No charge
No charge	No charge
Authorization required by a Kaiser Permanente Medical Group physician	Authorization required by a Kaiser Permanente physician
No charge; 100 days per year	No charge; 100 days for Medicare benefits period
Not covered	Not covered
No charge if authorized	No charge; unlimited visits
No charge if authorized	No charge
\$50 per visit	\$50 copay (waived if admitted)
\$50 per visit	\$50 copay (waived if admitted)
No charge	\$50 copay
\$15 copay	\$5 copay
No charge	No charge
No charge	No charge
No charge	Not covered
No charge	No charge
\$15 copay	\$5 copay
\$15 copay	\$5 copay; unlimited visits
\$15 copay	\$5 copay; unlimited visits
No charge (after confirmation of pregnancy)	No charge
\$10 copay for up to 30-day supply	\$5 copay for a 30-day supply
\$50/day**	No charge
\$15 copay**	\$5 copay
\$50/day	No charge
\$15 copay	\$5 copay
\$15 copay	\$5 copay
Not covered	\$150 credit toward the purchase of lenses, frames, and/or contact lenses every 24 months
Not covered	
\$15 copay	\$5 copay (adults/children)
\$500 allowance to purchase hearing aids; provided every 3 years	Not covered

**When prescribed by a physician, services for serious mental illness will be provided in accordance with state law.

COMPARISON OF MEDICAL PLANS

2016

For those enrolled in Medicare Parts A and B

Effective July 1, 2016

Medicare Supplement Plan

- Anthem Blue Cross III

Medicare Advantage Prescription Drug (MA-PD) HMOs

- Kaiser Permanente Senior Advantage
- UnitedHealthcare Medicare Advantage HMO
- SCAN Health Plan

This chart represents a summary of benefits only. Additional benefit information is provided by each insurance carrier. This chart does not replace or modify the official documents that legally govern each plan's operation. The benefits offered by all LACERA-administered health plans change when an enrolled member permanently moves outside the provider network area. Moving to a location outside the coverage area can impact your plan's rates and coverage levels.

Comparison of Medical Plans

(For Medicare-Eligible Members Enrolled in Medicare Parts A and B)

Medicare Supplement		Medicare Advantage Prescription Drug (MA-PD) HMOs		
Anthem Blue Cross III		Kaiser Permanente Senior Advantage	SCAN ¹	UnitedHealthcare Medicare Advantage HMO
Outpatient Benefits				
Doctor's Office Visit	20% of Medicare-approved charges	\$5 copay	\$5 copay	\$5 copay
Preadmission X-ray and Lab Tests	20% of Medicare-approved charges	No charge	No charge	No charge with an office visit copay
Routine Checkups	Not covered	No charge	\$5 copay	No charge
Immunizations	Not covered	No charge	No charge	No charge with an office visit copay
Outpatient Surgical Services	20% of Medicare-approved charges	\$5 copay per procedure	No charge	No charge
Physical Therapy	20% of Medicare-approved charges	\$5 copay	\$5 copay	No charge with an office visit copay
Speech Therapy	20% of Medicare-approved charges	\$5 copay	\$5 copay	No charge with an office visit copay
Maternity	Covered the same as an illness for services covered by Medicare	\$5 copay	Covered as any illness	Covered in accordance with Medicare guidelines
Chiropractic Care	20% of Medicare-approved charges	\$5 copay for Medicare-covered services ³	\$5 copay for Medicare-covered services ³	\$5 copay for Medicare-covered services ³
Transportation	Not covered	Not covered	No charge for unlimited number of rides to medical or dental appointments	Not covered
Prescription Drug Benefits				
Prescription Drugs	Retail: 80% in-network, 60% out-of-network Mail order: \$10 generic/\$30 brand/\$50 non-preferred brand/\$150 specialty copay for mail order for 90-day supply ⁴	\$7 copay for up to 100-day supply; covers dental prescriptions	Retail: \$7 generic/\$15 brand Mail order: \$7 generic/\$15 brand for 90-day supply	\$7 copay for 30-day supply (or for 90-day mail order supply for maintenance medications only)
Mental Health and Substance Abuse Benefits				
Inpatient	Plan pays all Medicare inpatient deductibles for approved Medicare days; 190-day lifetime maximum	No charge; for unlimited number of days	No charge; 190-day lifetime maximum in Medicare facility ²	No charge; 190-day lifetime maximum if admitted to Medicare-approved psychiatric hospital
Outpatient	20% of Medicare-approved charges; up to 50 professional visits per year	\$5 copay for each visit per calendar year for an unlimited number of visits	\$5 copay for each visit per calendar year. No charge for severe mental illness	\$5 copay; unlimited visits
Substance Abuse	20% of Medicare-approved charges	Inpatient: No charge as per plan limitations; Outpatient: \$5 per individual visit; \$2 per group visit	\$5 copay; unlimited visits	Same as Mental Health Inpatient and Outpatient
Vision Benefits				
Eye Exams	Not covered	\$5 copay	\$5 copay for Medicare-covered, medically-necessary eye exam	\$5 copay
Lenses	Not covered unless 1st lens after eye surgery	Eyewear (frames/lenses/contacts) purchased from plan optical sales every 24 months; \$150 allowance	Not covered	Not covered
Frames	Not covered unless after eye surgery		Not covered	Not covered
Hearing Care Benefits				
Hearing Exams	One per calendar year; 80%	\$5 copay	\$5 copay	\$5 copay ⁶
Hearing Aids	50% up to \$300 lifetime maximum	Not covered	\$300 allowance per aid, every 24 months (\$600 total)	Not covered

Comparison of Medical Plans (For Medicare-Eligible Members Enrolled in Medicare Parts A and B)

Medicare Supplement		Medicare Advantage Prescription Drug (MA-PD) HMOs		
	Anthem Blue Cross III	Kaiser Permanente Senior Advantage	SCAN ¹	UnitedHealthcare Medicare Advantage HMO
Calendar Year Deductibles	None	None	None	None
Annual Maximum Out-Of-Pocket Expenses (for most services)	None	Maximum copayments of \$1,500 – individual \$3,000 – family	\$3,400	\$6,700
Lifetime Maximum Benefits	Unlimited	Unlimited	Unlimited	Unlimited
Hospital Benefits				
Room and Board	Plan pays all Medicare inpatient deductibles for approved Medicare days	No charge	No charge	No charge
Surgical Services	Plan pays all Medicare inpatient deductibles for approved Medicare days	No charge	No charge	No charge
Hospital Services and Supplies	Plan pays all Medicare inpatient deductibles for approved Medicare days	No charge	No charge	No charge
Nursing Benefits				
Skilled Nursing Facility Care	Plan pays Medicare daily deductible for days 21–100; no coverage beyond 100 days	No charge; 100 days per benefit period in a Medicare-certified facility	No charge; 100 days per benefit period in a Medicare-certified facility	No charge; 100 days per benefit period in a Medicare-certified facility
Private Duty Nurses	Not covered	No charge if authorized by a Kaiser Permanente physician	No charge when medically necessary only, per Medicare guidelines	No charge when medically necessary only, per Medicare guidelines
Home Healthcare	100% of all remaining costs not covered by Medicare	No charge for Medicare-covered Home Health and no charge for part-time intermittent care if authorized by a Kaiser Permanente physician	No charge for Medicare-covered Home Health. See ⁽¹⁾ below for expanded coverage info	No charge when medically necessary only, per Medicare guidelines
Hospice Care	100% of all remaining costs not covered by Medicare	No charge if authorized by a Kaiser Permanente physician	No charge	No charge, provided care is in accordance with Medicare guidelines
Emergency Benefits				
Inpatient	Plan pays all Medicare inpatient deductibles for approved Medicare days	\$5 copay; waived if admitted	No charge	No charge
Outpatient	20% of Medicare-approved charges	\$5 copay; waived if admitted	\$25 copay; waived if admitted	\$50 copay; waived if admitted
Ambulance	20% of Medicare-approved charges	No charge for emergency	No charge	No charge (if medically necessary)

¹ SCAN includes expanded coverage for Independent Living Power™ services. Qualifying members are eligible for up to \$500 per month of these additional services.

- No charge for personal care coordination via phone
- \$15 copay per month for emergency response system
- \$15 copay per visit for alternative caregiver visit to a member's home when his or her regular caregiver is not available
- \$15 copay per visit for adult day care to provide relief for regular caregiver
- No copay for up to five days in a facility when regular caregiver is unavailable
- \$15 copay per visit for transportation escort to medical, dental, optometric or other necessary appointments
- \$15 copay per visit for personal care such as assistance with bathing, dressing, eating, getting in and out of bed, moving about/walking and grooming
- \$15 copay per visit for homemaker services such as light cleaning, grocery shopping, laundry and meal preparation
- No copay for home-delivered meals
- No copay for inpatient custodial care up to 5 days in a facility. Medicare will not pay for a stay in a facility if the services received are primarily for those purposes.
- Healthways SilverSneakers® Fitness Program available at no extra cost.

² Note: Visit or day limits do not apply to certain mental healthcare described in the evidence of coverage.

³ Manual manipulation of the spine to correct subluxation that can be demonstrated by X-ray, when the manipulation is prescribed by plan physician and performed by plan provider.

⁴ Copayment for specialty drugs will be prorated if you receive less than a 90-day supply

⁵ UnitedHealthcare Medicare Advantage HMO includes coverage for Solutions for Caregiver's services — No charge for advice, information and referrals. See the Caregiver flyer included in the materials received after enrollment in the plan for additional services.

⁶ UnitedHealthcare Medicare Advantage HMO Audiology screenings are offered through contracted audiologists in the Epic network. The Epic network includes all locations in the Newport Audiology network.

Appendix F: Firefighters Local 1014 Medical Plan

The description of the Firefighters Local 1014 Medical Plan is from selected pages of the following website:

http://www.local1014medical.org/docs/2012spd_v5%20%283%29.pdf



Benefits-at-a-Glance

(For Details, Please Turn to **What the Plan Covers** and **What the Plan Does Not Cover**)

Annual Deductible	First \$200 of allowable expenses per person; \$600 Maximum per family	
	In-Network	Out-of-Network
Annual Out-of-Pocket Limit (Amounts for In-Network and Out-of-Network are combined for the Annual Out-of-Pocket Limit)	10% of allowable expenses after satisfaction of the deductible, maximum \$1,000 per person or family per year (after you pay the deductible)	30% of allowable expenses after satisfaction of the deductible, maximum \$1,500 per person or family per year ¹ (after you pay the deductible)
Preventive Care	In-Network	Out-of-Network
Well- baby care	100%, no deductible, for the baby's first 2 years	100%, no deductible, for the baby's first 2 years ¹
Immunizations	100%, no deductible, paid through the wellness benefit for ages 2 and over.	100%, no deductible, paid through the wellness benefit for ages 2 and over. ¹
Wellness Benefit	100%, no deductible; annual preventive exam and screenings, including "fit for life" exam, and immunizations.	100%, no deductible; annual preventive exam and screenings, including "fit for life" exam, and immunizations. ¹
Cancer Screenings	100%, no deductible for PAP, mammogram, PSA and colonoscopy covered according to American Cancer Society guidelines	100%, no deductible for PAP, mammogram, PSA and colonoscopy covered according to American Cancer Society guidelines ¹
Medically Necessary Care	In-Network	Out-of-Network
Ambulance	90% after deductible, up to annual out-of-pocket limit, 100% thereafter ¹	
Doctor's office visits	90% after deductible, up to annual out-of-pocket limit, 100% thereafter	70% after deductible, up to annual out-of-pocket limit, 100% thereafter ¹
Emergency room	90% after deductible, up to annual out-of-pocket limit, 100% thereafter; \$50 additional copay per visit (waived if referred by a physician or admitted as an inpatient)	70% after deductible, up to annual out-of-pocket limit, 100% thereafter; \$50 additional copay per visit (waived if referred by a physician or admitted as an inpatient) ¹
Hospital care <i>(Providers must request Pre-authorization from Anthem Blue Cross)</i>	90% after deductible, up to annual out-of-pocket limit, 100% thereafter	70% after deductible, up to annual out-of-pocket limit, 100% thereafter ¹
Maternity <i>(No preauthorization required for uncomplicated obstetrical care)</i>	90% after deductible, up to annual out-of-pocket limit, 100% thereafter	70% after deductible, up to annual out-of-pocket limit, 100% thereafter ¹
Surgery <i>(Providers must request Preauthorization from Anthem Blue Cross for all inpatient surgery and any outpatient procedure that might be considered experimental, investigational or cosmetic. Organ and tissue transplants and any weight loss surgery is covered under Anthem Blue Cross Center of Expertise (COE) only.)</i>	90% after deductible, up to annual out-of-pocket limit, 100% thereafter	70% after deductible, up to annual out-of-pocket limit, 100% thereafter ¹



Benefits-at-a-Glance

(For Details, Please Turn to **What the Plan Covers** and **What the Plan Does Not Cover**)

Medically Necessary Care	In-Network	Out-of-Network
X-Rays and lab tests	90% after deductible, up to annual out-of-pocket limit, 100% thereafter; (excludes periodic health exams)	70% after deductible, up to annual out-of-pocket limit, 100% thereafter; (excludes periodic health exams) ¹
Prescription Drugs (outpatient)²	Short-Term (30-Day Supply) From a Retail Pharmacy or Mail order	
	In-Network	Out-of-Network ¹
Generic	\$10 copay	You pay the entire cost of your prescription up front and submit a claim for reimbursement. You may be reimbursed for 100% of the cost minus the copay. Out-of-network copays are the same as the in-network copays. ¹
Brand name (when generic is unavailable)	\$20 copay	
Brand name (when generic is available)	\$30 copay PLUS the cost difference between the brand name drug and the generic drug	
	Maintenance (Up to a 90-Day Supply)	
	From a Retail Pharmacy	From Medco Home Delivery
Generic	\$25 copay	
Brand name (when generic is unavailable)	\$50 copay	
Brand name (when generic is available)	\$75 copay PLUS the cost difference between the brand name drug and the generic drug.	
VSP Vision Care	In-Network	Out-of-Network
Copayment	\$25 when services are rendered	
Exams	Once every 12 months	Up to \$45 once every 12 months
Prescription lenses	Covered once every 12 months. Includes lined bifocal, trifocal, or progressive lenses; polycarbonate lenses, anti-reflective coating and tints, including photochromic.	Covered once every 12 months. Up to \$45 single vision lenses, \$65 lined bifocal, \$85 lined trifocal lenses, or \$85 progressive lenses. \$5 for tints.
Frames	Covered once every 12 months, up to \$175, plus 20% off additional costs.	Up to \$47 once every 12 months
Contacts	When you choose contacts instead of glasses, a \$200 allowance applies once every 12 months to the cost of contacts. In addition there is a separate benefit to cover the contact lens fitting and evaluation exam.	Up to \$105 once every 12 months



Benefits-at-a-Glance

(For Details, Please Turn to **What the Plan Covers** and **What the Plan Does Not Cover**)

Mental Health/Substance Abuse Care	In-Network	Out-of-Network
Outpatient care	90% after deductible, up to annual out-of-pocket limit, 100% thereafter.	70% after deductible, up to annual out-of-pocket maximum, 100% thereafter. ¹
Inpatient care <i>(Both in-network and out-of-network requires preauthorization from Anthem Blue Cross)</i>	90% after deductible, up to annual out-of-pocket limit, 100% thereafter.	70% after deductible, up to annual out-of-pocket limit, 100% thereafter. ¹
Additional Benefits	In-Network	Out-of-Network
Acupuncture	90% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 30 visits combined total of chiropractic and acupuncture visits per calendar year.	70% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 30 visits combined total of chiropractic and acupuncture visits per calendar year. ¹
Chiropractic care	90% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 30 visits combined total of chiropractic and acupuncture visits per calendar year.	70% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 30 visits combined total of chiropractic and acupuncture visits per calendar year. ¹
Physical therapy	90% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 30 visits per calendar year.	70% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 30 visits per calendar year. ¹
Occupational therapy	90% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 6 visits per calendar year.	70% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 6 visits per calendar year. ¹
Home health care <i>(Requires preauthorization by Local 1014's Patient Care Coordinator)</i>	90% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum 100 visits per calendar year ¹	
Hospice care <i>(Requires preauthorization by Local 1014's Patient Care Coordinator)</i> (per diem rates)	90% after deductible, up to annual out of pocket limit; 100% thereafter. Hospice care limited to 180 days and a \$20,000 lifetime maximum ¹	
Skilled Nursing Facility <i>(Providers must request Preauthorization from Anthem Blue Cross)</i>	90% after deductible, up to annual out-of-pocket limit; 100% thereafter; 70 day limit per occurrence	
Transitional Nursing Benefit <i>(Requires preauthorization by Local 1014's Patient Care Coordinator)</i>	90% after deductible, up to annual out-of-pocket limit; 100% thereafter; 400 hour lifetime limit.	70% after deductible, up to annual out-of-pocket limit; 100% thereafter; maximum \$100 per hour and 400 hour lifetime limit. ¹

Benefits-at-a-Glance

(For Details, Please Turn to **What the Plan Covers** and **What the Plan Does Not Cover**)

Dental Benefits	
Adult and Child Orthodontia	100% no deductible, limited to \$2,000 lifetime per individual.
Excess Dental Coverage	100% no deductible, limited to \$1,000 per individual per year for allowable dental expenses after the annual maximum benefit of the underlying indemnity or PPO dental coverage is exceeded. HMO dental plans have no stated annual maximum.
Dental Accident Coverage	100% no deductible, limited to \$10,000 as the result of any one accident for allowable dental expenses within 180 days of the accident.

¹ Allowable expenses for Out-of-Network services are limited to Reasonable and Customary charges, which are defined as the fees and charges customarily accepted as payment for medically necessary health care services and supplies in a specific geographical area.

² The Plan covers prescription drugs only for the treatment of a condition as approved by the Food and Drug Administration. Many infused and injectable drugs as well as some oral medications require preauthorization by Local 1014's Patient Care Coordinator. Your pharmacist will know which drugs need preauthorization.

³ See glossary for definition



Appendix G: Dental and Vision Plan Description

The dental and vision plan description is from the following area of the LACERA website:

http://www.lacera.com/healthcare/pdf/healthcare_charts/dental_vision_charts.pdf

DENTAL PLAN

	Cigna Indemnity Dental	Cigna Dental HMO
Individual annual deductible	\$25	None
Family annual deductible	\$50	None
Individual annual maximum benefit	\$1,500	Unlimited
Exams & cleanings	20%*	\$0**
Amalgam – 1 surface, permanent	20%*	\$0**
Amalgam – 2 surface, permanent	20%*	\$0**
Amalgam – 3 surface, permanent	20%*	\$0**
Amalgam – 4 surface, permanent	20%*	\$0**
Resin or composite – anterior	20%*	\$0**
Anterior root canal – permanent	20%*	\$10**
Scaling/root planing – per quad	20%*	\$35**
Simple extraction	20%*	\$10**
Surgical extraction	20%*	\$15 – \$50**
Crown – porcelain to high noble metal	20%*	\$220**
Crown – stainless steel	20%*	\$10**
Post – prefab or crown buildup	20%*	\$40/\$55/\$65**
Orthodontic therapy – child	Not covered	\$2,240**
Orthodontic therapy – adult	Not covered	\$2,840**

* Member pays 20% of usual and customary charges (the maximum amount the plan will pay for a service, based on what providers in that geographic area charge for similar services or supplies). The plan pays 80% after deductible. Procedures with **high** noble gold are covered at 50%, after deductible.

** Member pays this amount, plus additional charges specified in the plan brochure. For post/crown buildup work, the copay amounts apply to different steps in the procedure.

VISION PLAN

Benefit	In-Network Benefits	Out-of-Network Benefits
Spectacle exam*** (Once every 12 months)	\$20 copay; then covered in full. For contact lens fitting and professional services, member pays additional charges	\$25 reimbursement maximum
Lenses (Once every 12 months)		
■ Single vision	\$40 copay; then covered in full	\$35 reimbursement maximum
■ Bifocal	\$40 copay; then covered in full	\$45 reimbursement maximum
■ Trifocal	\$40 copay; then covered in full	\$70 reimbursement maximum
■ Lenticular	\$40 copay; then covered in full	\$130 reimbursement maximum
■ Progressive	\$40 copay; then up to \$70 allowance	\$70 reimbursement maximum
Frames (Once every 24 months)	\$50 allowance	\$35 reimbursement maximum
Contact lenses (lifetime maximum benefit)		
■ Hard lenses	\$180 allowance	\$150 reimbursement maximum
■ Soft lenses	\$230 allowance	\$225 reimbursement maximum

*** Spectacle exam includes routine exam, including dilation and refraction.

Appendix H: Medicare Part B Reimbursement Plan Description

The Medicare Part B reimbursement plan description is from the following area of the LACERA website:

http://www.lacera.com/healthcare/Medicare/medicare_a_b.html

LACERA
Los Angeles County Employees Retirement Association

HOME | DISCLAIMER | LINKS
MY LACERA | FAQ | CONTACT US

About LACERA | Benefits | Healthcare | Investments | Communications | Opportunities

Search

[Search by Topic](#)

[Brochures & Forms](#)

[LACERA - Healthcare Home](#) > [Medicare Enrollment](#) > [Medicare Parts A & B Eligibility](#)

MEDICARE PARTS A & B ELIGIBILITY

ELIGIBILITY REQUIREMENTS FOR MEDICARE PART A

(Hospital Insurance Coverage)

Medicare Part A is **free** to any person **age 65 or older** who is either:

- Eligible to receive a monthly Social Security benefit, or
- Eligible based on wages on which sufficient Medicare payroll taxes were paid.

You **automatically apply** for Medicare Part A when you apply for Social Security benefits. Your spouse may also qualify for Part A coverage at age 65, based on your eligibility for Social Security. To be eligible for Part A, you **do not** have to enroll in Part B. If you are not eligible for free Part A coverage, you may purchase this coverage.

Medicare Part A is **free** to any person **under age 65** who is **disabled** and has either:

- Received Social Security disability benefits for 24 months as a worker, surviving spouse, or adult child of a retired, disabled, or deceased worker; or
- Accumulated a sufficient number of Social Security credits to be insured for Medicare and meets the requirements of the Social Security disability program.

Effective January 2017, the Medicare Part A premium amount increased to \$413.00 per month (\$411.00 in 2016) for people who are not eligible for premium-free hospital insurance and have fewer than 40 quarters of Medicare-covered employment. Visit [Medicare](#) for more information.

ELIGIBILITY REQUIREMENTS FOR MEDICARE PART B

(Supplementary medical insurance coverage for physicians, labs, testing)

When you enroll in Medicare Part A, you are **automatically enrolled** in Medicare Part B unless you decline it. This rule applies to persons age 65 or older and also to those who are disabled under age 65.

If you pay a premium for Plan A, you must enroll in Part B if you also desire that coverage. The Part B coverage is ordinarily deducted from your Social Security benefit.

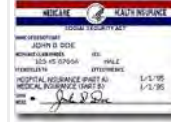
If you select a LACERA-administered Medicare plan, you **may be reimbursed** by LACERA for the Part B premium amount. This reimbursement program is subject to annual review by the Board of Supervisors.

If you or your spouse has fewer than 40 quarters of Medicare-covered employment, you must pay a monthly premium for Part A.

On December 13, 2016, the Board of Supervisors approved continuing the Medicare Part B Premium Reimbursement Program for 2017 for LACERA-administered Medicare Plan enrollees.

[Read more about Part B.](#)

MEDICARE PART B



[County Reimbursements](#)

STOP MEDICARE FRAUD

[Get valuable tips](#) on preventing Medicare fraud.



[Access and download healthcare forms](#)



[Register or Sign in](#)

12/13/16

Call Center: 800-786-6464 (M-F 7 AM - 5:30 PM) • Fax: 626-564-6155 • Email: welcome@lacera.com
Member Service Center: (M-F 7 AM - 5 PM) • [Appointment and Workshop Reservation System](#)
Location: 300 N. Lake Ave. Pasadena, CA 91101 • Mailing Address: PO Box 7060 Pasadena, CA 91109-7060

Appendix I: Results for South Coast Air Quality Management District (SCAQMD)



We were asked by LACERA to provide subtotal results for the South Coast Air Quality Management District (SCAQMD). The plan provisions, assumptions, methods, and census are consistent with Appendix A through Appendix H. The census detail in Appendix C is subdivided for SCAQMD. The tables in this appendix are in the same sequence as the main report.

We utilized the SCAQMD percentage provided by LACERA which is determined based on County and SCAQMD years of service. We assume that the SCAQMD obligation is equal to this percentage multiplied by the employer portion of the obligation.

Los Angeles County Other Post Employment Benefits Program

Table 1: July 1, 2016 Summary of SCAQMD Paid Liabilities and Cost

	July 1, 2016	July 1, 2014	Percentage Change
A. Total Membership			
1. Active Members	1	1	0.0%
2. Vested Terminated Members	-	-	
3. Retirees and Survivors (Medical Coverage)	56	60	(6.7%)
4. Total	<u>57</u>	<u>61</u>	(6.6%)
B. Total Payroll	\$ 60,132	\$ 59,921	0.4%
C. Expected SCAQMD Paid First-Year Benefits	\$ 262,758	\$ 267,685	(1.8%)
D. Present Value of Future Benefits (PVB) ¹	\$ 3,672,453	\$ 4,681,086	(21.5%)
E. Actuarial Accrued Liability by Member Status ¹			
1. Active Members	\$ 298,490	\$ 341,896	(12.7%)
2. Vested Terminated Members	-	-	
3. Retired Members	3,354,855	4,310,575	(22.2%)
4. Total	<u>\$ 3,653,345</u>	<u>\$ 4,652,471</u>	(21.5%)
F. Actuarial Accrued Liability by Benefit Type ¹			
1. Retiree Medical	\$ 2,780,743	\$ 3,717,799	(25.2%)
2. Retiree Dental/Vision	198,959	209,913	(5.2%)
3. Medicare Part B	584,218	622,394	(6.1%)
4. Retiree Death Benefit	89,425	102,365	(12.6%)
5. Total	<u>\$ 3,653,345</u>	<u>\$ 4,652,471</u>	(21.5%)
G. Assets	\$ -	\$ -	
H. Unfunded Actuarial Accrued Liability	\$ 3,653,345	\$ 4,652,471	(21.5%)
I. Annual Required Contribution (ARC) ²	\$ 150,801	\$ 168,919	(10.7%)
J. ARC expressed as a percentage of payroll			
1. Normal Cost	10.96%	13.94%	(21.4%)
2. UAAL payment	239.82%	267.96%	(10.5%)
3. Total	<u>250.78%</u>	<u>281.90%</u>	(11.0%)

¹ Net of County and Retiree Paid Premiums.

² Normal cost and 30 year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL). Assumes an unfunded plan.

Los Angeles County Other Post Employment Benefits Program

**Table 2: July 1, 2016 Actuarial Accrued Liability (AAL) at 4.5%
 Retiree Medical Benefits**

	<u>SCAQMD</u>
1. AAL - Total Medical Benefits	
Retirees	\$ 6,569,934
Vested Terminateds	-
Actives	<u>243,474</u>
Total	<u>\$ 6,813,408</u>
2. AAL - County and Retiree Paid Medical Premiums	
Retirees	\$ 4,032,665
Vested Terminateds	-
Actives	-
Total	<u>\$ 4,032,665</u>
3. AAL - SCAQMD Paid Medical Benefits (1) - (2)	
Retirees	\$ 2,537,269
Vested Terminateds	-
Actives	<u>243,474</u>
Total	<u>\$ 2,780,743</u>

Los Angeles County Other Post Employment Benefits Program

**Table 2 (Cont): July 1, 2016 Actuarial Accrued Liability (AAL) at 4.5%
 Retiree Dental and Vision Benefits**

	SCAQMD
4. AAL - Total Dental & Vision Benefits	
Retirees	\$ 463,406
Vested Terminateds	-
Actives	15,818
Total	\$ 479,224
5. AAL - County and Retiree Paid Dental & Vision Premiums	
Retirees	\$ 280,265
Vested Terminateds	-
Actives	-
Total	\$ 280,265
6. AAL - SCAQMD Paid Dental & Vision Benefits (4) - (5)	
Retirees	\$ 183,141
Vested Terminateds	-
Actives	15,818
Total	\$ 198,959

Los Angeles County Other Post Employment Benefits Program

**Table 2 (Cont): July 1, 2016 Actuarial Accrued Liability (AAL) at 4.5%
 Medicare Part B and Retiree Death Benefit**

	<u>SCAQMD</u>
7. AAL - SCAQMD Paid Medicare Part B Premiums	
Retirees	\$ 546,432
Vested Terminateds	-
Actives	<u>37,786</u>
Total	<u>\$ 584,218</u>
8. AAL - SCAQMD Paid Retiree Death Benefit	
Retirees	\$ 88,013
Vested Terminateds	-
Actives	<u>1,412</u>
Total	<u>\$ 89,425</u>
9. AAL - SCAQMD Paid Benefits (3) + (6) + (7) + (8)	
Retirees	\$ 3,354,855
Vested Terminateds	-
Actives	<u>298,490</u>
Total	<u>\$ 3,653,345</u>

Los Angeles County Other Post Employment Benefits Program

Table 3: July 1, 2016 Normal Cost at 4.5%

	SCAQMD
1. Total Medical Benefits	\$ 5,356
2. County and Retiree Paid Medical Premiums	-
3. Net SCAQMD Paid Medical Benefits (1) - (2)	\$ 5,356
4. Total Dental/Vision Benefits	\$ 352
5. County and Retiree Paid Dental/Vision Premiums	-
6. Net SCAQMD Paid Dental/Vision Benefits (4) - (5)	\$ 352
7. SCAQMD Paid Medicare Part B Premiums	\$ 851
8. SCAQMD Paid Retiree Death Benefit	\$ 31
9. Total SCAQMD Normal Cost (3) + (6) + (7) + (8)	\$ 6,590
10. Valuation Payroll	\$ 60,132
11. SCAQMD Normal Cost as a Percentage of Payroll	10.96%

Los Angeles County Other Post Employment Benefits Program

Table 4: 2016-2017 Annual Required Contribution (ARC) at 4.5%

	SCAQMD
1. Unfunded Actuarial Accrued Liability (UAAL)	
Present Value of Benefits (PVB)	\$ 3,672,453
Present Value of Future Normal Cost (PVFNC)	19,108
Actuarial Accrued Liability as of July 1, 2016	\$ 3,653,345
Fund Balance at July 1, 2016 ¹	-
Unfunded Actuarial Accrued Liability	\$ 3,653,345
2. Amortization of UAAL (Level % of Pay)	
Amortization Period (years) ²	30
Amortization Factor	25.333
UAAL Amortization Payment	\$ 144,211
3. 2016 - 2017 Annual Required Contribution (ARC) on July 1, 2016	
Amortization of UAAL	\$ 144,211
Normal Cost	6,590
Annual Required Contribution (ARC) (As of July 1, 2016)	\$ 150,801
4. July 1, 2016 Valuation Payroll	\$ 60,132
5. Estimated ARC as a Percentage of Valuation Payroll	250.78%

¹ This assumes an unfunded plan.

² As a cost sharing multiple employer OPEB plan, the ARC is calculated using the same methods and assumptions for all participating employer groups. Therefore, the amounts shown above represent a pro-rata allocation of the Program liabilities and costs attributable to SCAQMD member service and their demographic characteristics.

Los Angeles County Other Post Employment Benefits Program

Table 5: Projected SCAQMD Paid Benefits by Type

Fiscal Year Ending	Medical Total	Dental/Vision Total	Medicare Part B	Death Benefit	Medical County and Retiree Contribution	Dental/Vision County and Retiree Contribution	Total SCAQMD Paid Benefits
6/30/2017	\$ 539,165	\$ 47,654	\$ 44,317	\$ 10,881	\$ (349,452)	\$ (29,808)	\$ 262,758
6/30/2018	537,624	46,223	45,047	10,252	(345,198)	(28,688)	265,261
6/30/2019	538,525	44,036	44,558	9,579	(341,249)	(27,139)	268,309
6/30/2020	541,296	43,043	44,052	8,883	(337,743)	(26,298)	273,232
6/30/2021	540,606	41,496	43,876	8,186	(331,645)	(25,134)	277,384
6/30/2022	523,454	39,164	42,863	7,506	(319,708)	(23,565)	269,714
6/30/2023	500,096	37,004	42,777	6,859	(306,900)	(22,103)	257,733
6/30/2024	471,785	34,907	41,533	6,253	(293,355)	(20,690)	240,434
6/30/2025	454,628	32,875	40,261	5,694	(279,021)	(19,324)	235,112
6/30/2026	436,960	30,913	38,967	5,184	(264,331)	(18,014)	229,679

Projection Basis:
 All assumptions are met
 No future members are reflected

Los Angeles County Other Post Employment Benefits Program

Table 6: Impact of Alternative Trend Rates on AAL and ARC

SCAQMD

	<u>Valuation Trend Rates</u>	<u>Valuation Trend Rates Plus 1%</u>	<u>Valuation Trend Rates Minus 1%</u>
	(in millions)		
July 1, 2016 AAL Percentage Increase/(Decrease)	\$ 3,653,345	\$ 4,022,498 10%	\$ 3,337,634 (9%)
2016 - 2017 ARC Percentage Increase/(Decrease)	\$ 150,801	\$ 166,599 10%	\$ 137,354 (9%)

Appendix J: Impact of Tier 2



New County employees hired after June 30, 2014 who are eligible for LACERA membership may enroll in the Los Angeles County Retiree Healthcare Benefits Program – Tier 2. The County retiree medical and dental/vision subsidy applies to retiree-only coverage for Tier 2 employees, and new benchmark plans also apply. Additional provisions and details can be found after page J-2 and on the following link of the LACERA website:

<https://www.lacera.com/healthcare/RHC-Tier2.html>

New claims costs and new probabilities of medical plan and tier selection upon initial enrollment were developed for Tier 2 employees. These can be found in Appendix A. We were asked by LACERA to provide a comparison of results both with and without the application of Tier 2 assumptions. The table shown in this section is similar to Table 1 of this report.

As Tier 2 provisions only apply to employees hired since June 30, 2014, most active and vested terminated employees as well as all of the retirees are currently Tier 1 employees. As such the new Tier 2 assumptions have a minimal effect, reducing the AAL of the total membership by just 0.2%. However, the AAL for Tier 2 employees only is reduced by 46.9% when compared to what the AAL would have been if those employees had been in Tier 1. In the future, as the Tier 2 assumptions apply to more employees and the average service of Tier 2 employees also increases, the impact of reducing the AAL of the total membership will be more significant.

**Table 1: July 1, 2016 Summary of County Paid Liabilities and Cost
 (All Dollar Amounts in Millions)**

	July 1, 2016 with Tier 2 Provisions ¹	July 1, 2016 without Tier 2 Provisions	Percentage Change
A. Total Membership			
1. Active Members	95,295	95,295	0.0%
2. Vested Terminated Members	8,207	8,207	0.0%
3. Retirees and Survivors (Medical Coverage)	47,903	47,903	0.0%
4. Total	<u>151,405</u>	<u>151,405</u>	0.0%
B. Valuation Payroll	\$ 7,268.6	\$ 7,268.6	0.0%
C. Projected County Paid First-Year Benefits	\$ 570.6	\$ 570.6	0.0%
D. Present Value of Future Benefits (PVB) ⁴	\$ 40,212.9	\$ 41,346.5	(2.7%)
E. Actuarial Accrued Liability by Member Group ²			
1. LA County Members	\$ 24,791.9	\$ 24,834.1	(0.2%)
2. Superior Court Members	1,120.7	1,122.0	(0.1%)
3. Total	<u>\$ 25,912.6</u>	<u>\$ 25,956.1</u>	(0.2%)
F. Actuarial Accrued Liability by Member Status ²			
1. Active Members	\$ 14,547.9	\$ 14,591.3	(0.3%)
2. Vested Terminated Members	652.5	652.6	(0.0%)
3. Retired Members	10,712.2	10,712.2	0.0%
4. Total	<u>\$ 25,912.6</u>	<u>\$ 25,956.1</u>	(0.2%)
G. Actuarial Accrued Liability by Benefit Type ²			
1. Retiree Medical	\$ 21,269.9	\$ 21,309.0	(0.2%)
2. Retiree Dental/Vision	1,248.2	1,249.1	(0.1%)
3. Medicare Part B	3,192.8	3,196.3	(0.1%)
4. Retiree Death Benefit	201.7	201.7	0.0%
5. Total	<u>\$ 25,912.6</u>	<u>\$ 25,956.1</u>	(0.2%)
H. Assets	\$ 560.8	\$ 560.8	0.0%
I. Unfunded Actuarial Accrued Liability	\$ 25,351.8	\$ 25,395.3	(0.2%)
J. Annual Required Contribution (ARC) ³	\$ 1,964.4	\$ 2,009.8	(2.3%)
K. ARC expressed as a percentage of payroll			
1. Normal Cost	13.26%	13.86%	(4.3%)
2. UAAL payment	13.77%	13.79%	(0.1%)
3. Total	<u>27.03%</u>	<u>27.65%</u>	(2.3%)

¹ Reflects Tier 2 assumptions and plan provisions for Tier 2 employees

² Net of Retiree Paid Premiums

³ Normal cost and 30 year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL)



HOME	DISCLAIMER	LINKS
MY LACERA	FAQ	CONTACT US



Los Angeles County Employees Retirement Association

About LACERA	Benefits	Healthcare	Investments	Communications	Opportunities
------------------------------	--------------------------	----------------------------	-----------------------------	--------------------------------	-------------------------------

[Search](#)

[Search by Topic](#)

[Brochures & Forms](#)

[LACERA - Healthcare Home](#) > [RHC: Tier 2](#)

RHC: TIER 2

HEALTHCARE

- [RHC Eligibility](#)
- [RHC Costs and Enrollment](#)
- [Subsidy and Benchmark](#)
- [RHC: Tier 2](#)
- [Contact Insurance Companies](#)
- [Contact LACERA](#)
- [RHC Brochures & Forms](#)
- [Medicare Enrollment](#)
- [Disease Management](#)
- [COBRA](#)
- [Healthcare Reform](#)
- [Healthcare Legislation](#)
- [Healthcare Plans](#)
- [FAQs - Retiree Healthcare](#)
- [Long-Term Care](#)
- [Anthem Data Breach](#)
- [RETIREE WELLNESS PROGRAM](#)

LOS ANGELES COUNTY RETIREE HEALTHCARE –TIER 2

On June 17, 2014, the Los Angeles County Board of Supervisors (County) authorized a new retiree health insurance program for new County employees who are hired after June 30, 2014 and are eligible for LACERA membership.¹ The program, titled the Los Angeles County Retiree Healthcare Benefits Program – Tier 2 (Tier 2), offers benefits covering hospital services, medical services, and dental/vision services to County retirees and their eligible dependents. Retiree Healthcare Benefits are not changing for current active, deferred, and retired members, and their eligible survivors.



Basic Tier 2 Provisions:

- County retiree **medical and dental/vision subsidy** applies to **retiree-only coverage**.
- Medicare-eligible retirees and eligible dependents **must enroll in Medicare Parts A and B and in a corresponding Medicare health plan, such as Medicare Advantage Prescription Drug Plan (MA-PD) or Medicare Supplement Plan.**
- Retiree and his/her eligible dependents must be **enrolled in the same medical plan**, unless some, but not all family members are Medicare-eligible. In such case, the Medicare-eligible individuals must enroll in a Medicare plan and non-Medicare-eligible individuals must enroll in the corresponding non-Medicare health plan.
- The County reimburses Medicare Part B (standard rate) for member or eligible survivor only.

County Retiree Healthcare Subsidy: How It Works

As a LACERA member, you earn service credit for each payroll period of County employment in which you make a retirement contribution. A LACERA member who retires with at least ten years of County service credit is eligible for the County Retiree Healthcare Subsidy.²

The County subsidy is based on retiree-only coverage, regardless of whether the retiree includes an eligible dependent(s) on his or her healthcare plan. Subsidy percentages apply to the monthly premiums on the retiree's selected medical and/or dental/vision plans or the benchmark plan(s) premium, whichever is less, up to a maximum of 100 percent for a member with 25 years of service credit. Upon the retiree's death, the subsidy extends to the retiree's survivor; eligibility requirements apply.³

[RHC: Tier 2 Video](#)

[County Retiree Healthcare Subsidy Chart](#) (Click to view.)



[Register or Sign In](#)

Benchmark Plans:

- Medicare-ineligible retirees – Anthem Blue Cross I & II
- Medicare-eligible retirees – Anthem Blue Cross III
- Dental/vision – Cigna Dental Indemnity Plan

We've created three hypothetical examples to illustrate how the subsidy works. In Example I, a retiree with 15 years of service credit has selected a benchmark plan for him/herself. Based on the 60 percent subsidy, the retiree pays a monthly premium of \$360. Without the **\$540 benchmark subsidy**, the retiree's premium would be \$900.

[Example I](#) (Click to view.)

EXAMPLE I: Retiree on Tier 2 Benchmark Medical Plan				
Full Monthly Premium Amount:	Years of Service Credit	County Subsidy	How Subsidy is Applied	Monthly Amount Retiree Pays
\$900	15	60%	\$900 X 60% = \$540: Dollar amount of County subsidy \$900 – \$540 = \$360: Subsidy deducted from full premium	\$360

Effect of Subsidy on Retiree + Dependent(s) Plans: In Example II, the retiree includes his/her eligible spouse on a benchmark plan and is required to pay the difference on any monthly premium that exceeds the retiree-only benchmark amount.

[Example II](#) (Click to view.)

EXAMPLE II: Retiree with Eligible Spouse on Tier 2 Benchmark Medical Plan					
Full Monthly Retiree & Spouse Premium Amount:	Full Monthly Retiree-only Premium Amount:	Years of Service Credit	County Subsidy	How Subsidy is Applied	Monthly Amount Retiree Pays for Self and Spouse
\$1,600	\$900	15	60%	\$900 X 60% = \$540: Dollar amount of County subsidy \$1,600 – \$540 = \$1,060: Subsidy deducted from full retiree & spouse premium	\$1,060

In Example III, by selecting a lower cost "family" plan for him/herself and eligible spouse, the retiree is able to apply the (higher) benchmark retiree-only subsidy amount to the monthly premium.

Example III (Click to view.)

EXAMPLE III: Retiree with Eligible Spouse on Tier 2 Benchmark Medical Plan					
Full Monthly Retiree & Spouse Premium Amount: \$1,295	Full Monthly Retiree-only Premium Amount: \$650	Years of Service Credit	County Subsidy	How Subsidy is Applied	Monthly Amount Retiree Pays for Self and Spouse
		15	60%	\$650 X 60% = \$390: County subsidy dollar amount for this plan \$900 X 60% = \$540: Maximum County subsidy dollar amount (based on benchmark plan) \$1,295 – \$540 = \$755: Benchmark subsidy deducted from full retiree & spouse premium	\$755

Retirees Eligible for Medicare

- Mandatory enrollment in LACERA-administered Medicare Plans
 - Must enroll in Medicare Parts A and B
 - Must enroll in Tier 2 Medicare Advantage Prescription Drug Plan (MA-PD) or Medicare supplement plan
 - Also applies to eligible dependents who are Medicare-eligible
- County subsidizes the full amount of the retiree's standard self-only Medicare Part B Premium; subsidy is tax-free provided the retiree meets eligibility requirements
- Medical benchmark plan: retiree-only coverage in the Anthem Blue Cross III plan

Retirees Ineligible for Medicare

- Medical benchmark plan: retiree-only coverage in the Anthem Blue Cross I & II plan

Eligible Dependents

Eligible dependents include the member's spouse, domestic partner, minor child(ren), or disabled dependent children who meet the eligibility requirements, as defined by LACERA's Retiree Healthcare Administrative Guidelines.⁴

County Retiree Healthcare Subsidy: Service-connected Disability Retirement

A LACERA member who retires with a service-connected disability (SCD) will receive a County retiree healthcare subsidy equal to the greater of:

- 50 percent of the cost of the applicable benchmark plan retiree-only premium (members with less than 13 years of service credit), or
- the County healthcare subsidy to which the retiree is otherwise entitled

¹Affected new employees first became eligible for LACERA membership on or after August 1, 2014 and were not eligible for reciprocity with a reciprocal agency based on service prior to August 1, 2014.

²Reciprocal Los Angeles City Employees' Retirement System (LACERS) service credit also applies to the extent granted under the 2004 Reciprocal Agreement between L.A. County and the City of Los Angeles.

³Retiree must have eligible spouse or domestic partner or minor child at retirement and designate him or her to receive a monthly continuing benefit.

⁴Refer to booklet entitled "Exploring Your Healthcare Benefits Through LACERA," available on the Retiree Healthcare Brochures & Forms page on lacera.com.

For medical and dental/vision premium rates and other retiree healthcare information, visit the Retiree Healthcare section of lacera.com or call 800-786-6464 and press 1. Email: healthcare@lacera.com.

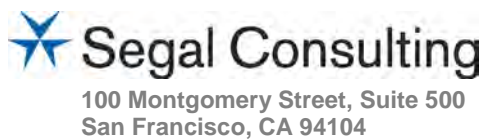
COPYRIGHT 2000 – 2017 LACERA. ALL RIGHTS RESERVED.

12/9/15

Call Center: 800-786-6464 (M-F 7 AM - 5:30 PM) • Fax: 626-564-6155 • Email: welcome@lacera.com
 Member Service Center: (M-F 7 AM - 5 PM) • [Appointment and Workshop Reservation System](#)
 Location: 300 N. Lake Ave. Pasadena, CA 91101 • Mailing Address: PO Box 7060 Pasadena, CA 91109-7060

**LOS ANGELES COUNTY
OTHER POSTEMPLOYMENT
BENEFITS PROGRAM**

*Actuarial Review of
2016 Investigation of Experience*



THIS REPORT HAS BEEN PREPARED AT THE REQUEST OF THE BOARD OF INVESTMENTS TO ASSIST IN ADMINISTERING THE FUND. THIS REPORT MAY NOT OTHERWISE BE COPIED OR REPRODUCED IN ANY FORM WITHOUT THE CONSENT OF THE BOARD OF INVESTMENTS AND MAY ONLY BE PROVIDED TO OTHER PARTIES IN ITS ENTIRETY. THE MEASUREMENTS SHOWN IN THIS REPORT MAY NOT BE APPLICABLE FOR OTHER PURPOSES.

**COPYRIGHT © 2017
ALL RIGHTS RESERVED
MAY 2017**



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

July 21, 2017

Mr. Gregg Rademacher
Chief Executive Officer
Los Angeles County Employees Retirement Association
300 North Lake Avenue
Pasadena, CA 91101

Re: Actuarial Review of 2016 Investigation of Experience

Dear Mr. Rademacher:

We are pleased to present the results of the Actuarial Review of 2016 Investigation of Experience for the Los Angeles County Employees Retirement Association (LACERA) Other Postemployment Benefits (OPEB) Program. The purpose of this review was to evaluate the recommendations of Milliman and to offer comments on the methodology and the results.

This review was supervised by Dave Bergerson, an Associate of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA, and Thomas Bergman, an Associate of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA. This review was conducted in accordance with the standards of practice prescribed by the Actuarial Standards Board. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. The assistance of Milliman and LACERA is gratefully acknowledged.

We appreciate the opportunity to be of service to LACERA's Audit Committee and Board of Retirement and we are available to answer any questions you may have on this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Angelo".

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary

A handwritten signature in black ink, appearing to read "Dave Bergerson".

Dave Bergerson, ASA, MAAA, FCA, EA
Vice President & Actuary

A handwritten signature in black ink, appearing to read "Thomas Bergman".

Thomas Bergman, ASA, MAAA, EA
Associate Actuary

JAC/bbf

cc: Nick J. Collier, Milliman
Robert Schmidt, Milliman
Robert Hill, LACERA

5472006v3/04218.114

Table Of Contents

EXECUTIVE SUMMARY	Page 1
 <i>SECTION I</i>	
PURPOSE AND SCOPE OF THE ACTUARIAL REVIEW OF 2016 INVESTIGATION OF EXPERIENCE	Page 3
 <i>SECTION II</i>	
RESULTS OF THE ACTUARIAL REVIEW	Page 4
Analysis of Initial Medical Enrollment	Page 6
Analysis of Initial Dental/Vision Enrollment	Page 9
Analysis of Initial Medical Pre-65 Selection	Page 12
Analysis of Initial Medical Post-65 Selection	Page 22
Analysis of Initial Dental/Vision Selection	Page 32
Analysis of Pre-65 to Post-65 Migration	Page 33
Analysis of Retirement of Vested Terminated Members	Page 37
Analysis of Miscellaneous Assumptions	Page 39
Analysis of Economic Assumptions	Page 40

This report has been prepared by Segal Consulting to present a review of the 2016 Investigation of Experience report performed by Milliman for the Los Angeles County Other Postemployment Benefits Program.

Our overall assessment of Milliman's 2016 Investigation of Experience for the OPEB Program is that all major actuarial functions are being appropriately addressed. Milliman has employed generally accepted actuarial practices and principles in studying plan experience, selecting assumptions, and presenting the results of their work. We believe that the actuarial assumptions as recommended by Milliman are reasonable for use in the LACERA OPEB program actuarial valuation. The focus of Segal's review work is to confirm the data used in the selection of assumptions and to comment on those items which, in our opinion, may be subject to improvement, so as to contribute to the improvement of the valuation process.

Our observations and recommendations are summarized as follows:

- Milliman has used their capital market assumptions along with asset allocation of both the general employer assets (for the unfunded portion) and the OPEB trust (for the funded portion) in deriving the blended discount rate. We concur with the calculated rates of return and the CPI. We agree this assumption needs to be carefully reviewed in future valuations as both the short term CPI and the capital market assumptions for such portfolios are subject to change.
- Milliman has selected the medical trend assumption using the approach found in Modeling Long Term Healthcare Cost Trends by Professor Thomas E. Getzen published by the Society of Actuaries. We believe this model to be an acceptable model.
- The changes being recommended by Milliman are the following:
 - Milliman identified a need for separate assumptions for Tier 2 members (those hired after June 30, 2014). We agree it is preferable to study this experience separately.
 - Milliman has updated initial enrollment based on experience. The resulting assumptions result in a Actual/Expected ratio of just under 100%. We concur with the proposed service based initial enrollment assumptions.
 - Milliman analyzed the medical plan selection by gender, pre/post age 65, and Tier. This is used to predict the percent of each retiree electing the various medical plans (based on their gender, age, and Tier). An alternative approach is to examine all retirees and not just the most recent retirement years. We believe the current method and updated assumptions for determining medical plan selection being proposed are reasonable.

- The proposed Dental/Vision election percentages were updated – there was a slight increase in the percent electing coverage – and we concur with the proposed assumptions.
- Medical migration at age 65 is the recognition that retirees may elect a different plan once they reach age 65 and are eligible for Medicare.
- The retirement rates for Vested Terminated members. After some clarification on the number of years used in the rate setting, we concur with the proposed rates. There was a close match for the Plan E. The retirement rates for Vested Terminated members in the closed Plans A-D seem higher than we observed.
- Other OPEB demographic assumptions – spouse age difference, members eligible for Medicare Part B, and Survivor and New Dependent enrollment were reviewed and we find the assumptions reasonable.

The staff at Milliman and LACERA were very knowledgeable, cooperative and helpful in the course of our review.

PURPOSE AND SCOPE OF THE ACTUARIAL REVIEW OF 2016 INVESTIGATION OF EXPERIENCE

Purpose of the Actuarial Review

The purpose of this review is to provide LACERA's Audit Committee and Board of Retirement an independent opinion as to the reasonableness of the methods, analysis, and recommendations of Milliman in developing the actuarial assumptions presented in their 2016 Investigation of Experience report. We also provide an independent opinion as to the reasonableness of Milliman's calculation of actuarial liability and costs. Our review used the guidelines of the relevant Actuarial Standards of Practice as well as comparisons to recognized and accepted methods and principles as the gauge of reasonableness.

Scope of the Actuarial Review

The scope of the Actuarial Review, as described in Exhibit B to Actuarial Auditing Services Agreement, includes the following:

- Evaluate the available data for the performance of investigation of experience, the degree to which such data is sufficient to support the conclusions of the investigation of experience, and the use and appropriateness of any assumptions made regarding such data.
- Review the reasonableness of the actuarial assumptions and methodologies as presented in the Milliman's investigation of experience. This includes a review of health specific assumptions, any "supplemental" assumptions identified, and other demographic assumptions with attention paid to those demographic assumptions that have relatively higher significance to health care costs than pension costs. Segal's review is not a re-study of the demographic assumptions previously completed by Milliman.
- Perform a (parallel valuation study, independently re-perform the calculations used in the study), reconcile the aggregate counts of actual occurrences by decrement type with Milliman's and provide an independent reproduction of the cost impact of any changes that are recommended by the Milliman.
- Evaluate the investigation results and reconcile any discrepancies between the findings, assumptions, methodology, rates, and adjustments between Segal and Milliman.
- Performed the audit sequentially with and immediately following Milliman's completion of the investigation of experience. To the extent possible, investigation of experience results and the reconciliation of any discrepancies between the findings, assumptions, methodology, and or rates be communicated to Milliman prior to their completion of work so Milliman may consider such discrepancies for inclusion in their completed investigation of experience.

RESULTS OF THE ACTUARIAL REVIEW

Review of actuarial assumptions and methodologies

The goal of the Investigation of Experience is to allow the proper valuation of the Other Postemployment Benefits (OPEB) Program. As required by the Actuarial Standard of Practice (ASOP) No. 6, a model must be developed and include the following three key components:

- a. the modeled plan provisions;
- b. the modeled population expected to receive retiree group benefits; and
- c. the model of current and projected benefit costs.

In a separate report for the **retirement benefits plan** titled 2016 Investigation of Experience, most of the required demographic assumptions and economic assumptions were evaluated and those assumptions will be used for the OPEB valuation model also. The assumptions that are supplemental to these in the retirement report include plan enrollment, plan election and benefit trends. Additionally, a few assumptions require additional analysis for OPEB valuation model – these include rates of retirement for inactive vested participants and spouse age difference. Finally, GASB requires a method to determine the discount rate that is different from that used for the retirement benefits plan.

Review of Demographic Assumptions

ASOP No. 6 states the actuary should comply with ASOP No. 35 which provides actuaries guidance in selecting demographic and other noneconomic assumptions. Reasonableness of each assumption and consistency among the assumptions are primary among the considerations for selecting assumptions in accordance with the ASOP. The ASOP bases the evaluation of an assumption's reasonableness on two criteria. First, the "assumption is expected to appropriately model the contingency being measured." Second, the "assumption is not anticipated to produce significant cumulative actuarial gains or losses over the measurement period."

During the 2016 Investigation of Experience for the **retirement benefits plan**, the primary demographic assumptions reviewed by Milliman are retiree mortality, termination, and service retirement. Secondary assumptions reviewed include active member mortality, disability retirement (service and non-service related), probability of refund election, probability of an eligible survivor, age of beneficiaries, retirement age for vested terminated members and reciprocity. Segal will review those results in a separate report.

The demographic assumptions that are supplemental or require additional analysis to those in the retirement report include plan enrollment, plan election, and rates of retirement for inactive vested participants and spouse age difference. For many demographic assumptions, the actuary must consider the factors affecting the variation in the rates of decrement. For example, the rate of retirement for terminated members will be highly correlated to their age. Segal independently developed rates, compared those rates to Milliman, and took the ratio of the rates we developed to those developed by Milliman. We independently calculated the observed rates and concur with the

findings. Note there were a few observations that were slightly different in cells where the counts were not statistically significant enough to affect the recommended assumptions.

Once we confirmed the data used by Milliman, we reviewed their method for selecting or updating assumptions. The prevalent method used to determine the appropriateness of a demographic assumption is to analyze the actual to expected ratios (AE ratios). An AE ratio is found by dividing, for any single contingency, the actual number to occur in the data by the number expected to occur based upon current assumptions. These ratios display how well the current assumptions anticipated actual experience. An AE ratio of 100% results when actual experience equals that expected under the assumption.

For each contingency, the actuary determines a reasonable range for the AE ratio. This reasonable range is based upon the materiality of the assumption, the effect of future trends, and the degree of conservatism or margin the actuary considers necessary. An AE ratio falling into this range would indicate the current assumption might still be appropriate. AE ratios not in the reasonable range may indicate the need to modify the assumption. In our opinion, Milliman has performed accurate analyses overall of the reasonableness of the current assumptions through the use of AE ratios.

Overall, we believe Milliman's recommendations for changes to the demographic assumptions are reasonable.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Enrollment – Males**

Shown below is a comparison of the enrollment levels independently developed by Segal compared to those proposed in Exhibit 3-1 of the 2016 Investigation of Experience report. It was determined that a combined male/female table would be used for initial medical enrollment.

Total Number Eligible	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	141	340	309	331	2,085	254
Milliman	134	326	318	320	2,101	253
Ratio (Difference/Milliman)	5.22%	4.29%	-2.83%	3.44%	-0.76%	0.40%

Number Electing Coverage	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	4	131	177	248	2,014	208
Milliman	5	126	164	257	2,005	225
Ratio (Difference/Milliman)	-20.00%	3.97%	7.93%	-3.50%	0.45%	-7.56%

Most of the ratios of Segal to Milliman observations are quite similar. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Enrollment – Females**

Shown below is a comparison of the enrollment levels independently developed by Segal compared to those proposed in Exhibit 3-2 of the 2016 Investigation of Experience report. It was determined that a combined male/female table would be used for initial medical enrollment.

Total Number Eligible	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	159	501	476	514	2,734	104
Milliman	147	476	489	516	2,739	104
Ratio (Difference/Milliman)	8.16%	5.25%	-2.66%	-0.39%	-0.18%	0.00%

Number Electing Coverage	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	13	192	281	399	2,626	71
Milliman	14	208	294	409	2,587	75
Ratio (Difference/Milliman)	-7.14%	-7.69%	-4.42%	-2.44%	1.51%	-5.33%

Most of the ratios of Segal to Milliman observations are quite similar. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Enrollment – Males and Females**

Shown below is a comparison of the enrollment levels independently developed by Segal compared to those proposed in Exhibit 3-3 of the 2016 Investigation of Experience report. It was determined that a combined male/female table would be used for initial medical enrollment. The similarity between male and female experience suggests that this approach is reasonable, and the actual to expected ratio (AE) show an appropriate fit to the proposed assumptions.

Total Number Eligible	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	300	841	785	845	4,819	358
Milliman	281	802	807	836	4,840	357
Ratio (Difference/Milliman)	6.76%	4.86%	-2.73%	1.08%	-0.43%	0.28%

Number Electing Coverage	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	17	323	458	647	4,640	279
Milliman	19	334	458	666	4,592	300
Ratio (Difference/Milliman)	-10.53%	-3.29%	0.00%	-2.85%	1.05%	-7.00%

Most of the ratios of Segal to Milliman observations are quite similar. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Dental/Vision Enrollment – Males**

Shown below is a comparison of the enrollment levels independently developed by Segal compared to those proposed in Exhibit 3-4 of the 2016 Investigation of Experience report. It was determined that a combined male/female table would be used for initial dental/vision enrollment.

Total Number Eligible	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	141	340	309	331	2,085	254
Milliman	134	326	318	320	2,101	253
Ratio (Difference/Milliman)	5.22%	4.29%	-2.83%	3.44%	-0.76%	0.40%

Number Electing Coverage	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	7	140	179	252	2,007	211
Milliman	8	134	167	256	1,999	230
Ratio (Difference/Milliman)	-12.50%	4.48%	7.19%	-1.56%	0.40%	-8.26%

Most of the ratios of Segal to Milliman observations are quite similar. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Dental/Vision Enrollment – Females**

Shown below is a comparison of the enrollment levels independently developed by Segal compared to those proposed in Exhibit 3-5 of the 2016 Investigation of Experience report. It was determined that a combined male/female table would be used for initial dental/vision enrollment.

Total Number Eligible	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	159	501	476	514	2,734	104
Milliman	147	476	489	516	2,739	104
Ratio (Difference/Milliman)	8.16%	5.25%	-2.66%	-0.39%	-0.18%	0.00%

Number Electing Coverage	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	21	220	298	417	2,633	74
Milliman	22	239	315	425	2,593	80
Ratio (Difference/Milliman)	-4.55%	-7.95%	-5.40%	-1.88%	1.54%	-7.50%

Most of the ratios of Segal to Milliman observations are quite similar. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Dental/Vision Enrollment – Males and Females**

Shown below is a comparison of the enrollment levels independently developed by Segal compared to those proposed in Exhibit 3-6 of the 2016 Investigation of Experience report. It was determined that a combined male/female table would be used for initial dental/vision enrollment. The similarity between male and female experience suggests that this approach is reasonable, and the actual to expected ratio (AE) show an appropriate fit to the proposed assumptions.

Total Number Eligible	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	300	841	785	845	4,819	358
Milliman	281	802	807	836	4,840	357
Ratio (Difference/Milliman)	6.76%	4.86%	-2.73%	1.08%	-0.43%	0.28%

Number Electing Coverage	<u>Years of Service</u>					Disabled
	<10	10-14	15-19	20-24	25+	
Segal	28	360	477	669	4,640	285
Milliman	30	373	482	681	4,592	310
Ratio (Difference/Milliman)	-6.67%	-3.49%	-1.04%	-1.76%	1.05%	-8.06%

Most of the ratios of Segal to Milliman observations are quite similar. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Pre-65 Selection - Males

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-1 of the 2016 Investigation of Experience report.

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	4	0.30%	0.30%		1.0%	0.5%	0.5%
202	11	0.70%	0.70%		2.0%	1.5%	1.5%
203	17	1.10%	1.10%		1.0%	1.0%	1.0%
204	1	0.10%	0.10%				
205							
211	6	0.40%	0.40%			0.5%	0.5%
212	4	0.30%	0.20%	0.10%	1.0%		
213	5	0.30%	0.30%			0.5%	0.5%
214	1	0.10%	0.10%				
215							
221	81	5.20%	5.00%	0.20%	6.0%	5.5%	5.5%
222	200	12.90%	13.50%	-0.60%	15.0%	14.0%	14.0%
223	178	11.50%	11.20%	0.30%	10.0%	10.5%	10.5%
224	18	1.20%	1.20%			1.0%	1.0%
225							
240	3	0.20%	0.10%	0.10%			
241	2	0.10%	0.10%				
242	12	0.80%		0.80%			
243							
244							
245							
246							
247							
248							
249							
250							
301	3	0.20%	0.20%				
302	3	0.20%	0.20%				
303	3	0.20%	0.30%	-0.10%			
304	1	0.10%	0.10%				
305							
321							
322							
324							
325							
327							
329							

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Pre-65 Selection - Males**

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
401	182	11.70%	12.20%	-0.50%	13.0%	12.5%	12.5%
402							
403	8	0.50%	0.10%	0.40%			
404							
405							
406							
411	496	32.00%	33.50%	-1.50%	37.0%	36.0%	36.0%
412							
413	34	2.20%	1.30%	0.90%			
414	2	0.10%		0.10%			
415							
416							
417	0						
418	5	0.30%	0.10%	0.20%			
419							
420							
421							
422	2	0.10%		0.10%			
423	1	0.10%		0.10%			
424							
425							
426							
427							
428							
429							
430							
431							
432							
450	1	0.10%	0.10%				
451							
452							
453	1	0.10%	0.10%				
454							
455							
456							
457							
458							
459							
460							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Pre-65 Selection - Males

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
440							
441							
442							
443							
444							
445							
446							
461			0.10%	-0.10%			
462							
463	3	0.20%	0.10%				
464							
465							
466							
467							
468							
469							
470							
471							
472							
473							
474							
475							
476							
477							
478							
479							
481	1	0.10%	0.10%				
482							
483							
484							
485							
486							
487							
488							
489							
490							
491							
492							
493							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Pre-65 Selection - Males

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
494							
495							
496							
497							
498							
611							
613							
701	3	0.20%		0.20%			
702	14	0.90%	0.60%	0.30%		0.5%	0.5%
703	2	0.10%	0.10%				
704			0.10%	-0.10%			
705							
706							
707	51	3.30%	3.70%	-0.40%	3.5%	3.5%	3.5%
708	98	6.30%	6.60%	-0.30%	7.0%	7.0%	7.0%
709	94	6.10%	6.10%		3.5%	5.5%	5.5%
Total	1,551						
Milliman	1,552						

Most of the ratios of Segal to Milliman observations are close to 100%, i.e. almost no difference. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population. We have included the number 'Electing' to explain the zero proposed assumption for some Deduction Codes.

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Pre-65 Selection - Males

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-1 of the 2016 Investigation of Experience report.

Deduction Code	Electing	Segal %	Milliman %	Ratio	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	14	6.30%	6.00%	0.30%	7.0%	7.0%	7.0%
802	79	35.70%	36.20%	-0.50%	57.0%	47.0%	47.0%
803	125	56.60%	57.80%	-1.20%	36.0%	46.0%	46.0%
804							
805	3	1.40%		1.40%			
806							
807							
808							
809							
810							
811							
812							
813							
814							
815							
Total	221						
Milliman	221						

The data shows that experience varied slightly from the current assumptions. The proposed changes are minor and appear reasonable, weighting both current assumptions and recent experience.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Pre-65 Selection - Females**

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-2 of the 2016 Investigation of Experience report.

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	14	0.70%	0.70%		1.0%	1.0%	1.0%
202	7	0.40%	0.40%		1.0%	0.5%	0.5%
203	4	0.20%	0.20%				
204	2	0.10%	0.10%				
205							
211	5	0.30%	0.40%	-0.10%	1.0%	0.5%	0.5%
212	6	0.30%	0.30%		1.0%	0.5%	0.5%
213	1	0.10%	0.10%				
214	1	0.10%	0.10%				
215							
221	147	7.80%	7.80%		9.0%	8.0%	8.0%
222	96	5.10%	6.60%	-1.50%	7.0%	7.0%	7.0%
223	35	1.90%	1.90%		1.0%	2.0%	2.0%
224	16	0.90%	0.90%			1.0%	1.0%
225							
240	10	0.50%	0.30%	0.20%	1.0%	0.5%	0.5%
241							
242	25	1.30%		1.30%			
243	2	0.10%		0.10%			
244							
245							
246							
247							
248							
249							
250							
301	4	0.20%	0.20%				
302	1	0.10%	0.10%			0.5%	0.5%
303			0.10%	-0.10%			
304	2	0.10%	0.10%				
305							
321							
322							
324							
325							
327							
329							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Pre-65 Selection - Females

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
401	534	28.50%	29.60%	-1.10%	33.0%	31.0%	31.0%
402							
403	35	1.90%	0.60%	1.30%			
404							
405	2	0.10%		0.10%			
406	1	0.10%		0.10%			
411	400	21.30%	22.50%	-1.20%	27.0%	30.0%	30.0%
412							
413	158	8.40%	7.90%	0.50%			
414	7	0.40%	0.20%	0.20%			
415							
416							
417							
418	6	0.30%	0.10%	0.20%			
419							
420							
421							
422	4	0.20%	0.10%	0.10%			
423							
424							
425							
426							
427							
428							
429							
430							
431							
432							
450							
451							
452							
453							
454							
455							
456							
457							
458							
459							
460							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Pre-65 Selection - Females

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
440							
441							
442							
443							
444							
445							
446							
461	4	0.20%	0.20%				
462							
463	3	0.20%	0.20%				
464							
465							
466							
467							
468							
469							
470							
471	1	0.10%	0.10%				
472							
473							
474							
475							
476							
477							
478							
479							
481							
482							
483							
484							
485							
486	1	0.10%		0.10%			
487							
488							
489							
490							
491							
492							
493							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Pre-65 Selection - Females

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
494	0						
495	0						
496	0						
497	0						
498	0						
611	1	0.10%	0.10%				
613	0						
701	10	0.50%	0.20%	0.30%			
702	43	2.30%	2.10%	0.20%	2.0%	2.0%	2.0%
703	5	0.30%	0.10%	0.20%			
704	9	0.50%	0.30%	0.20%		0.5%	0.5%
705	0						
706	0						
707	157	8.40%	8.80%	-0.40%	10.0%	9.0%	9.0%
708	83	4.40%	4.90%	-0.50%	5.0%	5.0%	5.0%
709	32	1.70%	1.70%		1.0%	1.0%	1.0%
	1,874						
	1,875						

Most of the ratios of Segal to Milliman observations are close to 100%, i.e. almost no difference. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population. We have included the number 'Electing' to explain the zero proposed assumption for some Deduction Codes.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Pre-65 Selection - Females**

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-2 of the 2016 Investigation of Experience report.

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801					7.0%	7.0%	7.0%
802					57.0%	47.0%	47.0%
803					36.0%	46.0%	46.0%
804							
805							
806							
807							
808							
809							
810							
811							
812							
813							
814							
815							
Total	0						
Milliman	0						

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Post-65 Selection - Males

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-3 of the 2016 Investigation of Experience report.

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	1	0.10%	0.20%	-0.10%			
202	2	0.20%	0.20%				
203	1	0.10%	0.10%				
204							
205							
211	1	0.10%		0.10%			
212	2	0.20%	0.20%				
213							
214							
215							
221	10	1.00%	1.20%	-0.20%	2.0%	1.0%	
222	32	3.20%	3.30%	-0.10%	5.0%	3.5%	
223	8	0.80%	0.80%			1.0%	
224	1	0.10%	0.10%				
225							
240	64	6.40%	6.00%	0.40%	7.0%	6.5%	7.5%
241	3	0.30%	0.20%	0.10%			
242	66	6.60%	6.30%	0.30%	6.0%	6.5%	10.0%
243	66	6.60%	6.60%		7.0%	6.5%	6.5%
244	1	0.10%	0.10%				
245	3	0.30%	0.30%			0.5%	0.5%
246	1	0.10%	0.10%				
247	11	1.10%	1.10%				1.0%
248							
249	2	0.20%	0.20%				
250	1	0.10%	0.10%				
301	1	0.10%	0.10%				
302	2	0.20%	0.20%				
303							
304							
305							
321							
322							
324							
325							
327							
329							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Post-65 Selection - Males

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
401	5	0.50%	1.90%	-1.40%			
402							
403	160	16.00%	15.80%	0.20%	20.0%	20.0%	23.0%
404	6	0.60%	0.60%		1.0%	1.0%	
405	22	2.20%	1.10%	1.10%	2.0%	2.0%	
406							
411	5	0.50%	1.80%	-1.30%			
412							
413	195	19.40%	20.90%	-1.50%	18.0%	19.5%	23.5%
414	11	1.10%	0.60%	0.50%	2.0%	1.0%	
415							
416							
417							
418	150	15.00%	13.70%	1.30%	13.0%	14.0%	15.0%
419	3	0.30%	0.10%	0.20%	1.0%	0.5%	
420	1	0.10%	0.20%	-0.10%	1.0%	0.5%	
421							
422	22	2.20%	1.50%	0.70%	2.0%	2.0%	
423					1.0%	1.0%	
424							
425							
426							
427	3	0.30%	0.20%	0.10%			
428							
429							
430	2	0.20%	0.20%				
431							
432	1	0.10%	0.10%				
450							
451							
452							
453							
454							
455							
456							
457							
458							
459							
460							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Post-65 Selection - Males

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
440							
441							
442	1	0.10%	0.10%				
443							
444							
445							
446							
461							
462							
463							
464							
465	1	0.10%	0.10%				
466							
467							
468							
469							
470							
471							
472							
473							
474							
475							
476							
477							
478							
479							
481							
482							
483							
484							
485							
486	1	0.10%		0.10%			
487							
488	1	0.10%		0.10%			
489			0.10%	-0.10%			
490							
491							
492							
493							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Post-65 Selection - Males

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
494	0						
495	0						
496	0						
497	0						
498	0						
611	2	0.20%	0.20%		1.0%	0.5%	0.5%
613	7	0.70%	0.70%		1.0%	0.5%	0.5%
701	32	3.20%	3.20%		2.5%	3.0%	3.0%
702	36	3.60%	3.80%	-0.20%	3.5%	3.5%	3.5%
703	40	4.00%	3.90%	0.10%	3.0%	3.5%	3.5%
704	16	1.60%	1.60%		1.0%	1.5%	1.5%
705	1	0.10%	0.20%	-0.10%		0.5%	0.5%
706	0						
707	0						
708	0						
709	0						
Total	1,003						
Milliman	1,003						

Most of the ratios of Segal to Milliman observations are close to 100%, i.e. almost no difference. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population. We have included the number 'Electing' to explain the zero proposed assumption for some Deduction Codes.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Post-65 Selection - Males**

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	1	16.70%	16.70%				
802							
803							
804					7.0%	7.0%	7.0%
805	2	33.30%	33.30%				
806	1	16.70%	16.70%		57.0%	47.0%	47.0%
807	2	33.30%	33.30%				
808					36.0%	46.0%	46.0%
809							
810							
811							
812							
813							
814							
815							
Total	6						
Milliman	6						

The data shows that experience varied slightly from the current assumptions. The proposed changes are minor and appear reasonable, weighting both current assumptions and recent experience.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Post-65 Selection - Females**

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-4 of the 2016 Investigation of Experience report.

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	6	0.40%	0.40%				
202	1	0.10%	0.10%				
203							
204							
205							
211	4	0.20%	0.20%		1.0%	0.5%	
212	3	0.20%	0.20%				
213							
214							
215							
221	26	1.50%	1.50%		3.0%	2.0%	
222	8	0.50%	0.50%		1.0%	1.0%	
223							
224							
225							
240	177	10.40%	10.50%	-0.10%	11.0%	10.5%	13.0%
241	3	0.20%	0.10%	0.10%			
242	16	0.90%	0.90%		1.0%	1.0%	2.0%
243	66	3.90%	3.70%	0.20%	4.0%	4.0%	4.0%
244	1	0.10%	0.10%				
245	1	0.10%	0.10%				
246	1	0.10%		0.10%			
247							
248							
249	2	0.10%	0.20%	-0.10%			
250							
301	2	0.10%	0.10%				
302							
303							
304							
305							
321							
322							
324							
325							
327							
329							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Post-65 Selection - Females

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
401	15	0.90%	3.40%	-2.50%			
402							
403	645	37.90%	37.20%	0.70%	36.0%	39.5%	44.5%
404	29	1.70%	1.30%	0.40%	3.0%	2.0%	
405	59	3.50%	1.80%	1.70%	4.0%	3.0%	
406					1.0%		
411	1	0.10%	0.40%	-0.30%			
412							
413	80	4.70%	5.10%	-0.40%	4.0%	4.5%	5.0%
414	2	0.10%	0.20%	-0.10%			
415							
416							
417							
418	276	16.20%	15.70%	0.50%	15.0%	15.5%	16.0%
419	2	0.10%	0.10%		1.0%	0.5%	
420	1	0.10%		0.10%			
421							
422	8	0.50%	0.30%	0.20%	1.0%	0.5%	
423							
424							
425							
426	5	0.30%	0.20%	0.10%			
427	2	0.10%	0.10%				
428							
429							
430	1	0.10%	0.10%				
431							
432							
450							
451							
452							
453							
454							
455							
456							
457	1	0.10%	0.10%				
458							
459							
460							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Post-65 Selection - Females

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
440							
441							
442	1	0.10%	0.10%				
443							
444							
445							
446							
461							
462	1	0.10%		0.10%			
463			0.10%	-0.10%			
464							
465							
466							
467							
468							
469							
470							
471							
472							
473							
474							
475							
476							
477							
478							
479							
481							
482							
483							
484							
485							
486							
487							
488							
489							
490							
491							
492							
493							

Actuarial Review of 2016 Investigation of Experience

Analysis of Initial Medical Post-65 Selection - Females

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
494							
495							
496							
497							
498							
611	10	0.60%	0.60%		1.0%	1.0%	1.0%
613	7	0.40%	0.40%		1.0%	0.5%	0.5%
701	164	9.60%	9.50%	0.10%	7.5%	9.5%	9.5%
702	18	1.10%	1.20%	-0.10%	1.0%	1.0%	1.0%
703	55	3.20%	3.20%		3.5%	3.5%	3.5%
704			0.10%	-0.10%			
705	1	0.10%	0.10%				
706							
707			0.10%	-0.10%			
708							
709							
Total	1,701						
Milliman	1,709						

Most of the ratios of Segal to Milliman observations are close to 100%, i.e. almost no difference. In the cases where the percentage differences were larger, the records involved were a small proportion of the total population. We have included the number 'Electing' to explain the zero proposed assumption for some Deduction Codes.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Medical Post-65 Selection - Females**

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumption	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	1	33.30%	33.30%				
802							
803							
804	1	33.30%	33.30%		7.0%	7.0%	7.0%
805							
806	1	33.30%	33.30%		57.0%	47.0%	47.0%
807							
808					36.0%	46.0%	46.0%
809							
810							
811							
812							
813							
814							
815							
Total	3						
Milliman	3						

The data shows that experience varied slightly from the current assumptions. The proposed changes are minor and appear reasonable, weighting both current assumptions and recent experience.

The Segal counts were based on data provided by LACERA, not reflecting any adjustments Milliman may have made in the data update process.

Actuarial Review of 2016 Investigation of Experience
Analysis of Initial Dental/Vision Selection

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-5 of the 2016 Investigation of Experience report.

Male Retirees (Dental)

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumptions	Proposed Assumptions
501	537	19.2%	19.3%	-0.1%	21%	20%
502	1,912	68.4%	68.4%		65%	67%
503						
901	101	3.6%	3.6%		5%	4%
902	247	8.8%	8.7%	0.1%	9%	9%
903						
Total	2,797					
Milliman	2,794					

Female Retirees (Dental)

Deduction Code	Electing	Segal %	Milliman %	Difference	Current Assumptions	Proposed Assumptions
501	1,705	46.6%	46.6%		46%	46%
502	1,439	39.3%	39.3%		37%	39%
503						
901	317	8.7%	8.6%	0.1%	11%	9%
902	200	5.5%	5.5%		6%	6%
903						
Total	3,661					
Milliman	3,674					

Most of the ratios of Segal to Milliman observations are close. We have included the record counts associated with any percentage comparison to help illustrate the impact of any percentage changes.

Experience tracked very close with current assumptions and the minor suggested changes appear reasonable.

Actuarial Review of 2016 Investigation of Experience

Analysis of Pre-65 to Post-65 Migration

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 4-6 of the 2016 Investigation of Experience report.

Pre-65 to Post-65 Migration

ELIGIBLE PLAN		COUNTS		
Pre-Medicare	Post-Medicare	Milliman	Segal	Difference
Anthem Blue Cross I	Anthem Blue Cross I	48	48	
	Anthem Blue Cross II	3	3	
	Anthem Blue Cross III	74	74	
	Other	2	2	
	Total	127	127	0
Anthem Blue Cross II	Anthem Blue Cross I	0	0	
	Anthem Blue Cross II	395	400	5
	Anthem Blue Cross III	431	430	-1
	United Healthcare	0	0	
	Excess II	1	1	
	2+ Advantage	1	1	
	Other	11	11	
	Total	839	843	4
Anthem Blue Cross Prudent Buyer Plan	Anthem Blue Cross I	0	0	
	Anthem Blue Cross II	2	2	
	Anthem Blue Cross III	62	63	1
	Anthem Blue Cross Prudent Buyer Plan	80	83	3
	Other	1	1	
	Total	145	149	4
CIGNA Network Model Plan	Anthem Blue Cross I	1	1	
	Anthem Blue Cross II	1	1	
	Anthem Blue Cross III	14	14	
	Cigna Medicare Select Plus Rx (AZ)	6	7	1
	CIGNA Network Model Plan	30	30	
	United Healthcare Medicare Advantage	11	11	
	Senior Advantage	1	1	
	One Advantage, Others Basic	1	1	
	SCAN Health Plan	5	5	
	Other	0	0	
	Total	70	71	1

Actuarial Review of 2016 Investigation of Experience
Analysis of Pre-65 to Post-65 Migration

ELIGIBLE PLAN		COUNTS		
Pre-Medicare	Post-Medicare	Milliman	Segal	Difference
United Healthcare	United Healthcare Medicare Advantage	300	298	-2
	CIGNA Network Model Plan	2	3	1
	Anthem Blue Cross I	1	1	
	Anthem Blue Cross II	9	9	
	Anthem Blue Cross III	28	28	
	SCAN Health Plan	4	4	
	Senior Advantage	2	2	
	One Advantage, Others Basic	2	1	-1
	One Advantage, One Excess II	0	0	
	Excess II	3	3	
	One Excess II, One Basic	2	2	
	One Excess III (MNP), One Basic	0	0	
	Other	2	2	
	Total		355	353
Kaiser Retiree Basic	Senior Advantage	884	873	-11
	Excess I	37	30	-7
	Excess II	106	78	-28
	Excess III (MNP)	32	28	-4
	Anthem Blue Cross I	2	2	
	Anthem Blue Cross III	16	19	3
	United Healthcare Medicare Advantage	1	1	
	Kaiser Retiree Basic	5	75	70
	One Advantage, Others Basic	6	8	2
	One Excess III (MNP), One Basic	0	0	
	Other	10	10	
Total		1,099	1124	25

Actuarial Review of 2016 Investigation of Experience
Analysis of Pre-65 to Post-65 Migration

ELIGIBLE PLAN		COUNTS		
Pre-Medicare	Post-Medicare	Milliman	Segal	Difference
Kaiser Family Basic	2+ Advantage	108	112	4
	One Advantage, One Excess II	2	2	
	One Advantage, One Excess III (MNP)	1	1	
	One Advantage, Others Basic	422	426	4
	One Excess 1, One Advantage	5	5	
	One Excess 1, Others Basic	24	18	-6
	One Excess 1, Others Excess II	0	0	
	One Excess II, One Basic	67	57	-10
	One Excess II, Others Excess III (MNP)	0	0	
	One Excess III (MNP), One Basic	18	17	-1
	Two+ Excess II- Part B	4	3	-1
	CIGNA Network Model Plan	0	0	
	Excess II	17	3	-14
	Excess III (MNP)	1	0	-1
	Anthem Blue Cross III	10	9	-1
	United Healthcare Medicare Advantage	1	1	
	Senior Advantage	22	15	-7
	Kaiser Family Basic	6	39	33
	Other	12	9	-3
		Total	720	717
One Advantage, Others Basic	Senior Advantage	6	6	
	2+ Advantage	330	340	10
	One Advantage, One Excess II	3	3	
	One Advantage, One Excess III (MNP)	6	6	
	One Advantage, Others Basic	45	47	2
	One Excess 1, One Advantage	1	1	
	Anthem Blue Cross III	2	2	
	Anthem Blue Cross I	0	0	
	Anthem Blue Cross II	0	0	
	Excess III (MNP)	0	0	
	One Excess III (MNP), One Basic	5	0	-5
	Other	10	3	-7
		Total	408	408
Firefighters Local 1014	Firefighters Local 1014	144	143	-1
	Other	1	2	1
	Total	145	145	0

Experience tracked very close with current assumptions and the minor suggested changes appear reasonable.

For future retirees, we did not see any discussion of whether any data is available to determine which employees are eligible for Medicare, or if the future Medicare enrollment assumption is based only on current retiree data. The Tier II post-65 plan selection assumption does only include Medicare plans which we believe is appropriate.

**Actuarial Review of 2016 Investigation of Experience
Analysis of Retirement of Vested Terminated Members – General Plans A, B, C, and D**

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 5-1 of the 2016 Investigation of Experience report.

Age	<u>Observed Rates</u>		<u>Ratio</u> (Segal/Milliman)	<u>Assumed Rates</u>		Actual / Expected
	Segal*	Milliman		Current	Proposed	
50	12.5%	23.4%	53.4%	27.00%	24.00%	86.7%
51	1.9%	6.6%	29.0%	9.00%	7.00%	73.3%
52	1.8%	5.9%	30.4%	9.00%	7.00%	65.6%
53	2.4%	5.6%	42.3%	9.00%	7.00%	62.2%
54	4.6%	6.4%	71.3%	9.00%	7.00%	71.1%
55	7.9%	10.5%	75.3%	10.00%	10.00%	105.0%
56	5.0%	10.2%	49.4%	10.00%	10.00%	102.0%
57	4.3%	9.0%	47.9%	10.00%	10.00%	90.0%
58	4.6%	9.4%	49.5%	10.00%	10.00%	94.0%
59	4.6%	11.1%	41.7%	12.00%	12.00%	92.5%
60	7.1%	14.1%	50.3%	14.00%	13.00%	100.7%
61	8.4%	13.1%	64.2%	16.00%	14.00%	81.9%
62	9.1%	15.7%	58.3%	19.00%	17.00%	82.6%
63	10.8%	19.2%	55.9%	20.00%	20.00%	96.0%
64	13.0%	22.6%	57.6%	27.00%	24.00%	83.7%
65	15.9%	26.6%	59.7%	33.00%	28.00%	80.6%
66	12.4%	24.5%	50.7%	29.00%	26.00%	84.5%
67	9.2%	26.7%	34.4%	30.00%	27.00%	89.0%
68	7.2%	26.9%	26.7%	28.00%	28.00%	96.1%
69	10.1%	29.0%	34.9%	28.00%	28.00%	103.6%
70	16.4%	47.6%	34.4%	28.00%	28.00%	170.0%
71	2.9%	14.3%	20.6%	29.00%	28.00%	49.3%
72	5.8%	38.1%	15.1%	30.00%	29.00%	127.0%
73	12.8%	37.5%	34.0%	31.00%	30.00%	121.0%
74	2.7%	10.0%	27.0%	31.00%	31.00%	32.3%
75+	3.2%	12.8%	25.2%	100.00%	100.00%	12.8%

*The rates developed by Segal were derived from 6 years of data provided for the pension valuation audits.

Segal’s aggregate retirement counts were slightly lower than Milliman’s. After investigating the difference, it was concluded the difference was due to Milliman’s inclusion of beneficiaries of deceased vested terminated members as retirees. We do not typically reflect such deaths and beneficiaries in our analysis of age at retirement.

Actuarial Review of 2016 Investigation of Experience

Analysis of Retirement of Vested Terminated Members – General Plan E

Shown below is a comparison of the rates independently developed by Segal compared to those proposed in Exhibit 5-2 of the 2016 Investigation of Experience report.

Age	Observed Rates		Ratio (Segal/Milliman)	Assumed Rates		Actual / Expected
	Segal*	Milliman		Current	Proposed	
55	30.7%	29.4%	104.4%	25.0%	27.0%	117.6%
56	6.3%	7.3%	87.4%	7.0%	7.0%	104.3%
57	5.0%	6.7%	75.6%	7.0%	7.0%	95.7%
58	4.9%	4.7%	102.9%	7.0%	6.0%	67.1%
59	5.1%	6.3%	79.8%	7.0%	6.0%	90.0%
60	5.3%	6.6%	79.8%	8.0%	8.0%	82.5%
61	6.9%	7.9%	88.2%	10.0%	8.0%	79.0%
62	7.1%	8.6%	82.1%	12.5%	10.0%	68.8%
63	8.6%	9.5%	89.9%	15.0%	12.0%	63.3%
64	21.5%	23.3%	92.3%	24.0%	24.0%	97.1%
65	38.0%	39.4%	96.5%	35.0%	37.0%	112.6%
66	11.7%	13.3%	87.8%	21.0%	16.0%	63.3%
67	4.9%	6.5%	74.7%	18.0%	13.0%	36.1%
68	7.5%	10.2%	73.8%	15.0%	12.0%	68.0%
69	14.1%	18.0%	78.3%	16.0%	16.0%	112.5%
70	20.0%	20.4%	98.1%	20.0%	20.0%	102.0%
71	21.0%	28.4%	73.9%	25.0%	23.0%	113.6%
72	17.4%	15.9%	109.3%	28.0%	24.0%	56.8%
73	14.7%	14.7%	100.0%	30.0%	26.0%	49.0%
74	16.0%	25.9%	61.7%	33.0%	31.0%	78.5%
75+	8.3%	11.3%	73.6%	100.0%	100.0%	11.3%

*The rates developed by Segal were derived from 6 years of data provided for the pension valuation audits.

Segal's aggregate retirement counts were slightly lower than Milliman's. After investigating the difference, it was concluded the difference was due mainly to Milliman's inclusion of beneficiaries of deceased vested members as retirees. We do not typically reflect such deaths and beneficiaries in our analysis of age at retirement.

Due to the low number of Safety Plan's Vested Terminated Members (119 total observed) shown in Exhibit 5-3, we did not independently develop the sample rates.

Age Difference for Enrolled Spouses

We reviewed the age differences for spouses of current retirees (all and recent retirements) with spouse coverage using the data provided by LACERA and obtained results, rounded to the nearest year, as in the Milliman Report.

We note that using the data from recent retirees would seem to better predict spouse age difference upon retirement. As retirees age, the spouse age difference profile may change as some spouses die (and so are no longer included in the profile). As shown in the Milliman report, the average age of spouses of male retirees is 0.6 years older on average for all retirees compared with recent retirees.

Medicare Enrollment for Blue Cross Plans I, II and Prudent Buyer

The Milliman Report States:

There were not any members in the Blue Cross I, II, and Prudent Buyer plans who were in Medicare Part B. We recommend continuing with the current assumption.

We reviewed the original data from LACERA. It shows that none of the retirees enrolled in the three plans had Medicare Part B premiums on the file. We agree with that observation.

For future retirees, we did not see any discussion of whether any data is available to determine which employees are eligible for Medicare, or if the future Medicare enrollment assumption is based only on current retiree data. The Tier II post-65 plan selection assumption does only include Medicare plans which we believe is appropriate.

Survivor and New Dependent Enrollment

We did not verify the numerical results in the report. The number of records under the scenarios is small as a proportion of total retirees and dependents and unlikely to materially affect the costs.

Economic Assumptions

Discount Rate – We reviewed Milliman’s discount rate assumption used for the valuation under the “blended” approach specified by GASB 43. This approach assumes benefits will be partially provided by a trust as defined by GASB 43. In this case, the discount rate must be based on the blended long-term expected rate of return on general employer assets for the portion of the ARC not funded plus the long-term expected rate of return on plan assets for the portion of the ARC that is funded. The following table summarizes the development of the discount rate.

Assumption	General Employer Assets	Fund Assets
Price Inflation (CPI-U)	2.75%	2.75%
Investment Earnings	3.55%	6.72%

Assumption	Discount Rate	Percent of ARC
General Employer Assets	3.55%	71.6%
Trust Fund Assets	6.72%	28.4%
Blended Discount Rate	4.50%	100%

ASOP No. 6 states the actuary should comply with ASOP No. 27 which provides actuaries guidance in selecting economic assumptions for measuring pension obligations. From the chart, the inflation component is an explicit component and that component has been analyzed in the **retirement benefits** plan’s report titled 2016 Investigation of Experience. The discussion on selecting the Price Inflation and our review of that discussion are presented in a separate report.

Milliman has updated the method to use the investment mix and their capital market assumptions to determine the respective expected geometric return on General Employer Assets and the Fund Assets. We believe this blended discount rate of 4.50% is reasonable.

Trend Rates – We reviewed Milliman’s OPEB Trend rates, which are based on a model released by the Society of Actuaries developed by Professor Thomas E. Getzen referred to as the “Getzen” model. This model requires several additional parameters and the following parameters were suggested by Milliman. In general, the Getzen model generates a longer transition period from short-term rates to the ultimate trend rates when compared to the Segal model.

Trends through 2021: – These were based on Milliman’s actuarial judgment in consultation with LACERA’s health consultant. Expanded description was requested and incorporated by Milliman.

2021 GDP Percentage Share: – This is the percentage of the Gross Domestic Product dedicated to health care cost. The Getzen model suggested a GDP percentage range of 17.5% - 21.0%. Milliman used 19.0% for 2021. We concur with this assumption.

Inflation: – Maintain a 2.75% CPI.

Real GDP Per Capita Growth: – This is the growth in healthcare costs above inflation. Milliman used 1.6% per year, recommended in the Getzen model. The rates incorporated in the 2016 Medicare Trustees report scenarios range from 1.2% to 1.8%. We concur with the 1.6% assumption.

Excess Medical Cost Growth: – This item is the ratio of increase in health care expenditures to an increase in income. The rate of 1.4% that Milliman used is recommended in the Getzen model. It is in the middle of the range indicated by relevant research.

GDP Resistance Point: – This is the projected GDP Percentage Share at which health care becomes expensive enough that increases in costs must slow down. Milliman's assumption was 25% based on SOA research. We concur with this assumption.

Aging: – The rates produced by the Getzen model were adjusted downward to remove the aging factors, since aging was included explicitly elsewhere in the valuation process. We concur with this assumption.

Adjustment for Administrative Costs: – This is the annual increase in costs other than health costs. Milliman used their rate of inflation plus .75% per annum. We concur with this assumption.

Rounding: – Annual rates were rounded to the nearest 0.05%.

We believe the Getzen model to be an acceptable model. However, with the current parameters, we believe the model will produce results that are higher than the Segal model. This is due to the longer transition period under from short-term to ultimate trend in the model used by Milliman.

The variables shown above are all within the range shown to be reasonable by the relevant research. The fact that some variables are different from those recommended in the study indicates that they have considered each variable and not just blindly applied the results of the SOA study.

For dental and vision benefits, Milliman used CPI plus 1.5%. We concur with this assumption.

For Medicare Part B premiums, Milliman proposes a trend assumption starting at 6.80% and grading toward an ultimate rate of 4.35%. In recent years, most Part B premium increases have been limited in recent years by the low Social Security Cost of Living Allowances (COLAs) and the provision that Part B premiums not increase more than Social Security COLAs. Consistent with the 2.75% CPI assumption, Milliman developed higher trend assumptions for 2017 and the next few years, to take into account the increase in premiums when Social Security benefits start rising again. We concur with this assumption. It may be helpful for illustrative purposes to show the 2017 Part B premium compared with the projected 2018 Part B premium.

Overall Conclusion

Our overall assessment of Milliman's actuarial work for LACERA is that all major actuarial functions are being appropriately addressed. Milliman has employed generally accepted actuarial practices and principles in studying plan experience, selecting assumptions, computing actuarial liabilities and costs, and presenting the results of their work. We believe that the actuarial assumptions as recommended by Milliman are reasonable for use in LACERA's actuarial valuation.

We will confirm the impact on the 2016 valuations results of the assumptions recommended by Milliman in the audit of the July 1, 2016 actuarial valuation.

Summary of Suggestions for Future Experience Studies

It is our opinion that in future experience investigations, Milliman should continue to monitor the discount rate assumption, continue to monitor retirement rates for terminated vested participants and expand their supplemental assumptions associated with the Getzen model.

5472006v3/04218.114

**LOS ANGELES COUNTY
OTHER POSTEMPLOYMENT
BENEFITS PROGRAM**

Audit of the 7/1/2016 Valuation Results



**100 Montgomery Street, Suite 500
San Francisco, CA 94104**

THIS REPORT HAS BEEN PREPARED AT THE REQUEST OF THE BOARD OF INVESTMENTS TO ASSIST IN ADMINISTERING THE FUND. THIS REPORT MAY NOT OTHERWISE BE COPIED OR REPRODUCED IN ANY FORM WITHOUT THE CONSENT OF THE BOARD OF INVESTMENTS AND MAY ONLY BE PROVIDED TO OTHER PARTIES IN ITS ENTIRETY. THE MEASUREMENTS SHOWN IN THIS REPORT MAY NOT BE APPLICABLE FOR OTHER PURPOSES.

**COPYRIGHT © 2017
ALL RIGHTS RESERVED
AUGUST 2017**



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

August 11, 2017

Mr. Gregg Rademacher
Chief Executive Officer
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 650
Pasadena, California 91101

Re: Audit of Los Angeles County Other Postemployment Benefits (OPEB) Program Actuarial Valuation as of July 1, 2016 Prepared by Milliman

Dear Mr. Rademacher:

We are pleased to present the results of this audit of the July 1, 2016 Other Postemployment Benefits Program (OPEB Program) valuation for the Los Angeles County Employees Retirement Association (LACERA). The purpose of this audit was to verify the calculations completed by Milliman and to offer comments on the methodology and the results.

This review was conducted by Paul Angelo, a Fellow of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA, Dave Bergerson, an Associate of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA and Thomas Bergman, an Associate of the Society of Actuaries, a Member of the American Academy of Actuaries and an Enrolled Actuary under ERISA. This review was conducted in accordance with the standards of practice prescribed by the Actuarial Standards Board.

The assistance of Milliman and LACERA is gratefully acknowledged.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

We appreciate the opportunity to be of service to LACERA’s Board of Retirement and we are available to answer any questions you may have on this report.

Sincerely,

Paul Angelo
FSA, FCA, MAAA, EA
Senior Vice President & Actuary

Dave Bergerson
ASA, MAAA, EA
Vice President & Actuary

Thomas Bergman
ASA, MAAA, EA
Associate Actuary

TXB/bbf

cc: Nick J. Collier, ASA, MAAA, EA
Robert L. Schmidt, ASA, MAAA, EA
Robert Hill

EXECUTIVE SUMMARY	Page 1
SECTION I	
PURPOSE AND SCOPE OF THE ACTUARIAL AUDIT	Page 3
SECTION II	
RESULTS OF THE AUDIT	Page 4
SECTION III	
Exhibits Table of Contents	Page 9
Exhibit A Analysis of Participant Data	Page 10
Exhibit B Analysis of Valuation Liabilities	Page 18
Exhibit C Analysis of Annual Required Contributions	Page 22
Exhibit D Analysis of Cashflow	Page 23

This report has been prepared by Segal to review the validity of the data and to review and validate the methodologies and calculation of plan liabilities and application of the Governmental Accounting Standards Board (GASB) standards used in the July 1, 2016 actuarial valuation performed by Milliman for the Los Angeles County Other Postemployment Benefits (OPEB) Program. The review and comment on the demographic and health care assumptions were made in the Actuarial Review of the 2016 Investigation of Experience report.

This audit report includes a concurrent and independent reproduction of the detailed valuation results that appear in the July 1, 2016 valuation report prepared by Milliman. This audit was based on actuarial reports, employee data and supplemental information provided by both Milliman and LACERA.

Our overall assessment of Milliman's actuarial work for LACERA is that after reflecting the changes recommended as part of the concurrent audit, all major actuarial functions are being appropriately addressed. Milliman has employed generally accepted actuarial practices and principles in computing actuarial liabilities and costs, and in presenting the results of their work.

While reviewing the individual testlives, we identified two discrepancies in the liability for the Medicare Part B premium reimbursement benefit. Following a discussion between Milliman and Segal, it was discovered that Milliman had not included the probability of initial enrollment for those members selecting a LACERA-administrated Medicare plan and had not applied a half-year adjustment to the trend rates for this benefit. Although the initial results were within our audit guidelines for matching results, we recommended applying the probability of initial Medicare plan enrollment along with the half-year adjustment to the trend rate. After some discussion, Milliman concurred with this recommendation and Milliman subsequently updated the July 1, 2016 valuation report reflecting the inclusion of these two changes. The net impact of these two changes, with the trend adjustment increasing the accrued liability and the enrollment assumption change decreasing the accrued liability, were calculated by both Milliman and Segal. The effect was to lower the PUC accrued liability by 1.5% or \$400 million.

Based on the results under the projected unit credit funding method, at discount rates of 4.50% and using Milliman's Health Care Trend and Medical/Drug per capita cost assumptions, our findings, following Milliman's changes as recommended by Segal, are summarized as follows:

- Segal's *total present values of future benefits* as of July 1, 2016 are within 1% of Milliman's present values.
- Segal's *total Projected Unit Credit Actuarial Accrued Liability (PUC AAL)* as of July 1, 2016 is within 1% of Milliman's liabilities.
- Segal's *total Projected Unit Credit Normal Cost (PUC NC)* as of July 1, 2016 is within 4% of Milliman's normal cost. This is within the reasonable range – a variation of the allocation process was the source of the discrepancy. This variation resulted in Segal getting a higher PUC accrued liability and a lower PUC normal cost.

- > A comparison of Segal’s accrued liabilities to Milliman’s accrued liabilities by employer group, following Milliman’s changes as recommended by Segal, indicates that the total liabilities of each plan are reasonable as shown in the table below.

Plan	Comparison of Segal’s PUC AAL to Milliman’s PUC AAL
LA County	within 1%
Superior Court	within 1%
Total	within 1%

- > We found the demographic and economic actuarial assumptions and the methods used by Milliman, following Milliman’s changes as recommended by Segal, to be reasonable and in accordance with generally accepted actuarial standards and principles. The assumptions used in this valuation are those that were recommended in the 2016 Investigation of Experience actuarial study.

The staffs at Milliman and LACERA were very knowledgeable, cooperative and helpful in our review.

Note that all calculations and conclusions in this report and its exhibits are following Milliman’s changes as recommended by Segal.

PURPOSE AND SCOPE OF THE ACTUARIAL AUDIT

Purpose of the Audit

Segal Consulting has performed an actuarial audit of the Los Angeles County OPEB Program's July 1, 2016 actuarial valuation to provide assurance to LACERA's Audit Committee, LACERA's Board of Retirement and Board of Investments, and the Los Angeles County Board of Supervisors that the actuarial calculations as of July 1, 2016 are reasonable, and that the actuarial process was conducted according to generally accepted actuarial principles and practices.

Scope of the Audit

The scope of the audit, as described in Segal's engagement letter titled "Audit of Los Angeles County GASB 45 Actuarial Valuation Prepared by Milliman", includes the following:

- A comparison of the July 1, 2016 data provided by LACERA with the valuation data that was used by Milliman, including the use and appropriateness of assumptions made regarding such data.
- A review of the reasonableness of the actuarial assumptions and methodologies. This includes a review of health specific assumptions and other demographic assumptions with attention paid to those demographic assumptions that have relatively higher significance to health care costs than pension costs. The review of the assumptions and methodologies was undertaken in the report titled "Actuarial Review of 2016 Investigation of Experience" that was released May 19, 2017.
- The completion of a parallel valuation as of July 1, 2016 using the assumptions, methodologies and funding method used by Milliman in their performance of the July 1, 2016 OPEB Program valuation.
- The evaluation of the parallel valuation results and reconciliation with Milliman of any major discrepancies between the results, assumptions and methodology.

RESULTS OF THE AUDIT

Several steps are involved in conducting an actuarial audit of an OPEB Program valuation. Outlined below are the primary steps we took to comply with the scope of the audit services. Following each step is a description of our results and observations.

Step 1: Compare the demographics of the 2016 data provided by LACERA with the valuation data used by Milliman for the July 1, 2016 actuarial valuation.

Results

EXHIBIT A provides a comparison, by employer group, of the number of participants, average age and service (active members) and average age (terminated vested and pensioners). This exhibit indicates that Milliman did have to make a few adjustments, estimations or corrections to the data received from LACERA. In general though, the data received was “valuation ready.”

Observation

The members reported without a gender code were generally assigned a gender code based on the predominate gender in their respective group. We suggest adding this assumption to “Exhibit C-11: Treatment of Incomplete Data”.

Step 2(a): Review the actuarial assumptions. The actuarial assumptions can be divided into three basic types: 1) demographic assumptions, 2) economic assumptions and 3) health care assumptions.

Observations

The review of the assumptions and methodologies was undertaken in the report titled “Actuarial Review of 2016 Investigation of Experience”.

Step 2(b): Review of the actuarial methods.

Observations

LACERA selected one of the six funding methods allowed under GASB 43/45. In addition, LACERA selected the type (level dollar or level percent of pay) and period (up to 30 years) for the amortization of the unfunded actuarial liability. The Projected Unit Credit funding method, using a discount rate of 4.50%, and a rolling 30 year level percent of pay amortization policy as permitted by GASB was selected. LACERA is currently partially prefunding OPEB liabilities based on a 2015 County budget policy where an additional \$56 million would be added to the prior year's contribution to the OPEB Trust until the ARC is fully funded. If the plan were funded through a qualified trust (as described by GASB 43) that trust could receive contributions beyond the current level. We note that under the remaining funding methods or other funding policy alternatives (such as a shorter amortization period or level dollar amortization), the resulting ARC would have been significantly higher.

Step 3: Review plan summary.

Observations

We have reviewed the Summary of Plan Provisions shown in the Milliman Report. We note no exceptions.

Step 4: Develop per capita costs based on the claim/premium data provided.

The review of the assumptions and methodologies was undertaken in the report titled "Actuarial Review of 2016 Investigation of Experience" that was released May 19, 2017.

Step 5: Develop a valuation program based on the relevant provisions of the Los Angeles County Other Postemployment Benefits Program as summarized in the Summary Plan Descriptions, using the actuarial methods and assumptions outlined in the most recent valuation report, and further defined by Milliman (including Milliman's per capita costs and trend rates).

Step 6: Run the valuation program with specific individuals (test lives) illustrating particular benefit provisions and review results.

Step 7: *Run the valuation program with all participant data, compile results, and compare to Milliman's results.*

Observations

In the process of matching liabilities calculated by Milliman, we reviewed individual testlives for sources of any differences and each of the various benefits for those testlives. From that review, we learned that, for the Medicare Part B premium reimbursement program, Milliman had not included the probability of initial enrollment for those members selecting a LACERA-administered Medicare plan. We recommend applying the probability of initial medical enrollment, shown in Table A-14 of Milliman's report, to the Medicare Part B premium reimbursement program as well. Omitting this adjustment overstated liabilities.

When matching liabilities for current retirees, it was discovered that Milliman had not applied an adjustment to the Part B premium reimbursement payment to trend from calendar year 2016 to plan year July 1, 2016 – June 30, 2017. Omitting this adjustment understated liabilities.

After some discussion, Milliman concurred with this recommendation and Milliman subsequently updated the July 1, 2016 valuation report reflecting the inclusion these two changes. The net impact of these two changes, with the trend adjustment increasing the accrued liability and the enrollment assumption change decreasing the accrued liability, were calculated by both Milliman and Segal. The effect was to lower the PUC accrued liability by 1.5% or \$400 million.

Results

Exhibit B provides a comparison, by employer group, of Segal's results and Milliman's results for:

- i. Present Value of Benefits (PVB),
- ii. Projected Unit Credit Actuarial Accrued Liability (PUC AAL),
- iii. Projected Unit Credit Normal Cost (PUC NC),

Below is a summary of the *total, including all groups and all County paid benefits*, results shown in Exhibit B, following Milliman's changes as recommended by Segal.

- The ratio of Segal's results to Milliman's results, on a total present value of future benefits basis, was 100.0%.
- The ratio of the AAL calculated by Segal to the AAL calculated by Milliman was 100.5%.
- The ratio of the normal cost calculated by Segal to the normal cost calculated by Milliman was 95.8%.
- *Normal Cost and Accrued Liability:* The funding method adopted by LACERA, the Projected Unit Credit Actuarial Cost Method, separates the present value of future benefits for active members into two components, the accrued liability and the present value of future normal costs. Simply stated, the Projected Unit Credit Actuarial Cost Method determines an increasing cost for each year of service, called the normal cost. The accrued liability is the accumulated value of *past* normal costs (less any expected benefits, and assuming all actuarial assumptions were exactly realized), while the present value of future normal costs represents the current value of *future* normal costs required to fully fund the member's projected benefits before the member is expected to retire.

The method used to separate the present value of projected benefits into its two components can differ somewhat from valuation system to valuation system, even though the underlying funding method used in the systems is the same.

Observations

- (1) Segal's valuation system generally assumes active members decrement (i.e., retirement, termination, etc.) at the beginning of each plan year (July 1). The Milliman system, in contrast, assumes decrements occur in the middle of the year (January 1). As part of this audit for the Association, we have changed our timing of the decrement to allow for the middle of the year timing for the decrements assumed by Milliman. Either methodology is acceptable, with each actuarial firm establishing its own approach for the assumed timing of decrements.
- (2) Some differences in the results are expected due to differences between Segal and Miliman's valuation systems. Differences could include such things as the rounding used in the calculations of

ages or the assumed timing for salary increases or benefit payments. Various methodologies are acceptable, with each actuarial firm establishing its own approach. Given the differences in the valuation systems, we would not expect to match Milliman's results exactly.

- (3) The new actuarial assumptions adopted by the Board in conjunction with the 2016 Investigation of Experience were used to value the test lives.

Step 8: Evaluate the development of the annual required contribution as presented in the Milliman actuarial valuation report.

Results

EXHIBIT C provides a comparison, by employer group, of Segal's results and Milliman's results of the analysis of the annual required contribution (ARC) for the period from July 1, 2016 to June 30, 2017.

- The ratios of Segal's ARC results to Milliman's ARC results by employer group was 98.2%, following Milliman's changes as recommended by Segal.

Step 9: Evaluate the cashflow as presented in the Milliman actuarial valuation report.

Results

EXHIBIT D provides a comparison of Segal's Cashflow results and Milliman's Cashflow results for the period ending from June 30, 2016 to June 30, 2026, following Milliman's changes as recommended by Segal.

- The ratios for the first 10 years of Segal's projected cashflow results to Milliman's cashflow results range from 97% to 99%.

Note the differences were smaller out in time. All of these calculations provided results where the differences are within an acceptable range.

EXHIBIT A Analysis of Participant Data

Active LA County (Counts, Average Age)	Page 10
Active Local 1014 (Counts, Average Age)	Page 11
Active Superior Court (Counts, Average Age)	Page 11
Active SCAQMD (Counts, Average Age)	Page 12
Active Total (Counts, Average Age)	Page 13
Deferred Vested LA County (Counts, Average Service)	Page 14
Deferred Vested Local 1014 (Counts, Average Service)	Page 15
Deferred Vested Superior Court (Counts, Average Service)	Page 15
Deferred Vested Total (Counts, Average Age)	Page 16
Retired Members, Spouses and Dependents (Counts, Average Age)	Page 17

EXHIBIT B Analysis of Valuation Liabilities

Present Value of Future Benefits	Page 18
Projected Unit Credit Actuarial Accrued Liability	Page 19
Projected Unit Credit Normal Cost	Page 21

EXHIBIT C Analysis of Annual Required Contributions (ARC) Page 22

EXHIBIT D Analysis of Cashflow Page 23

EXHIBIT A
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

ACTIVE GENERAL MEMBERS, LA COUNTY*

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	LACERA Data Scrubbed	Milliman Report	Difference
Plan A	Male	69	0	69	0	0.0%	0.0%	68.2	68.2	0.0%
	Female	152	0	152	0	0.0%	0.0%	66.0	66.1	-0.2%
Plan B	Male	22	0	22	0	0.0%	0.0%	65.3	65.4	-0.2%
	Female	59	0	59	0	0.0%	0.0%	62.1	62.1	0.0%
Plan C	Male	25	0	25	0	0.0%	0.0%	63.6	63.5	0.2%
	Female	54	0	54	0	0.0%	0.0%	62.1	62.1	0.0%
Plan D	Male	14,762	43	14,762	43	0.0%	0.0%	48.7	48.7	0.0%
	Female	29,310	50	29,310	50	0.0%	0.0%	48.1	48.1	0.0%
Plan E	Male	6,389	0	6,389	0	0.0%	0.0%	53.1	53.1	0.0%
	Female	13,169	0	13,169	0	0.0%	0.0%	52.9	52.9	0.0%
Plan G	Male	1,645	3,170	1,645	3,170	0.0%	0.0%	36.5	36.5	0.0%
	Female	3,140	6,348	3,140	6,348	0.0%	0.0%	35.7	35.7	0.0%
Sub-total		68,796	9,611	68,796	9,611			47.3	47.3	

ACTIVE SAFETY MEMBERS, LA COUNTY*

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	LACERA Data Scrubbed	Milliman Report	Difference
Plan A	Male	4	0	4	0	0.0%	0.0%	64.3	64.3	0.0%
	Female	0	0	0	0	0.0%	0.0%	0.0	0	0.0%
Plan B	Male	7,027	17	7,027	17	0.0%	0.0%	43.9	43.9	0.0%
	Female	1,550	4	1,550	4	0.0%	0.0%	41.7	41.8	-0.2%
Plan C	Male	179	560	179	560	0.0%	0.0%	29.8	29.8	0.0%
	Female	60	114	60	114	0.0%	0.0%	29.2	29.2	0.0%
Sub-total		8,320	695	8,320	695			42.2	42.2	

* LA County does not include Fire Fighters Local 1014, Superior Court and SCAQMD members. LA County includes General Local 1014 members, because on retirement they enroll in LA County coverage.

EXHIBIT A (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

ACTIVE SAFETY MEMBERS, FIRE FIGHTERS LOCAL 1014

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	6	0	6	0	0.0%	0.0%	61.3	61.3	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan B	Male	2,643	9	2,643	9	0.0%	0.0%	46.1	46.1	0.0%
	Female	53	0	53	0	0.0%	0.0%	43.7	43.7	0.0%
Plan C	Male	90	191	90	191	0.0%	0.0%	31.1	31.0	0.3%
	Female	3	5	3	5	0.0%	0.0%	31.9	31.8	0.3%
Sub-total		2,795	205	2,795	205			44.7	44.7	

ACTIVE GENERAL MEMBERS, SUPERIOR COURT

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	7	0	7	0	0.0%	0.0%	70.6	70.6	0.0%
	Female	7	0	7	0	0.0%	0.0%	65.6	65.7	-0.2%
Plan B	Male	2	0	2	0	0.0%	0.0%	64.9	65.0	-0.2%
	Female	8	0	8	0	0.0%	0.0%	60.1	60.1	0.0%
Plan C	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	6	0	6	0	0.0%	0.0%	58.8	58.8	0.0%
Plan D	Male	543	5	543	5	0.0%	0.0%	50.4	50.4	0.0%
	Female	2,024	6	2,024	6	0.0%	0.0%	50.7	50.7	0.0%
Plan E	Male	338	0	338	0	0.0%	0.0%	51.9	51.9	0.0%
	Female	893	0	893	0	0.0%	0.0%	52.7	52.8	-0.2%
Plan G	Male	18	163	18	163	0.0%	0.0%	36.9	36.9	0.0%
	Female	45	307	45	307	0.0%	0.0%	36.8	36.8	0.0%
Sub-total		3,891	481	3,891	481			49.6	49.6	

EXHIBIT A (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

ACTIVE GENERAL MEMBERS, SCAQMD

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan B	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	1	0	1	0	0.0%	0.0%	59.0	59.0	0.0%
Plan C	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan D	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan E	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan G	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Sub-total		1	0	1	0			59.0	59.0	

EXHIBIT A (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

ACTIVE ALL GENERAL MEMBERS

		Member Counts						Average Age		
		LACERA Data								
		Scrubbed		Milliman Report		Difference		LACERA	Milliman	
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Data Scrubbed	Report	Difference
Plan A	Male	76	0	76	0	0.0%	0.0%	68.4	68.4	0.0%
	Female	159	0	159	0	0.0%	0.0%	66.0	66.1	-0.2%
Plan B	Male	24	0	24	0	0.0%	0.0%	65.3	65.3	0.0%
	Female	68	0	68	0	0.0%	0.0%	61.8	61.8	0.0%
Plan C	Male	25	0	25	0	0.0%	0.0%	63.6	63.5	0.2%
	Female	60	0	60	0	0.0%	0.0%	61.7	61.7	0.0%
Plan D	Male	15,305	48	15,305	48	0.0%	0.0%	48.7	48.7	0.0%
	Female	31,334	56	31,334	56	0.0%	0.0%	48.3	48.3	0.0%
Plan E	Male	6,727	0	6,727	0	0.0%	0.0%	53.1	53.1	0.0%
	Female	14,062	0	14,062	0	0.0%	0.0%	52.9	52.9	0.0%
Plan G	Male	1,663	3,333	1,663	3,333	0.0%	0.0%	36.5	36.5	0.0%
	Female	3,185	6,655	3,185	6,655	0.0%	0.0%	35.7	35.7	0.0%
Sub-total		72,688	10,092	72,688	10,092			47.4	47.4	

ACTIVE ALL SAFETY MEMBERS

Sex		Member Counts						Average Age		
		LACERA Data								
		Scrubbed		Milliman Report		Difference		LACERA	Milliman	
		Tier 1	Tier 2	Tier 1	Tier 2	Tier_1	Tier_2	Data	Report	Difference
Plan A	Male	10	0	10	0	0.0%	0.0%	62.5	62.5	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan B	Male	9,670	26	9,670	26	0.0%	0.0%	44.5	44.5	0.0%
	Female	1,603	4	1,603	4	0.0%	0.0%	41.8	41.8	0.0%
Plan C	Male	269	751	269	751	0.0%	0.0%	30.1	30.1	0.0%
	Female	63	119	63	119	0.0%	0.0%	29.4	29.4	0.0%
Sub-total		11,615	900	11,615	900			42.8	42.8	

GRAND TOTAL **84,303** **10,992** **84,303** **10,992** **46.8** **46.8**

EXHIBIT A (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

DEFERRED VESTED GENERAL MEMBERS, LA COUNTY

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	16	0	16	0	0.0%	0.0%	69.2	69.3	-0.1%
	Female	33	0	33	0	0.0%	0.0%	66.0	66.1	-0.2%
Plan B	Male	4	0	4	0	0.0%	0.0%	64.2	64.3	-0.2%
	Female	14	0	14	0	0.0%	0.0%	65.7	65.7	0.0%
Plan C	Male	3	0	3	0	0.0%	0.0%	63.4	63.3	0.2%
	Female	9	0	9	0	0.0%	0.0%	61.5	61.6	-0.2%
Plan D	Male	1,253	3	1,253	3	0.0%	0.0%	48.4	48.6	-0.4%
	Female	2,437	4	2,437	4	0.0%	0.0%	46.7	46.9	-0.4%
Plan E	Male	987	0	987	0	0.0%	0.0%	56.0	56.0	0.0%
	Female	2,202	0	2,202	0	0.0%	0.0%	55.7	55.7	0.0%
Plan G	Male	11	10	11	10	0.0%	0.0%	33.5	33.5	0.0%
	Female	27	12	27	12	0.0%	0.0%	36.4	36.4	0.0%
Sub-total		6,996	29	6,996	29			51.3	51.4	

DEFERRED VESTED SAFETY MEMBERS, LA COUNTY

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	3	0	3	0	0.0%	0.0%	66.2	66.3	-0.2%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan B	Male	392	0	392	0	0.0%	0.0%	42.9	43.0	-0.2%
	Female	119	1	119	1	0.0%	0.0%	43.2	43.2	0.0%
Plan C	Male	1	0	1	0	0.0%	0.0%	31.1	31.0	0.3%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Sub-total		515	1	515	1			43.1	43.1	

EXHIBIT A (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

DEFERRED VESTED SAFETY MEMBERS, FIRE FIGHTERS LOCAL 1014

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan B	Male	39	0	39	0	0.0%	0.0%	39.6	40.4	-2.0%
	Female	10	0	10	0	0.0%	0.0%	37.3	39.7	-6.0%
Plan C	Male	1	0	1	0	0.0%	0.0%	29.2	29.0	0.7%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Sub-total		50	0	50	0			38.9	40.1	

DEFERRED VESTED GENERAL MEMBERS, SUPERIOR COURT

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	2	0	2	0	0.0%	0.0%	63.6	64.0	-0.6%
	Female	8	0	8	0	0.0%	0.0%	64.2	64.1	0.2%
Plan B	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	2	0	2	0	0.0%	0.0%	61.7	61.5	0.3%
Plan C	Male	0	0	0	0	0.0%	0.0%	0	0	0.0%
	Female	1	0	1	0	0.0%	0.0%	61.6	62.0	-0.6%
Plan D	Male	66	0	66	0	0.0%	0.0%	48.0	48.0	0.0%
	Female	205	0	205	0	0.0%	0.0%	48.8	48.9	-0.2%
Plan E	Male	97	0	97	0	0.0%	0.0%	53.1	53.5	-0.7%
	Female	233	0	233	0	0.0%	0.0%	53.5	53.5	0.0%
Plan G	Male	0	1	0	1	0.0%	0.0%	35.5	35.0	1.4%
	Female	1	0	1	0	0.0%	0.0%	37.4	37.0	1.1%
Sub-total		615	1	615	1			51.4	51.6	

EXHIBIT A (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

DEFERRED VESTED ALL GENERAL MEMBERS

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	18	0	18	0	0.0%	0.0%	68.6	68.7	-0.1%
	Female	41	0	41	0	0.0%	0.0%	65.6	65.7	-0.2%
Plan B	Male	4	0	4	0	0.0%	0.0%	64.2	64.3	-0.2%
	Female	16	0	16	0	0.0%	0.0%	65.2	65.2	0.0%
Plan C	Male	3	0	3	0	0.0%	0.0%	63.4	63.3	0.2%
	Female	10	0	10	0	0.0%	0.0%	61.5	61.6	-0.2%
Plan D	Male	1,319	3	1,319	3	0.0%	0.0%	48.4	48.6	-0.4%
	Female	2,642	4	2,642	4	0.0%	0.0%	46.9	47.0	-0.2%
Plan E	Male	1,084	0	1,084	0	0.0%	0.0%	55.7	55.8	-0.2%
	Female	2,435	0	2,435	0	0.0%	0.0%	55.5	55.5	0.0%
Plan G	Male	11	11	11	11	0.0%	0.0%	33.6	33.6	0.0%
	Female	28	12	28	12	0.0%	0.0%	36.5	36.4	0.3%
Sub-total		7,611	30	7,611	30			51.3	51.4	

DEFERRED VESTED ALL SAFETY MEMBERS

		Member Counts						Average Age		
		LACERA Data Scrubbed		Milliman Report		Difference		LACERA Data Scrubbed	Milliman Report	Difference
		Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2			
Plan A	Male	3	0	3	0	0.0%	0.0%	66.2	66.3	-0.2%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Plan B	Male	431	0	431	0	0.0%	0.0%	42.6	42.7	-0.2%
	Female	129	1	129	1	0.0%	0.0%	42.7	42.9	-0.5%
Plan C	Male	2	0	2	0	0.0%	0.0%	30.1	30.0	0.3%
	Female	0	0	0	0	0.0%	0.0%	0	0	0.0%
Sub-total		565	1	565	1			42.7	42.9	
GRAND TOTAL		8,176	31	8,176	31			50.7	50.8	

EXHIBIT A (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Participant Data

RETIRED MEMBERS, SPOUSES AND DEPENDENTS

Medical	Sex	Member Counts			Average Age		
		LACERA Data Scrubbed Tier 1	Milliman Report Tier 1	Difference	LACERA Data Scrubbed	Milliman Report	Difference
LA County	Male	19,363	19,363	0.0%	72.5	72.5	0.0%
	Female	24,667	24,667	0.0%	73.7	73.7	0.0%
Local 1014	Male	1,476	1,476	0.0%	69.5	69.5	0.0%
	Female	248	248	0.0%	77.5	77.5	0.0%
Superior Court	Male	556	556	0.0%	74.2	74.2	0.0%
	Female	1,537	1,537	0.0%	72.6	72.6	0.0%
SCAQMD	Male	33	33	0.0%	82.7	82.7	0.0%
	Female	23	23	0.0%	82.7	82.8	-0.1%
Total Medical	Male	21,428	21,428	0.0%	72.3	72.4	-0.1%
	Female	26,475	26,475	0.0%	73.7	73.7	0.0%

RETIRED MEMBERS, SPOUSES AND DEPENDENTS

Dental/Vision	Sex	Member Counts			Average Age		
		LACERA Data Scrubbed Tier 1	Milliman Report Tier 1	Difference	LACERA Data Scrubbed	Milliman Report	Difference
LA County	Male	19,774	19,774	0.0%	72.3	72.3	0.0%
	Female	25,270	25,270	0.0%	73.6	73.6	0.0%
Local 1014	Male	1,451	1,451	0.0%	69.4	69.4	0.0%
	Female	231	231	0.0%	77.2	77.3	-0.1%
Superior Court	Male	544	543	0.2%	74.2	74.2	0.0%
	Female	1,573	1,574	-0.1%	72.5	72.5	0.0%
SCAQMD	Male	32	32	0.0%	83.5	83.5	0.0%
	Female	20	20	0.0%	82.3	82.4	-0.1%
Total Medical	Male	21,801	21,800	0.0%	72.2	72.2	0.0%
	Female	27,094	27,095	0.0%	73.6	73.6	0.0%

EXHIBIT B
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Valuation Liabilities
4.50% Discount Rate
(All Dollar Amounts are in Millions)

PRESENT VALUE OF FUTURE BENEFITS		
	TOTAL	
	Milliman	Segal
TOTAL		
Active	\$28,848.2	\$29,168.4
Vested Terminated	652.5	657.2
Retired	10,712.2	10,793.5
Total	\$40,212.9	\$40,619.1

RATIO OF SEGAL/MILLIMAN	
TOTAL	
Active	101%
Vested Terminated	101%
Retired	101%
Total	101%

EXHIBIT B (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Valuation Liabilities
4.50% Discount Rate
(All Dollar Amounts are in Millions)

PROJECTED UNIT CREDIT ACTUARIAL ACCRUED LIABILITY						
	LA COUNTY		SUPERIOR COURT		TOTAL	
	Milliman	Segal	Milliman	Segal	Milliman	Segal
Actives:						
Medical	\$11,516.6	\$11,576.1	\$518.1	\$524.8	\$12,034.7	\$12,100.9
Dental	588.5	576.0	30.5	29.6	619.0	605.6
Medicare Part B	1,748.3	1,734.4	91.1	90.7	1,839.4	1,825.1
Death Benefit	51.9	52.2	2.9	2.9	54.8	55.1
Active Total	\$13,905.3	\$13,938.6	\$642.6	\$648.1	\$14,547.9	\$14,586.7
Retirees:						
Medical	\$8,406.0	\$8,448.8	\$327.2	\$336.2	\$8,733.2	\$8,785.0
Dental	576.9	599.1	23.8	24.8	600.7	623.9
Medicare Part B	1,187.9	1,193.5	51.8	51.9	1,239.7	1,245.4
Death Benefit	132.1	132.6	6.5	6.6	138.6	139.2
Retiree Total	\$10,302.9	\$10,374.1	\$409.3	\$419.4	\$10,712.2	\$10,793.5
Inactive Vested:						
Medical	\$447.8	\$457.7	\$54.2	\$49.9	\$502.0	\$507.6
Dental	25.6	26.3	2.9	2.7	28.5	29.0
Medicare Part B	102.6	101.2	11.1	11.0	113.7	112.2
Death Benefit	7.7	7.8	0.6	0.6	8.3	8.4
Inactive Vested Total	\$583.7	\$593.0	\$68.8	\$64.2	\$652.5	\$657.2
Total PUC AAL	\$24,791.9	\$24,905.7	\$1,120.7	\$1,131.7	\$25,912.6	\$26,037.4

EXHIBIT B (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
4.50% Discount Rate
Analysis of Valuation Liabilities

PROJECTED UNIT CREDIT ACTUARIAL ACCRUED LIABILITY RATIO OF SEGAL/MILLIMAN			
	LA COUNTY	SUPERIOR COURT	TOTAL
Actives:			
Medical	101%	101%	101%
Dental	98%	97%	98%
Medicare Part B	99%	100%	99%
Death Benefit	101%	100%	101%
Active Total	100%	101%	100%
Retirees:			
Medical	101%	103%	101%
Dental	104%	104%	104%
Medicare Part B	100%	100%	100%
Death Benefit	100%	102%	100%
Retiree Total	101%	102%	101%
Inactive Vested:			
Medical	102%	92%	101%
Dental	103%	93%	102%
Medicare Part B	99%	99%	99%
Death Benefit	101%	100%	101%
Inactive Vested Total	102%	93%	101%
Total PUC AAL	100%	101%	100%

EXHIBIT B (continued)
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Valuation Liabilities
4.50% Discount Rate
(All Dollar Amounts are in Millions)

PROJECTED UNIT CREDIT (PUC) NORMAL COST						
	LA COUNTY		SUPERIOR COURT		TOTAL	
	Milliman	Segal	Milliman	Segal	Milliman	Segal
Medical	\$769.5	\$742.1	\$28.0	\$27.4	\$797.5	\$769.5
Dental	35.6	33.6	1.6	1.5	37.2	35.1
Medicare Part B	120.5	116.6	5.1	4.9	125.6	121.5
Death Benefit	3.2	3.1	0.2	0.2	3.4	3.3
Total Normal Cost	\$928.8	\$895.4	\$34.9	\$34.0	\$963.7	\$929.4

RATIO OF SEGAL/MILLIMAN						
	LA COUNTY		SUPERIOR COURT		TOTAL	
	Milliman	Segal	Milliman	Segal	Milliman	Segal
Medical	96%	96%	98%	98%	96%	96%
Dental	94%	94%	94%	94%	94%	94%
Medicare Part B	97%	97%	96%	96%	97%	97%
Death Benefit	97%	97%	100%	100%	97%	97%
Total	96%	96%	97%	97%	96%	96%

EXHIBIT C
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Annual Required Contribution (ARC)
Projected Unit Credit
4.50% Discount Rate
(All Dollar Amounts are in Millions)

Annual Required Contribution (ARC)						
	LA COUNTY		SUPERIOR COURT		TOTAL	
	Milliman	Segal	Milliman	Segal	Milliman	Segal
Funding Balance	\$552.9	\$552.9	\$7.9	\$7.9	\$560.8	\$560.8
Actuarial Accrued Liability	24,791.9	24,905.7	1,120.7	1,131.7	25,912.6	26,037.4
Unfunded Accrued Liability	24,239.0	24,352.8	1,112.8	1,123.8	25,351.8	25,476.6
Unfunded Accrued Liability Payment	956.8	961.3	43.9	44.4	1,000.7	1,005.7
Normal Cost	928.8	895.4	34.9	34.0	963.7	929.4
Annual Required Contribution (ARC)	1,885.6	1,856.7	78.8	78.4	1,964.4	1,935.1
Payroll	6,965.7	6,965.7	302.9	302.9	7,268.6	7,268.6
Annual Required Contribution as % of pay	27.07%	26.65%	26.02%	25.88%	27.03%	26.62%

RATIO OF SEGAL/MILLIMAN						
	LA COUNTY		SUPERIOR COURT		TOTAL	
Actuarial Accrued Liability	100%		101%		100%	
Unfunded Accrued Liability	100%		101%		100%	
Unfunded Accrued Liability Payment	100%		101%		100%	
Normal Cost	96%		97%		96%	
ARC	98%		99%		99%	

EXHIBIT – D
LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2016 VALUATION
Analysis of Cashflow

PROJECTED COUNTY PAID BENEFITS			
(In Millions)			
Fiscal Year Ending	Total County Paid Benefits		
	(1) Milliman	(2) Segal	(3) Ratio (2) / (1)
06/30/2017	\$570.6	\$562.1	99%
06/30/2018	614.3	598.8	97%
06/30/2019	667.9	652.9	98%
06/30/2020	725.2	711.4	98%
6/30/2021	781.5	768.4	98%
6/30/2022	839.4	826.2	98%
6/30/2023	902.9	889.8	99%
6/30/2024	970.2	958.1	99%
6/30/2025	1,038.9	1,028.4	99%
6/30/2026	1,112.6	1,101.5	99%

5493494v2/04218.113




Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**

**FOR INFORMATION ONLY**

August 29, 2017

TO: Each Member,
Board of Retirement
Board of Investments

FROM: John Nogales 
Director Human Resources

FOR: September 6, 2017 Board of Retirement Meeting
September 11, 2017 Board of Investments Meeting

SUBJECT: **BOARD SECRETARY CLASSIFICATION STUDY**

At the August 9, 2017 Board of Investments meeting, the Board of Investments directed staff to provide a project plan for the timely completion of the Board Secretary Classification Study. On August, 10, 2017, the Board of Retirement requested the same project plan be presented at the September Board of Retirement meeting.

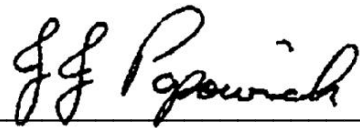
The attached Project Plan represents an aggressive, but realistic, timeline to complete the study of this position, develop a new classification specification, benchmark salaries to comparable positions in the private and public sector, and take the required steps to implement the resulting new classification. The first phase of the study, the incumbent Position Description Questionnaire, is already in progress. Staff expects to complete the project by January 2018. Project updates will be provided at each month's Board meeting.

Relatedly, the project to study the other LACERA secretarial positions will proceed as previously planned. A Request for Proposal (RFP) for the study of LACERA secretarial positions was posted and also sent to eleven (11) Consultants for consideration on August 21, 2017. It is expected this review will be completed in the third quarter of Fiscal Year 2017-2018.

JP:AC:ac
Board Secretary Position Study Project Plan082917v2.doc

Attachment

REVIEWED AND APPROVED:



JJ Popowich
Assistant Executive Officer

8/30/17
Date

LACERA Board Secretary Classification Study Project Management Plan

The Project was assigned to LACERA's Human Resources (HR) by LACERA's Executive Office to separately classify the Executive Secretary Position assigned to support the Board of Retirement (BOR) and Investments (BOI) through the establishment of a Board Secretary, LACERA classification.

Project Scope

The Scope of the LACERA Board Secretary Classification Study is as follows:

- Study the duties and responsibilities of the current executive secretary position supporting the Boards, including the classification specification;
- Research comparable positions in the private and public sectors; the study will include compensation, job duties, and responsibilities;
- Develop a new classification specification for the position and appropriate compensation; and
- Take necessary steps to implement the new Board Secretary classification.

The following Project Timeline will be used to complete the Project as defined above.

Board Secretary Classification Study		
Month	Activity	Comments
August 2017	Evaluate Board Secretary duties and classification in relation to LACERA secretary and administrative assistant classifications and to Los Angeles County classifications.	
September 2017	Provide project plan report to Boards on the Board agenda.	
	Review completed Position Description Questionnaire (PDQ) provided by Incumbents.	Interview incumbents for clarification on information in PDQ as needed.
	Begin developing new classification specification based on PDQ.	
	Survey private and public sector agencies comparable positions.	Private Sector survey will be conducted by a vendor. The vendor will be tasked with surveying companies of similar size to LACERA with corporate Boards. Public Sector survey will be conducted by LACERA staff, and may include: Los Angeles (LA) County, CalPERS, CalSTRS, LA City retirement systems, Metropolitan Water District, Metropolitan Transit Authority Commission, Alameda, Orange, San Bernardino, and San Diego, County Employees Retirement Association.

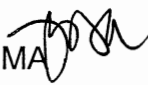
Board Secretary Classification Study

Month	Activity	Comments
October 2017	Provide update report to Boards on the Board agenda.	
	Review completed survey of private and public agencies comparable position information.	
	Develop new Board Secretary classification specification based upon duties and responsibilities of position.	LACERA may also adopt appropriate duties and/or descriptions from other agencies. All information will be verified and matched to the actual job duties as outlined by the PDQ.
	Benchmark compensation for position	Compensation set based on results of review.
	Complete Draft of LACERA Board Secretary Classification along with compensation recommendations	LACERA executive and legal to review draft classification and compensation recommendations.
November 2017	LACERA Boards approval of new classification and compensation	
	HR Staff will provide necessary documents to Los Angeles County Chief Executive Office (LACCEO) – Classification and Compensation Section for issuance of LACERA item number	
	HR Staff, with the LACERA Legal Office's oversight, will prepare and submit an ordinance to amending Sections 6.28.050 and 6.127.010 of LACERA's Salary Code to the Los Angeles County Counsel (CC) for their approval.	
December 2017	Provide update report to Boards on the Board agenda.	
	Brief BOS Deputies	
	Discuss at BOS Budget Deputy meeting	
January 2018	Provide update report to Boards on the Board agenda.	
	BOS Agenda to approve changes to LACERA Ordinance for new classification and compensation. Reading 1.	
	BOS Agenda to approve changes to LACERA Ordinance for new classification and compensation. Reading 2.	

**FOR INFORMATION ONLY**

August 18, 2017

TO: Each Member,
Board of Retirement

FROM: Beulah S. Auten, CPA, CGFM, CGMA 
Chief Financial Officer

FOR: September 6, 2017 Board of Retirement Meeting

SUBJECT: **2018 STAR COLA PROGRAM**

Your Board's actuary, Milliman, Inc., confirmed in the attached memo, staff's determination that there are no current retirees or beneficiaries entitled to additional Supplemental Targeted Adjustment for Retirees (STAR) Cost-of-Living-Adjustment benefits for Program Year 2018 (Attachment 1).

For the calendar year ended in 2016, the Consumer Price Index (CPI) percentage increased 1.97%, which resulted in a 2.0% Cost-of-Living Adjustment (COLA) when rounded to the nearest one-half of one percent as prescribed by law. This means the inflation increase is less than the statutory COLA granted to Plan A and equal to Plans B – D, as well as plan members, whose membership are governed by the Public Employees Pension Reform Act (PEPRA). Therefore, all eligible members in Plans A, B, C, and D, including PEPRA Plans C and G have COLA Accumulation accounts below the 20% threshold necessary for granting additional STAR benefits (Attachment 2).

Background**COLA**

Sections 31870 and 31870.1 of the Government Code provide for a maximum annual cost-of-living increase to be applied to retirement allowances, optional death allowances, or annual death allowances. These increases are 3% for Plan A retirees and survivors; 2% for Plans B, C, D, PEPRA Plans C and G; and up to 2% for certain Plan E retirees and survivors. These two sections also provide for an accumulation of the annual percentage difference between the CPI and the maximum cost-of-living increase. The accumulated percentage carryover is known as the COLA Accumulation. Although certain Plan E members are eligible for the April 1 COLA, the law does not provide for a STAR COLA benefit.¹

¹ Effective June 4, 2002, Plan E members and their survivors are eligible for COLA. The portion of the COLA percentage received by each Plan E member is a ratio of the member's service credit earned on and after June 4, 2002 to total service credit.

COLA Accumulation Calculation

The CPI percentage change from January through December is compared to the maximum allowable cost-of-living percentage increase payable by LACERA under Sections 31870 and 31870.1. In years where the change in CPI is greater than the maximum COLA increase, the difference between these two percentages is accumulated annually for each retiree. The accumulation of differences from each year reflects how much purchasing power has been lost from a retiree's original retirement benefit. By law, the Board of Retirement may provide STAR increases after the accumulation exceeds 20%.

STAR COLA

The Board of Retirement began the STAR Program in 1990 to restore the member's purchasing power that had been eroded by inflation in excess of the protection provided by the statutory Cost-of-Living Adjustment Program (COLA Program). Since its inception, the Board of Retirement has continued the STAR Program and its commitment to fund the program as long as it is economically feasible to do so. Non-contributory members in Plan E are not eligible for STAR COLA benefits.

Since 1990 and through 2000, the STAR Program existed as an ad-hoc benefit designed to provide contributory plan members protection against rising inflation beyond the protection provided by the statutory COLA Program, and successfully restored LACERA retiree purchasing power to the then maximum allowable 75% level.

On September 4, 2000, the California Governor signed into law a provision allowing the Board of Retirement to raise the purchasing power protection to a maximum of 80% and to provide the ability to make permanent the STAR Program using excess earnings.² This change provided the Board of Retirement the flexibility to continue the STAR Program as an ad-hoc benefit or the opportunity to make permanent the STAR Program using excess earnings. Except for Program Years 2005 and 2010 through 2017, the Board of Retirement made permanent the 2001 through 2009 STAR Programs at an 80% level.

For STAR Program Years 2005 and 2010 through 2017, the growth in inflation was below or equivalent to the statutory COLA granted to contributory plan members, which provided sufficient protection against the diminished purchasing power. All eligible members had COLA Accumulation accounts below the 20% threshold for providing additional STAR benefits. Existing STAR participants and their eligible beneficiaries continued receiving these benefits without further action by your Board.

² Excess Earnings are actual cash earnings from the investment portfolio earned during the previous year that remain unspent after paying for costs to administer the system, costs to invest the portfolio, paying interest to the member and employer accounts, and satisfying the 1% contingency reserve requirement in Code Sections 31592 and 31592.2.

Conclusion

In 2016, the CPI percentage increased 1.97%, which resulted in a 2.0% COLA when rounded to the nearest one-half of one percent, as prescribed by law. This means the inflation increase is below the statutory COLA granted to Plan A members and equal to the statutory COLA granted to Plans B, C, and D, as well as PEPRA Plans C and G members. Similar to Program Years 2005 and 2010 through 2017, all eligible members in Plans A, B, C, and D, including PEPRA Plans C and G have COLA Accumulation accounts below the 20% threshold for providing additional STAR benefits for Program Year 2018. Non-contributory Plan E members are not eligible for STAR COLA benefits. Existing STAR participants and their eligible beneficiaries will continue receiving these benefits without further action by your Board.

RH:BSA:ms
STAR 2018 BOR memo.doc

Attachments

REVIEWED AND APPROVED:



Robert Hill
Assistant Executive Officer

8/23/17
Date



1301 Fifth Avenue
Suite 3800
Seattle, WA 98101-2605
USA

Tel +1 206 624 7940
Fax +1 206 623 3485

milliman.com

VIA EMAIL ONLY

August 4, 2017

Mr. Gregg Rademacher
Chief Executive Officer
LACERA
P. O. Box 7060
Pasadena, CA 91109-7060

Re: STAR COLA for 2018

Dear Gregg:

Per our statement of work, we have reviewed the Supplemental Target Adjustment for Retirees (STAR) COLA program as of January 1, 2018. There are no LACERA retirees or beneficiaries eligible for additional STAR payments as of that date.

Under the STAR COLA, each retiree and beneficiary whose benefit has lost more than 20% of its value is eligible to receive, upon Board approval, an increased benefit payment effective January 1, 2018. The loss of value is measured by the Accumulation Account which is calculated by LACERA staff based on prior benefit payments and the increases in the Los Angeles-Riverside-Orange County, CA Consumer Price Index – All Urban Consumers.

For the year ending in 2016, the increase in CPI was approximately 2.0%, which results in a COLA of 2.0% when rounded to the nearest one-half of one percent, as prescribed by law. Since this increase is no greater than the statutory COLA provided to Plan A-D members no member had an increase in their Accumulation Account from 2016 to 2017. Note that Plan E members are not eligible for the STAR COLA. As of April 2017, all Accumulation Accounts remain less than 20.0% (the threshold for providing STAR benefits). Therefore, no members are eligible for a STAR COLA in 2018.

Actuarial Certification

Milliman's work is prepared solely for the internal business use of LACERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

(b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this letter is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and associates of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

If you have any questions, please let us know.

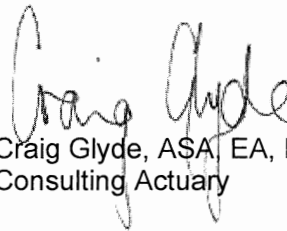
Sincerely,



Nick J. Collier, ASA, EA, MAAA
Consulting Actuary

NJC/CG/nlo

cc: Ms. Beulah Auten
Mr. Ted Granger
Mr. Mark Olleman



Craig Glyde, ASA, EA, MAAA
Consulting Actuary

STAR COLA
Percentages for 2018


Retirement Date	Plan A		Plans B, C, D		PEPRA Plans G and C**	
	April 2017 COLA Accumulation	2018 STAR % Increase	April 2017 COLA Accumulation	2018 STAR % Increase	April 2017 COLA Accumulation	2018 STAR % Increase
Before 4/1/77	6.0	*	-	-		
4/1/1977 - 3/31/1978	6.0	*	15.0	*		
4/1/1978 - 3/31/1979	6.0	*	15.0	*		
4/1/1979 - 3/31/1980	6.0	*	15.0	*		
4/1/1980 - 3/31/1981	6.0	*	15.0	*		
4/1/1981 - 3/31/1982	0.0	*	15.0	*		
4/1/1982 - 3/31/1983	0.0	*	15.0	*		
4/1/1983 - 3/31/1984	0.0	*	15.0	*		
4/1/1984 - 3/31/1985	0.0	*	15.0	*		
4/1/1985 - 3/31/1986	0.0	*	15.0	*		
4/1/1986 - 3/31/1987	0.0	*	15.0	*		
4/1/1987 - 3/31/1988	0.0	*	15.0	*		
4/1/1988 - 3/31/1989	0.0	*	15.0	*		
4/1/1989 - 3/31/1990	0.0	*	15.0	*		
4/1/1990 - 3/31/1991	0.0	*	12.4	*		
4/1/1991 - 3/31/1992	0.0	*	7.8	*		
4/1/1992 - 3/31/1993	0.0	*	7.2	*		
4/1/1993 - 3/31/1994	0.0	*	7.2	*		
4/1/1994 - 3/31/1995	0.0	*	7.2	*		
4/1/1995 - 3/31/1996	0.0	*	7.2	*		
4/1/1996 - 3/31/1997	0.0	*	7.2	*		
4/1/1997 - 3/31/1998	0.0	*	7.2	*		
4/1/1998 - 3/31/1999	0.0	*	7.2	*		
4/1/1999 - 3/31/2000	0.0	*	7.2	*		
4/1/2000 - 3/31/2001	0.0	*	6.9	*		
4/1/2001 - 3/31/2002	0.0	*	5.2	*		
4/1/2002 - 3/31/2003	0.0	*	5.1	*		
4/1/2003 - 3/31/2004	0.0	*	3.4	*		
4/1/2004 - 3/31/2005	0.0	*	3.4	*		
4/1/2005 - 3/31/2006	0.0	*	1.0	*		
4/1/2006 - 3/31/2007	0.0	*	0.0	*		
4/1/2007 - 3/31/2008	0.0	*	0.0	*		
4/1/2008 - 3/31/2009	0.0	*	0.0	*		
4/1/2009 - 3/31/2010	0.0	*	0.0	*		
4/1/2010 - 3/31/2011	0.0	*	0.0	*		
4/1/2011 - 3/31/2012	0.0	*	0.0	*		
4/1/2012 - 3/31/2013	0.0	*	0.0	*		
4/1/2013 - 3/31/2014	0.0	*	0.0	*	0.0	*
4/1/2014 - 3/31/2015	0.0	*	0.0	*	0.0	*
4/1/2015 - 3/31/2016	0.0	*	0.0	*	0.0	*
4/1/2016 - 3/31/2017	0.0	*	0.0	*	0.0	*

* Not eligible for STAR increase in 2018.

** PEPRA Plans G and C were effective January 1, 2013.

August 25, 2017

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager 
Disability Retirement Services

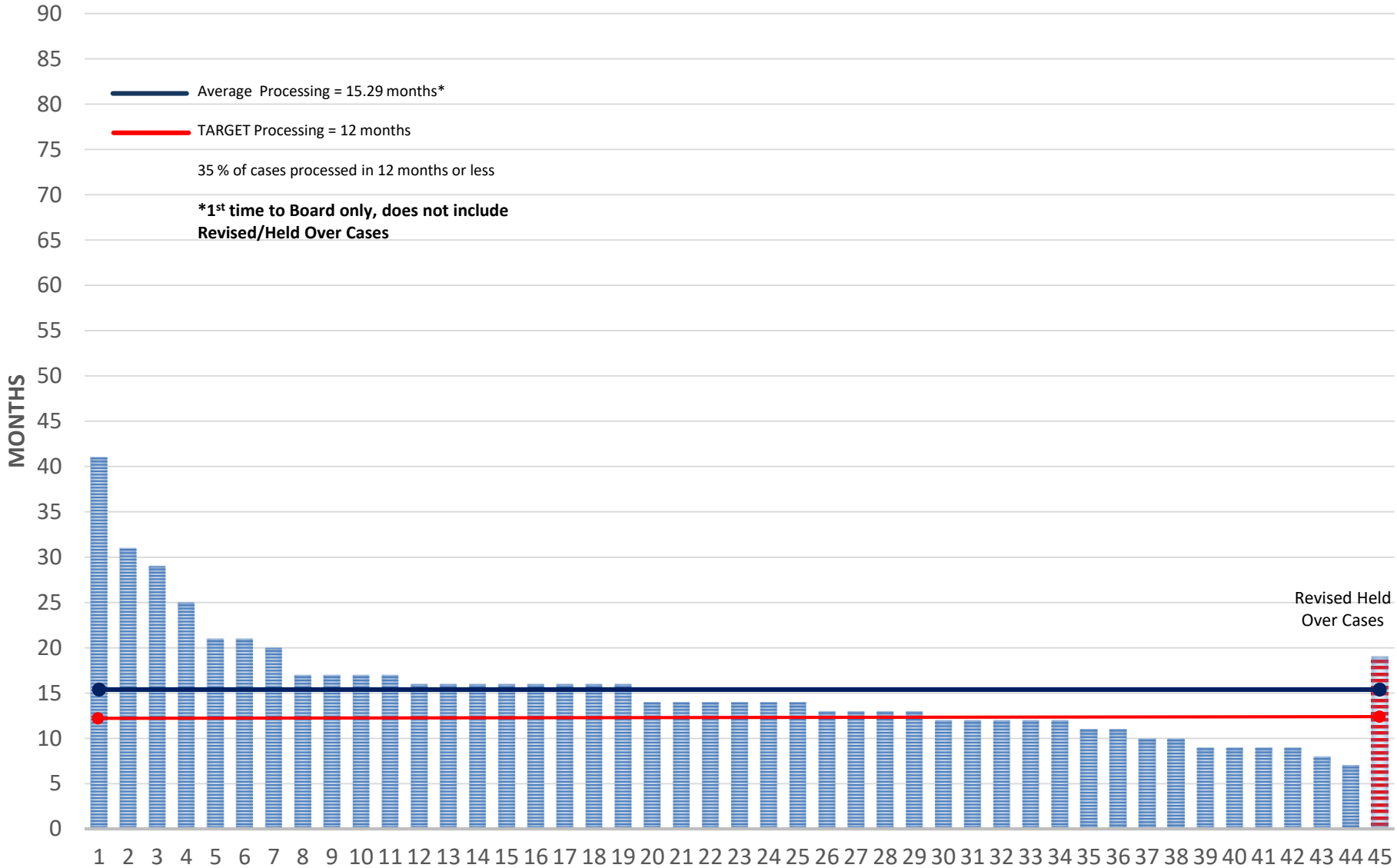
FOR: September 6, 2017 Board of Retirement Meeting

SUBJECT: **Application Processing Time Snapshot Reports**

The following chart shows the total processing time from receipt of the application to the first Board action for all cases on the September 6, 2017 Disability Retirement Applications Agenda.

Consent & Non-Consent Calendar	
Number of Applications	44
Average Processing Time (in Months)	15.29
Revised/Held Over Calendar	
Number of Applications	1
Average Processing Time (in Months)	Case 1 19
Total Average Processing Time for Revised/Held Over Calendar	19

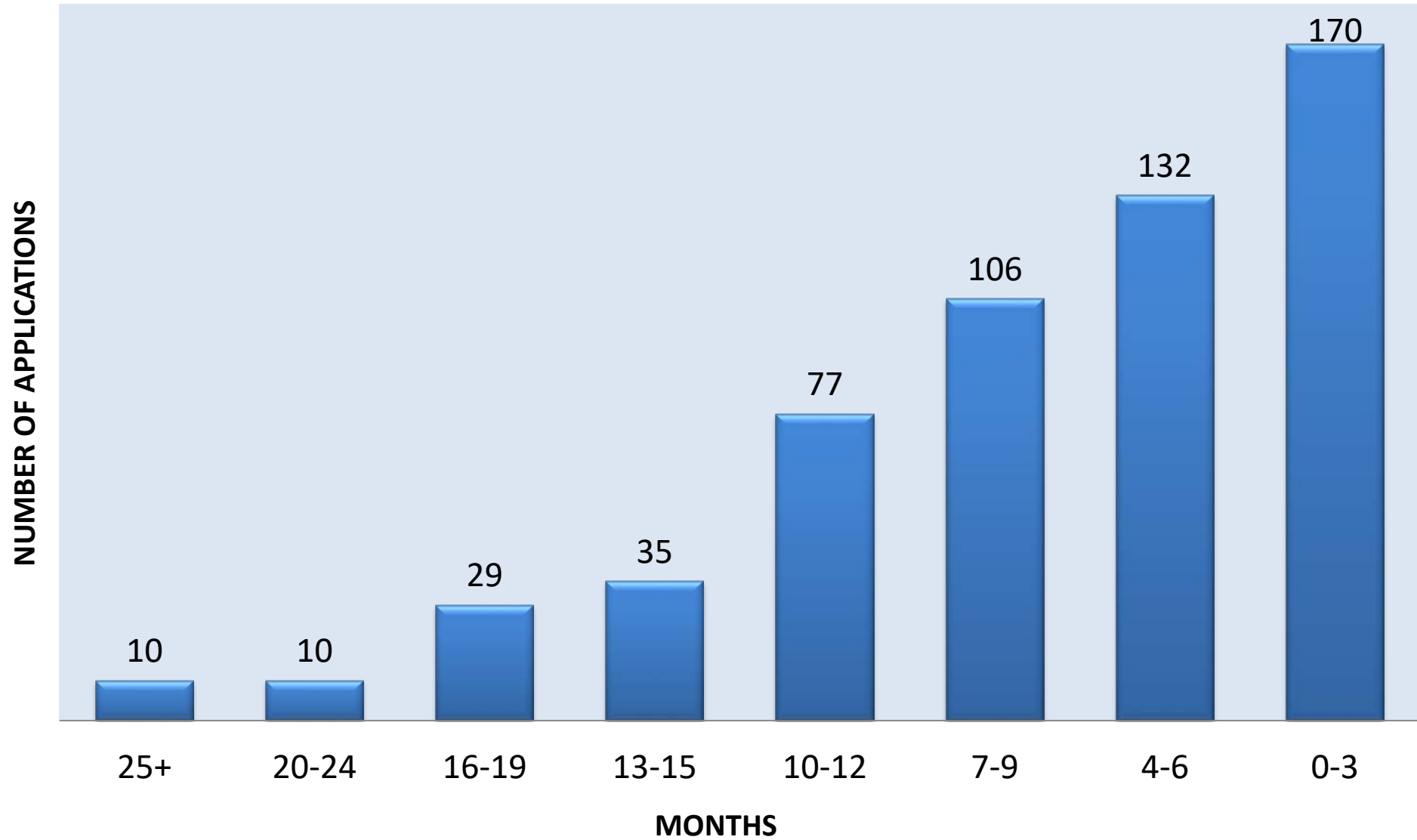
CASE PROCESSING TIME



As of 8/25/2017

September 6, 2017 AGENDA

PENDING APPLICATIONS/TIME INTERVALS





Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**