

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., THURSDAY, AUGUST 9, 2018

*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. OTHER COMMUNICATIONS
 - A. For Information
 - 1. June 2018 All Stars
 - 2. Interim Chief Executive Officer's Report
(Memo dated July 30, 2018)
- IV. PUBLIC COMMENT
- V. CONSENT ITEMS
 - A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits & Legislative Committee: That the Board approve the following Policies created by LACERA on behalf of the Retiree Healthcare Program.
 - 1) Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy
 - 2) Los Angeles County Retiree Healthcare Program HIPAA Security Policy
 - 3) Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy

V. CONSENT ITEMS (Continued)

- 4) Los Angeles County Retiree Healthcare Program Business Associate Policy
- 5) Los Angeles County Retiree Healthcare Program Notice of Privacy Practices
- 6) Los Angeles County Retiree Healthcare Program Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules

(Memo dated July 27, 2018)

B. Recommendation as submitted by Jill P. Rawal, Staff Counsel: That the Board:

- 1) Adopt the revised Conflict of Interest Code; and
- 2) Authorize staff to file the revised Code with the County of Los Angeles Board of Supervisors, which is the code reviewing authority.

(Memo dated July 30, 2018)

C. Recommendation as submitted by Marvin Adams, Chair, Operations Oversight Committee: That the Board approve the purchase of Fiduciary Liability and Cyber Liability Insurance effective October 6, 2018 with the Hudson Insurance Company, Westchester Fire Insurance Company, and NAS Insurance Company.

(Memo dated August 1, 2018)

D. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the Intelligence Support Systems (ISS) World North America – Training Conference and Exhibition on September 5-7, 2018 in Washington, D.C. and approve reimbursement of all travel costs incurred in accordance with LACERA's Educational and Travel Policy.

(Placed on the agenda at the request of Mr. Kehoe)

(Memo dated August 1, 2018)

V. CONSENT ITEMS (Continued)

- E. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the 2018 USC Marshall Corporate Directors Symposium on November 8, 2018 in Los Angeles, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Educational and Travel Policy.
(Placed on the agenda at the request of Mr. Kelly)
(Memo dated July 12, 2018)
- F. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the Public Pension Trustees Fiduciary Conference: Gaining the Tools for Innovation on October 2-3, 2018 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Educational and Travel Policy.
(Placed on the agenda at the request of Mr. Adams)
(Memo dated June 4, 2018)
- G. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the 2018 Committee on Worker's Capital (CWC) Conference on September 10-11, 2018 in San Francisco, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Educational and Travel Policy.
(Placed on the agenda at the request of Mr. Walsh)
(Memo dated June 4, 2018)

VI. NON-CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board change the regular meeting schedule of the Operations Oversight Committee so that Committee, along with the Insurance, Benefits & Legislative Committee, will meet immediately following Board of Retirement administrative meetings.
(Memo dated July 24, 2018)
- B. Recommendation as submitted by Robert H. Hill, Interim Chief Executive Officer: That the Board consider rescheduling the Wednesday, October 3, 2018 Disability meeting.
(Memo dated August 2, 2018)

VI. NON-CONSENT ITEMS (Continued)

C. Recommendation as submitted by Joseph Kelly, Board Member: That the Board:

- 1) Reconstitute the Joint Organizational Governance Committee (JOGC) as a standing joint committee of both the Board of Retirement (BOR) and Board of Investments (BOI) and reassign to the JOGC all matters currently being considered by Ad Hoc Committees, with the exception of the Ad Hoc Committee overseeing the recruitment of the Retirement Administrator/Chief Executive Officer which will remain responsible for this recruitment at this time;
- 2) Revise the JOGC Charter, Section 8 Membership, Quorum, and Rules, as follows.

There will be eight (8) members with no designated alternates. The JOGC will be comprised of the BOR and BOI Chairs and Vice-Chairs plus one member appointed by each Chair and one member elected by each Board. If there is one JOGC member who represents both Boards (one overlap), then an additional appointment will be made by the BOR Chair in even years and by the BOI Chair in odd years. If there is more than one overlap, the BOR and BOI Chairs will make an equal number of additional appointments; if there are an odd number of overlaps, the final appointment, after the Board Chairs make their separate appointments, will be made following the rule as stated in the preceding sentence that applies in the case of one overlap. In selecting their appointments, the Chairs will endeavor to include an overall mix of trustees who are appointed by the Board of Supervisors, elected by active employees (general and safety), elected by retired employees, and who serve in an ex-officio capacity. The Chairs will also consider continuity of service when selecting Committee members, so that development of expertise and familiarity with the subject matters jurisdictional to the JOGC are encouraged, and to benefit Committee goals.

- 3) Elect a JOGC Member.

VI. NON-CONSENT ITEMS (Continued)

- 4) Request the Interim Chief Executive Officer (CEO) engage Funston Consultants, the consultants who assisted the BOR and the BOI Ad Hoc Committee that recommended the formation of the JOGC, to undertake an evaluation of the JOGC's effectiveness in the fall 2019. Funston should allow for input by all trustees in the evaluation processes. When completed, the evaluation should be placed on a BOR and BOI agenda for discussion.

(Memo dated July 31, 2018)

VII. REPORTS

- A. For Information Only as submitted by Bernie Buenaflor, Interim Assistant Executive Officer, regarding the Los Angeles County Other Postemployment Benefits Program – Actuarial Valuation. (Presentation dated August 9, 2018) (Memo dated July 27, 2018)
- B. For Information Only as submitted by Harvey L. Leiderman, Reed Smith LLP, regarding the Ralph M. Brown Act, “Sunshine is the Best Antiseptic”. (Presentation dated August 9, 2018)
- C. For Information Only as submitted by Jonathan Grabel, Chief Investment Officer, regarding the State Street Incident Report – Update #2. (Memo dated July 30, 2018)
- D. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding AB 2076 – Effective Date of Disability Retirement. (Memo dated July 25, 2018)
- E. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the July 2018 Fiduciary Counsel Contact and Billing Report. (Memo dated August 1, 2018) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

VIII. REPORT ON STAFF ACTION ITEMS

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

August 9, 2018

Page 6

X. EXECUTIVE SESSION

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

Number of Potential Cases: One

XI. 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.



July 30, 2018

TO: Each Member
Board of Retirement
Board of Investments

FROM: Robert R. Hill 
Interim Chief Executive Officer

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

I am pleased to present the Interim 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.

Upcoming Eighth Floor Renovation

In mid-August Administrative Services will begin the eighth floor renovation project, which will expand the Investments and Internal Audit work areas, as well as complete a number of common area improvements.

The project begins with the move of the Investments Division to the second floor the weekend of August 10th. This will allow work to begin on expanding and restructuring the layout of the Investments Division to add additional cubicles to accommodate the expected hiring plan for the next two to five years. At the same time, we will be expanding the footprint for the Internal Audit Division to accommodate two new offices for the Principal Auditor positions, as well as a kitchen/work area to support the division. This project also includes the relocation of conference rooms to make them accessible from the hallways – providing easier access for all staff members and greater security when guests are present or they are used as waiting areas for Board presenters.

Common area improvements will include renovating the restrooms to meet current ADA requirements, stripping the walls in the common areas and the Boardroom of the outdated wallpaper, and replacing the carpeting throughout the eighth floor, including the Executive Office, Boardroom, and Board Lounge. The restroom renovations are significant and are expected to take six to eight weeks to complete. During the renovations the restrooms on the eighth floor will be unavailable – including on Board days. Board and staff members will be able to use restrooms on any LACERA floor (seventh, sixth, fifth, third, or second).

Chief Executive Officer's Report

July 30, 2018

Page 2

The entire project is expected to take up to 12 weeks, but could be completed earlier or be delayed depending on inspection schedules and progress.

RH: jp

CEO report August 2018.doc

Attachments

Striving for Excellence in Service



Outreach Attendance
3,823

40,697 Year-to-Date



Outreach Events
47

458 Year-to-Date



Outreach Satisfaction
95.0%

1.9% Change Since Last Mo.



Member Service Center
100.0%

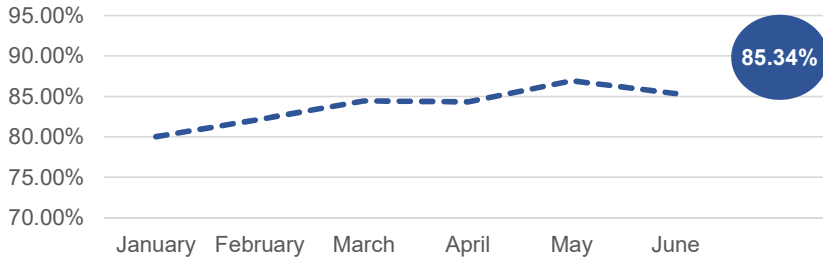
0.0% Change Since Last Mo.



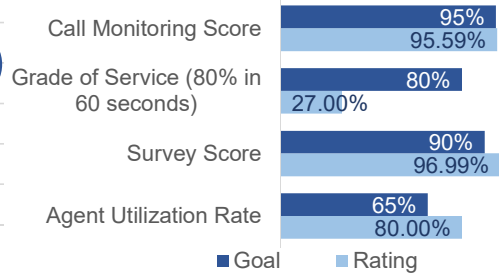
Member Services Calls
10,455

11,276 3 Mo. Avg.

Key Performance Indicator (Overall Performance)



Key Performance Indicator (Components)



Member Services



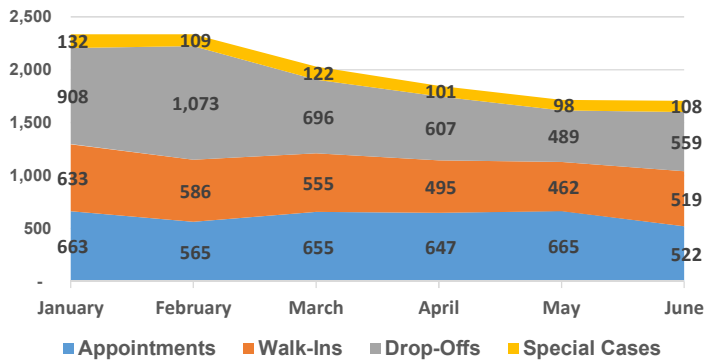
Top Calls

1. Workshop Info/Appointments Inquiry
2. Benefit Payments: Gen. Inquiry/Payday
3. Retirement Counseling: Estimate

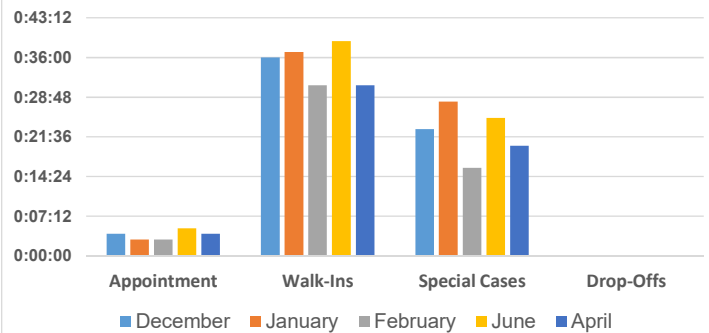


316 Emails
5:02 hours
Avg. Response Time (ART)

Member Service Center Visits

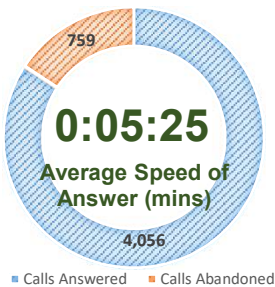


Member Service Center Average Wait Time



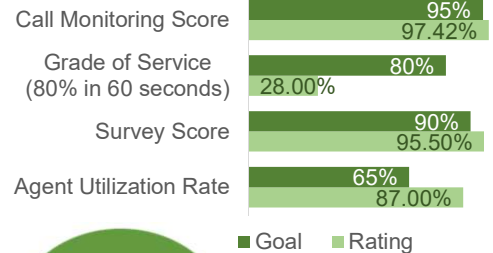
*Drop Off Wait Time: No Waiting

Retiree Healthcare



Top Calls

1. Medical Benefits - General Inquiries
2. General Inquiries (RHC)
3. Carrier Rate Changes



144 Emails
5 day
Avg. Response Time (ART)

Striving for Excellence in Service (Continued)

Applications

561

On Hand

51 Received
572 Year-to-Date

0 Re-opened
1 Year-to-Date

32 To Board - Initial

520 Year-to-Date

2 Closed
64 Year-to-Date

578 In Process

578 Year-to-Date

Appeals

106

On Hand

5 Received
31 Year-to-Date

3 Admin Closed/Rule 32
28 Year-to-Date

3 Referee Recommended

17 Year-to-Date

0 Revised/Reconsidered for Granting

6 Year-to-Date

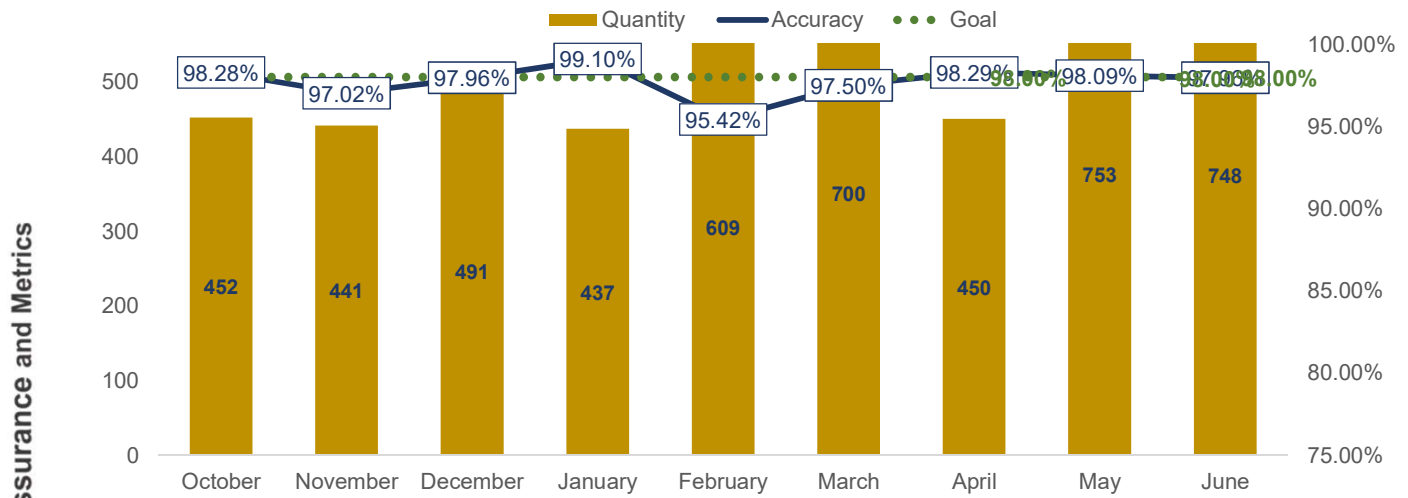
105 In Process

105 Year-to-Date

Disability

Striving for Excellence in Quality

Audits of Retirement Elections, Payment Contracts, and Data Entry



Quality Assurance and Metrics

June 2018



97.96%

Retirement Elections

176

Samples

98.05%

Accuracy

Payment Contracts

482

Samples

98.34%

Accuracy

Data Entry

90

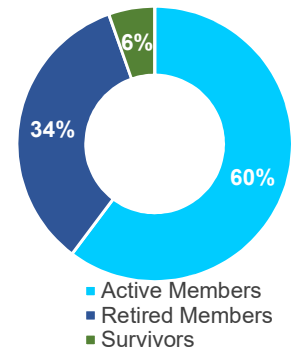
Samples

97.49%

Accuracy

Member Snapshot

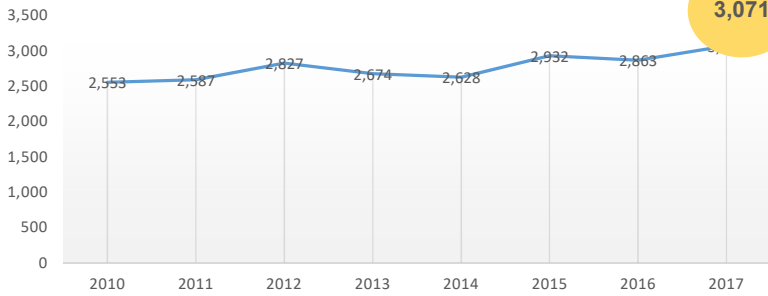
		Members as of 07/27/18				
		Plan	Active	Retired	Survivors	Total
General	Plan A		137	17,635	4,509	22,281
	Plan B		43	685	68	796
	Plan C		55	427	63	545
	Plan D		43,508	14,220	1,290	59,018
	Plan E		18,441	12,355	1,085	31,881
	Plan G		23,534	13	1	23,548
	Total General			85,718	45,335	7,016
Safety	Plan A		5	5,457	1,583	7,045
	Plan B		10,268	5,326	265	15,859
	Plan C		2,505	5	0	2,510
	Total Safety			12,778	10,788	1,848
TOTAL MEMBERS			98,496	56,123	8,864	163,483



■ Active Members
■ Retired Members
■ Survivors

Member Snapshot (Continued)

Retirements Per Year



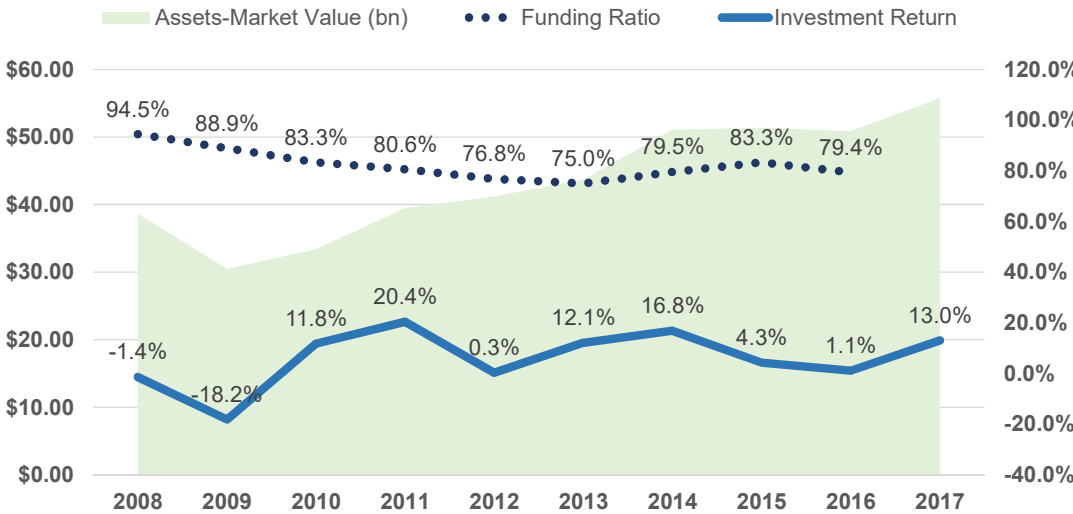
Healthcare Program (YTD)

	Employer	Member
Medical	\$475.3m	\$40.1m
Dental	\$42.7m	\$4.4m
Part B	\$58.1m	xxxx
Total	\$576.1m	\$44.4m

Healthcare Enrollments (Monthly)

	Enrollments
Medical	49,971
Dental	51,155
Part B	33,359
LTC	677
Total	135,162

Key Financial Metrics



Funding Metrics (as of 6/30/17)

Employer NC	9.97%*
UAAL	9.73%*
Assumed Rate	7.25%*
Star Reserve	\$614m*
Total Assets	\$52.7b*

Contributions (as of 6/30/17)

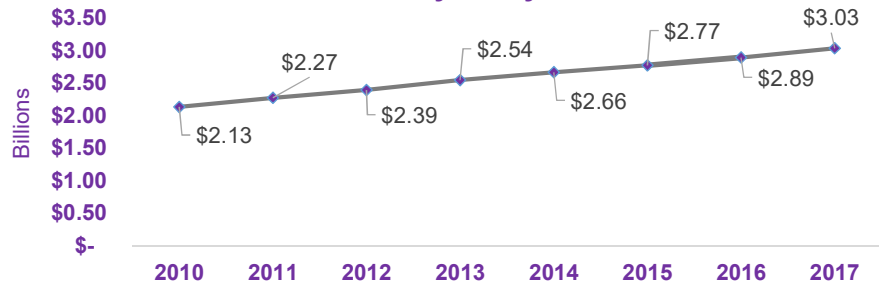
	Employer	Member
Annual Add	\$1331.4m	\$526.6m
% of Payroll	19.7%*	6.65%*

*Effective July 1, 2017, as of 06/30/16 actuarial valuation

Retired Members Payroll

Monthly Payroll	\$280.60m
Payroll YTD	3.2b
New Retired Payees Added	273
Seamless %	99.27%
New Seamless Payees Added	4,099
Seamless YTD	99.59%
By Check %	4.00%
By Direct Deposit %	96.00%

Retiree Payroll by Year

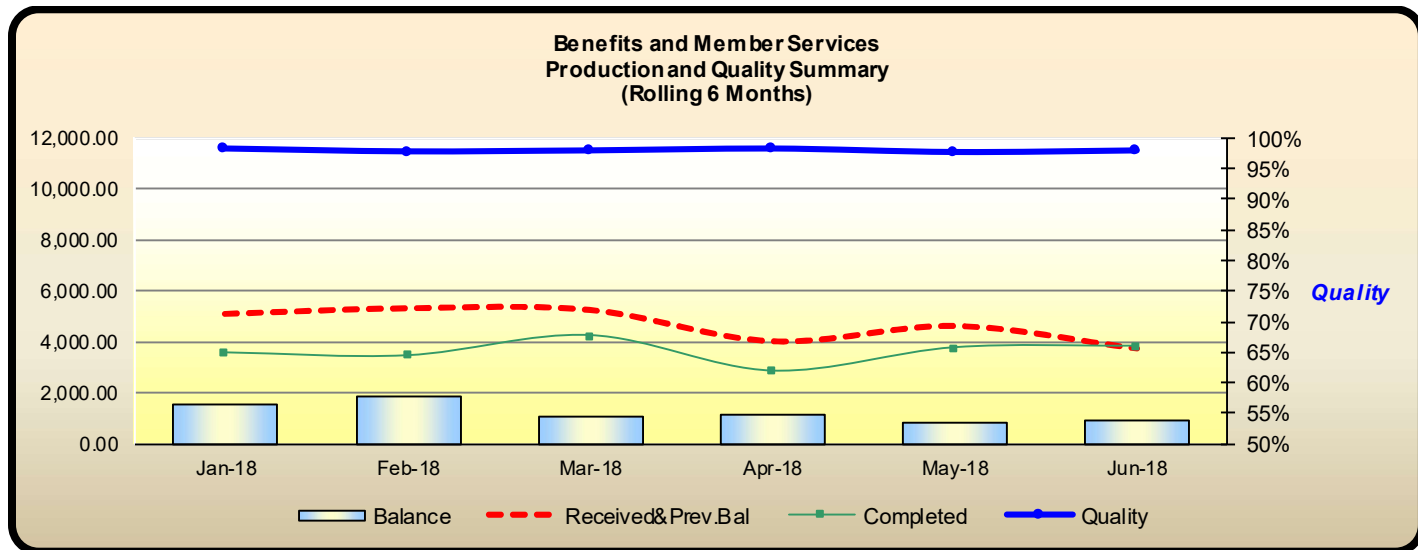
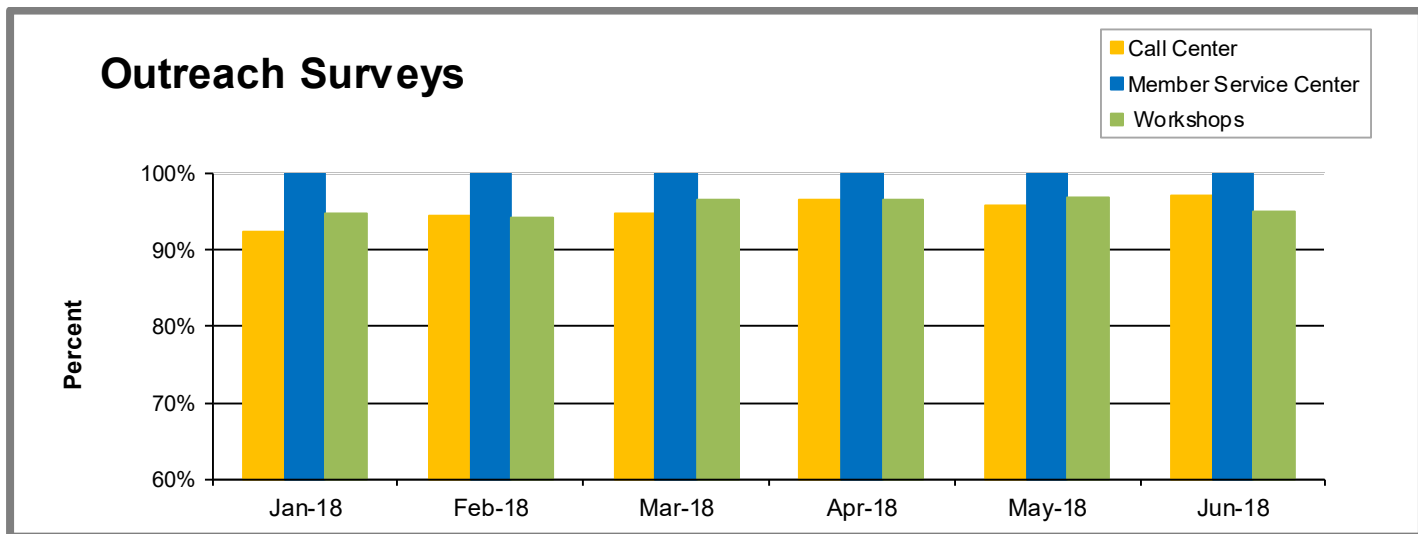


MORE COMING SOON!

LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE

Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	16	171	1,009	9,273
Mid Career	6	17	289	871
New Member	12	148	199	3,296
Pre-Retirement	9	94	298	2,571
General Information	2	13	245	1,366
Retiree Events	2	15	75	2,237
Member Service Center	Daily	Daily	1,708	21,083
TOTALS	47	458	3,823	40,697



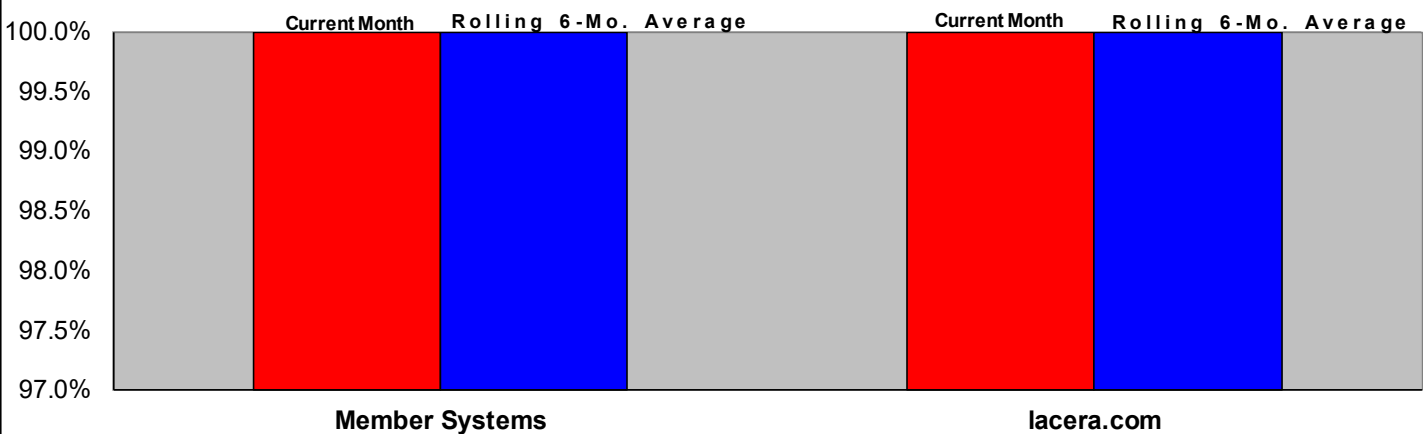
Member Services Contact Center			RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)	85.34%			
Category	Goal	Rating		Member Services
Call Center Monitoring Score	95%	95.59%	97.42%	1) Workshop Info/Appointments: Inquiry
Grade of Service (80% in 60 seconds)	80%	27%	28%	2) Benefit Pmts.-Gen. Inquiry/Payday Info
Call Center Survey Score	90%	96.99%	95.50%	3) Retirement Counseling: Estimate
Agent Utilization Rate	65%	80%	87%	
Number of Calls		10,455	4,819	Retiree Health Care
Number of Calls Answered		8,833	4,056	1) Medical Benefits - General Inquiries
Number of Calls Abandoned		1,622	759	2) General Inquiries (RHC)
Calls-Average Speed of Answer (hh:mm:ss)		00:05:42	00:05:25	3) Carrier Rate Changes
Number of Emails		316	144	
Emails-Average Response Time (hh:mm:ss)		05:02:24	(Days) 5	Adjusted for weekends

LACERA's KEY BUSINESS METRICS

Fiscal Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assets-Market Value	\$38.7	\$30.5	\$33.4	\$39.5	\$41.2	\$43.7	\$51.1	\$51.4	\$50.9	\$55.8
Funding Ratio	94.5%	88.9%	83.3%	80.6%	76.8%	75.0%	79.5%	83.3%	79.4%	n/a
Investment Return	-1.4%	-18.2%	11.8%	20.4%	0.3%	12.1%	16.8%	4.3%	1.1%	13.0%

DISABILITY INVESTIGATIONS						
APPLICATIONS	TOTAL	YTD		APPEALS	TOTAL	YTD
On Hand	561	xxxxxxx		On Hand	106	xxxxxxx
Received	51	572		Received	5	31
Re-opened	0	1		Administratively Closed/Rule 32	3	28
To Board – Initial	32	520		Referee Recommendation	3	17
Closed	2	64		Revised/Reconsidered for Granting	0	6
In Process	578	578		In Process	105	105

SYSTEMS AVAILABILITY - JUNE 2018



Active Members as of 7/27/18		Retired Members/Survivors as 7/27/18			Retired Members	
		Retirees	Survivors	Total		
General-Plan A	137	17,635	4,509	22,144	Monthly Payroll	280.60 Million
General-Plan B	43	685	68	753	Payroll YTD	3.2 Billion
General-Plan C	55	427	63	490	No. Monthly Added	273
General-Plan D	43,508	14,220	1,290	15,510	Seamless %	99.27%
General-Plan E	18,441	12,355	1,085	13,440	No. YTD Added	4,099
General-Plan G	23,534	13	1	14	Seamless YTD %	99.59%
Total General	85,718	45,335	7,016	52,351	Direct Deposit %	96.00%
Safety-Plan A	5	5,457	1,583	7,040		
Safety-Plan B	10,268	5,326	265	5,591		
Safety-Plan C	2,505	5	0	5		
Total Safety	12,778	10,788	1,848	12,636		
TOTAL ACTIVE	98,496	TOTAL RETIRED	56,123	8,864	64,987	

Health Care Program (YTD Totals)

	Employer Amount	Member Amount
Medical	475,327,923	40,066,276
Dental	42,652,566	4,377,903
Med Part B	58,122,313	xxxxxxxxxx
Total Amount	\$576,102,802	\$44,444,179

Health Care Program Enrollments (Monthly)

Medical	49,971
Dental	51,155
Med Part B	33,359
Long Term Care (LTC)	677

Funding Metrics as of 6/30/17

Employer Normal Cost	9.97%*
UAAL	9.73%*
Assumed Rate	7.25%*
Star Reserve	\$614 million
Total Assets	\$52.7 billion

Member Contributions as of 6/30/17

Annual Additions	\$526.6 million
% of Payroll	6.65%*

Employer Contributions as of 6/30/17

Annual Addition	\$1,331.4 million
% of Payroll	19.70%*

*Effective July 1, 2017, as of 6/30/16 actuarial valuation.

Date	Conference
September, 2018	
12-14	Principles for Responsible Investment (PRI) PRI in Person 2018 San Francisco, CA
21	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Hilton Los Angeles North/Glendale
29-October 2	National Association of Corporate Directors – Global Board Leaders’ Summit Washington D.C.
October, 2018	
3-5	PREA (Pension Real Estate Association) Annual Institutional Investor Real Estate Conference Boston, MA
14-16	AHIP (America’s Health Insurance Plans) Medicare Conference Washington D.C.
14-17	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference New Orleans, LA
15-17	CRCEA (California Retired County Employees Association) Fall Conference San Rafael, CA
22	International Corporate Governance Network (ICGN) New York Event New York, NY
22-24	Cyber Security Summit – 8 th Annual Leadership Event Minneapolis, MN
22-26	Investment Strategies & Portfolio Management (<i>prev. Pension Fund & Investment Mgmt.</i>) Wharton School, University of Pennsylvania
24-26	Council of Institutional Investors (CII) Fall Conference Boston, MA
26	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Hilton Los Angeles North/Glendale
28-31	NCPERS (National Conference on Public Employee Retirement Systems) Public Safety Conference Las Vegas, NV
November, 2018	
7-8	Institutional Limited Partners Association (ILPA) Summit New York, NY
13-16	SACRS Indian Wells, CA



July 27, 2018

To: Each Member, Board of Retirement

From: Insurance, Benefits, and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Herman B. Santos
Gina Zapanta-Murphy
Thomas Walsh, Alternate

For: August 9, 2018 Board of Retirement Meeting

Subject: **HIPAA Privacy and Security Rule Policies for the Retiree Healthcare Program**

RECOMMENDATION

That the Board of Retirement ("Board") approve the following Policies created by LACERA on behalf of the Retiree Healthcare Program:

1. Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy
2. Los Angeles County Retiree Healthcare Program HIPAA Security Policy
3. Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy
4. Los Angeles County Retiree Healthcare Program Business Associate Policy
5. Los Angeles County Retiree Healthcare Program Notice of Privacy Practices
6. Los Angeles County Retiree Healthcare Program Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules

LEGAL AUTHORITY

As part of their plenary authority and fiduciary responsibility for administration of the system under Article XVI, Section 17 of the California Constitution, the Board has discretion to adopt such amendments to the plan documents as it deems prudent. Additionally, LACERA administers the Retiree Healthcare Program ("Plan") on behalf of the County pursuant to the 1982 Agreement, the 1994 Agreement, the 2014 Agreement, and all subsequent modifications to each agreement (collectively, "the Agreements"); the Board has authority under the Agreements to take such actions, including amendment of the plan documents, as are reasonably necessary in furtherance of the administration of the Plan. The proposed amendment to the Retiree Healthcare plan documents is reasonably within the scope of the Boards' discretion and authority under the Constitution and the Agreements as a means of establishing a formal structure to ensure the Plan's compliance with HIPAA Privacy Rules.

In LACERA's Board of Retirement Standing Committee Charters approved April 13, 2017 ("Charters"), under Section H of the Insurance, Benefits, and Legislative Committee ("IBLC") Charter, IBLC supports the Board with its oversight responsibilities with respect to the Retiree Healthcare Program ("Plan"). Since these Policies are Plan Policies, only created by LACERA in its capacity as Plan Administrator, and not LACERA administrative policies, they are therefore a proper subject for discussion and recommendation by the IBLC to the Board.

DISCUSSION

A. Background

In 2016, the Alston & Bird ("Alston") Privacy Audit ("Audit") concluded that the Plan is likely a covered health plan under the Health Insurance Portability and Accountability Act ("HIPAA"), as it meets the definition of a program established or maintained by an employer or employee organization to provide health care benefits for its participants and their beneficiaries. The Audit drew a distinction between LACERA (including its RHC Division) and the Plan as established by the County of Los Angeles.

As such, the Audit recommended that LACERA, acting in its capacity as Plan Administrator, should on behalf of the Plan, create certain policies to comply with HIPAA Privacy and Security Rules. The Plan has long been acting in compliance with HIPAA as a practical matter, but the Audit pointed out that actual documentation of compliance, though certain policies, is also required under HIPAA. Thus, these Policies do not represent a major structural shift for the Plan, but rather documentation of existing practices.

HIPAA, through its Privacy Rule and Security Rule, regulates the use and dissemination of Protected Health Information ("PHI") held by covered entities and their business associates. PHI includes any health information relating to a person's treatment or diagnosis, as well as individually identifiable health information that is created or received by a covered entity or business associate. The Privacy Rule establishes national standards for the use and disclosure of PHI by covered entities and their business associates. The Security Rule establishes a national set of security standards for protecting PHI that is held or transferred in electronic form.

B. Summary of the Policies

1. HIPAA Privacy Policy [Attachment 1]

This Policy sets forth the ways in which the Plan complies with the Privacy Rule. The Policy covers administrative requirements, use and disclosure of PHI, and rights of Plan participants.

//

2. HIPAA Security Policy [Attachment 2]

This Policy sets forth the ways in which the Plan complies with the Security Rule requirements by providing administrative, physical and technical safeguards to ensure the confidentiality, integrity, and security of electronic protected health information.

3. HIPAA Privacy and Security Breach Notification Policy [Attachment 3]

Both the HIPAA Privacy Rule and Security Rule require the Plan to have a Policy to deal with actual or potential breaches. A breach means any acquisition, access, use, or disclosure of PHI in a manner not permitted under HIPAA, which compromises the security or privacy of the PHI. The Policy sets forth certain requirements for the discovery and investigation of actual or potential breaches, as well the requirements for notification to the affected parties. Additionally, the Policy sets forth certain administrative requirements, such as maintenance of breach information and the handling of complaints.

4. Business Associate Policy [Attachment 4]

A Business Associate is any entity or person who performs a function involving the use or disclosure of PHI on behalf of the Plan (such as claims processing, case management, utilization review, quality assurance, billing) or provides services for a covered entity that require the disclosure of PHI (such as legal, actuarial, accounting, accreditation). This Policy sets forth the terms in which the Plan may disclose PHI to the Business Associate, as well as the Business Associate's obligations to safeguard any such PHI. Perhaps the most important clause in this Policy requires the execution of a Business Associate Agreement prior to any such disclosures. The Agreement would require all of the Plan's vendors that may have access to PHI to certify that they are aware of and will abide by the requirements of the HIPAA Privacy Rule and the Security Rule.

5. Notice of Privacy Practices [Attachment 5]

This Notice is required by the Privacy Rule and is intended to be a user-friendly document directed towards members to inform them of the Plan's Privacy Policies as well their rights under HIPAA. The sample provided to your Committee today is complete in terms of the required language, however we will be working with Communications for the final design.

6. Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules [Attachment 6]

Both the HIPAA Privacy Rule and Security Rule require the Plan to impose sanctions on any members of the Plan's workforce that violates the Rules. Given LACERA's unique relationship with the County, this Policy tracks Countywide Disciplinary Guidelines as well as LACERA's Human Resources policies. Prior to the IBLC meeting, this Policy will be submitted to the SEIU Local 721 for informational purposes.

INSURANCE, BENEFITS, AND LEGISLATIVE COMMITTEE COMMENTS

At the meeting on July 17, 2018, the IBLC suggested that the Policies be amended to reflect that the Privacy and Security Officer may assign a designee to assist in carrying out tasks as needed in the Policies. Said changes have been incorporated into the Policies presented to the Board attached to this memo.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

That the Board of Retirement approve the following Policies created by LACERA on behalf of the Retiree Healthcare Program:

1. Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy
2. Los Angeles County Retiree Healthcare Program HIPAA Security Policy
3. Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy
4. Los Angeles County Retiree Healthcare Program Business Associate Policy
5. Los Angeles County Retiree Healthcare Program Notice of Privacy Practices
6. Los Angeles County Retiree Healthcare Program Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules

Reviewed and Approved



Steven P. Rice
Chief Counsel

Attachments (6)

c: Robert Hill
James Brekk
Bernie Buenaflor

JJ Popowich
Cassandra Smith
Leilani Ignacio

Steven P. Rice
Richard Bendall
Quoc Nguyen

Attachment 1

Los Angeles County Retiree Healthcare Program HIPAA Privacy Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time, and its implementing regulations (collectively, the "HIPAA Rules"), govern the Use and Disclosure of Protected Health Information ("PHI") and Electronic PHI.

Specifically, the HIPAA Rules as set forth in 45 C.F.R. 164.500 *et seq.* set forth privacy requirements for individually identifiable health information transmitted or maintain in any form or medium by a covered entity. When such information is created or received by the covered entity, it becomes PHI.

This policy sets forth the framework for the Plan's compliance with the HIPAA Privacy Rule. This policy is limited to the HIPAA Privacy Rule. Other aspects of law, including, but not limited to the HIPAA Security Rule and the HIPAA Breach Notification Rule, are addressed in other Plan policies. The Plan recognizes that adequate and appropriate security is necessary for the HIPAA Rules to apply and operate as intended.

I. DEFINITIONS. As used in this document, the following capitalized terms shall have the respective meaning given below:

A. Business Associate. An entity or person who performs a function involving the Use or Disclosure of PHI on behalf of a covered entity (such as claims processing, case management, utilization review, quality assurance, billing) or provides services for a covered entity that require the disclosure of PHI (such as legal, actuarial, accounting, accreditation).

B. Disclosure and Disclosed. For information that is PHI, Disclosure and Disclosed means any release, transfer, provision of access to, or divulging in any other manner of individually identifiable health information to persons not employed by or working within the Human Resources Department of the Employer, or not a Business Associate (defined below) of the Plan.

C. Electronic Protected Health Information ("Electronic PHI"). Electronic PHI means PHI that is transmitted by, or maintained in, electronic media.

D. Individual. Individual means the person who is the subject of the health information created, received, maintained, or transmitted by or on behalf of the Plan (or by a Health Insurance Issuer in connection with coverage provided under the Plan).

E. Plan Administration Functions. Plan Administration Functions means administration functions performed by LACERA on behalf of the Plan, generally comprised of activities relating to "payment," as that term is defined in the HIPAA Rules, such as quality assurance, auditing, monitoring, and Plan management (including financial and administrative oversight and HIPAA compliance). Plan Administration Functions subject to this document do not include enrollment functions performed by LACERA in connection with the Plan, or functions performed by LACERA in connection with any other benefit provided by LACERA (such as the pension plan, disability, or life insurance) or any employment-related actions or decisions.

F. Protected Health Information ("PHI"). PHI means information that is created or received by the Plan (or by a Health Insurance Issuer in connection with coverage provided under the Plan) and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe that the information can be used to identify the individual. PHI includes information of persons who are living or who have been deceased for less than 50 years. PHI does not include health information about an employee that is held in LACERA's employment records in its role as an employer, or LACERA's member records in its role as retirement plan administrator. PHI includes Electronic PHI.

G. Summary Health Information. Summary Health Information means information (1) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom LACERA has provided health benefits under the Plan, and (2) from which the information described at 45 C.F.R. 164.514(b)(2)(i) has been deleted, except that the geographic information described in 45 C.F.R. 164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit zip code.

H. Use. The sharing, employment, application, utilization, examination, or analysis of PHI by any person working for or within the benefits department of the Employer, or by a Business Associate of the Plan.

II. ADMINISTRATIVE REQUIREMENTS

A. Privacy and Security Official. The Plan hereby designates, as required by 45 C.F.R. 164.530(a)(1), the following Privacy and Security Official who is responsible for the development and implementation of the policies and

procedures required by HIPAA for the Plan and its Business Associates:

Cassandra Smith
Director, Retiree Healthcare
Los Angeles County Employees Association (LACERA)

The Privacy and Security Official is responsible for receiving complaints under Section II.D. of this Policy. The Privacy and Security Official will also be responsible to provide further information about matters covered by the Privacy Notice as required by 45 C.F.R. 164.520. The Privacy and Security Official may assign a designee as needed to carry out any of the functions under Policy.

B. Workforce Training. It is the Plan's policy to train all members of its workforce on its privacy policies and procedures, in accordance with 45 C.F.R. 164.530(b)(1). The Privacy and Security Official is charged with developing training schedules and programs so that all workforce members receive the training necessary and appropriate to permit them to carry out their functions within the Plan in compliance with HIPAA. Such training may be facilitated through LACERA's Privacy and Security Training Program.

C. Privacy Notice. The Privacy and Security Official is responsible for developing and maintaining a notice of the Plan's privacy practices in accordance to 45 C.F.R. 164.520. The Plan will also provide notice of availability of the privacy notice (or a copy of the privacy notice) at least once every three years in compliance with the HIPAA Privacy Rule.

D. Complaints. The Privacy and Security Official will be the Plan's contact person for receiving complaints in accordance with 45 C.F.R. 164.530(d)(1). If the Privacy and Security Official is unable to resolve the complaint, the complaining party may appeal to LACERA's Board of Retirement in accordance with the LACERA Administrative Appeals Procedure, bypassing Level 1 and going directly to a Level 2 appeal. A copy of the procedure shall be provided to any participant upon request.

E. Sanctions. Pursuant to 45 C.F.R. 164.530(e)(1), sanctions for using or disclosing PHI in violation of HIPAA or this HIPAA Privacy Policy will be imposed in accordance with the Plan's Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules.

F. Mitigation of Inadvertent Disclosures of PHI. The Plan shall mitigate, to the extent possible, any potentially harmful effects that become known to it of a Use or Disclosure of an individual's PHI in violation of HIPAA or this Policy, as required by 45 C.F.R. 164.530(f). As a result, if an employee becomes aware of a Disclosure of PHI, either by an employee or a Business Associate the employee or the Business Associate, that is not in compliance with this policy or HIPAA, the employee should immediately contact the Privacy and Security Official so that the appropriate steps to mitigate any potential harm to the participant can be taken.

G. No Intimidating or Retaliatory Acts; No Waiver of HIPAA Privacy. A covered entity or Business Associate may not threaten, intimidate, coerce, harass, discriminate against, or take any other retaliatory action against any individual for exercising their rights their rights under HIPAA, including, but not limited to, filing a complaint, participating in an investigation, or opposing any improper practice.

H. Waiver of Rights. A covered entity may not require Individuals to waive their rights to file a complaint with the Secretary of Health and Human Services as provided by 45 C.F.R 160.306 as a condition of the provision of treatment, payment, enrollment in a health plan, or eligibility for benefits. 45 C.F.R. 164.530(h).

I. Documentation. The Plan shall maintain this Policy and any other policies and procedures implemented to comply with this Policy in written (which may be electronic) form and if an action, activity or assessment is required by this Policy to be documented, maintain a written (which may be electronic) record of the action, activity, or assessment, in accordance with 45 C.F.R 164.530(i);(j).

1. **Time Limit.** The Plan shall retain the documentation for 6 years from the date of its creation or the date when it last was in effect, whichever is later, in accordance with 45 C.F.R 164.530(j)(i)(2).

2. **Availability.** The Plan shall make documentation available to those persons responsible for implementing the procedures to which the documentation pertains.

3. **Updates.** The Plan shall review documentation periodically, and update as needed, in response to environmental or operational changes affecting the privacy of the PHI, in accordance with 45 C.F.R 164.530(i)(2 – 5).

III. USE AND DISCLOSURE OF PHI

A. Workforce Must Comply with Plan's Policy and Procedures. All employees who have access to Plan PHI must comply with this Policy.

B. Permitted and Required Uses and Disclosures of PHI for Plan Administration Purposes. Unless otherwise permitted by law, the Plan (or a Business Associate or health insurance issuer on behalf of the Plan) may Disclose PHI to LACERA, and LACERA may receive such information, provided that LACERA shall Use or Disclose PHI only for Plan Administration Functions. Such PHI shall be handled in accordance with the Plan Document HIPAA Privacy and Security Rule Requirements for Disclosure of PHI to LACERA Retiree Healthcare Program.

C. Permitted Uses and Disclosures: Payment and Health Care Operations. The Plan may Disclose PHI to the Plan Sponsor for the Plan's own payment and health care operations purposes, and PHI may be Disclosed to another covered entity for the payment purposes of that covered entity in accordance with 45 C.F.R. 164.506.

D. No Disclosure of PHI for Non-Health Plan Purposes. PHI may not be Used or Disclosed for the payment or operations of LACERA's "non-health" benefits (e.g., disability, workers' compensation, life insurance, etc.), unless the participant has provided an authorization for such Use or Disclosure (as discussed in "Disclosures Pursuant to an Authorization") or such Use or Disclosure is required by applicable state law and particular requirements under HIPAA are met.

E. Permitted Disclosures of PHI. The Plan may Use or Disclose PHI without the written authorization of the Individual in certain narrowly tailored situations as set forth in 45 C.F.R. 164.512. Prior to any unauthorized Disclosure, Plan employees must consult with the Privacy and Security Official and the Legal Division to ensure such Disclosure meets the requirements of that 45 C.F.R. 164.512.

F. Disclosures of PHI Pursuant to an Authorization. PHI may be Disclosed for any purpose if an authorization that satisfies all of the requirements for a valid authorization is provided by the participant in accordance with 45 C.F.R. 164.508. All Uses and Disclosures made pursuant to a signed authorization must be consistent with the terms and conditions of the authorization.

G. Minimum Necessary When Disclosing or Requesting PHI. When Using or Disclosing PHI or when requesting PHI from another covered entity or Business Associate, the Plan or its Business Associate must make reasonable efforts to limit Use or Disclosure of PHI to the minimum necessary to accomplish the intended purpose of the Use, Disclosure, or request in accordance with 45 C.F.R. 164.502(b)(1). The Plan shall comply with the requirements of 45 C.F.R. 164.514(d)(1) in order to meet the minimum necessary standard.

H. Disclosures of PHI to Business Associates. Pursuant to 45 C.F.R. 164.502(e), the Plan may Disclose PHI to a Business Associate and may allow a Business Associate to create, receive, maintain, or transmit PHI on its behalf, if the covered entity obtains satisfactory assurance that the Business Associate will appropriately safeguard the information. Such assurance shall be through a written contract or other written agreement or arrangement with the Business Associate that meets the applicable requirements of 45 C.F.R. 164.504(e).

1. A Business Associate may Disclose PHI to a Business Associate that is a subcontractor and may allow the subcontractor to create, receive, maintain, or transmit PHI on its behalf, if the Business Associate obtains satisfactory assurances, in accordance with 45 C.F.R. 164.502(e)(1)(i), that

the subcontractor will appropriately safeguard the information. Business Associate will obtain written permission from the Plan prior to any such Disclosure.

I. Disclosures of De-Identified Information. The Plan may Use PHI to create information that is not Individually identifiable health information or Disclose PHI only to a Business Associate for such purpose, whether or not the de-identified information is to be used by the covered entity, pursuant to 45 C.F.R. 164.502(d) Such PHI must be de-identified in accordance with 45 C.F.R. 164.514 (a) and (b).

J. Physical Access Controls/Guidelines to Guard PHI. The Plan will maintain strict physical access controls to its information systems at all times and under all conditions. This includes the physical security of electronic and paper data. The Employer will terminate access to information systems and other sources of PHI, including access to rooms or buildings where PHI is located, when an employee, agent or contractor ends his/her employment or engagement. The Employer will terminate access to specific types of PHI when the status of any member of the workforce no longer requires access to those types of information.

IV. RIGHTS OF PLAN PARTICIPANTS

A. Access to PHI and Requests for Amendment. Right of access to PHI. Subject to certain limitations, Plan Participants have a right has a right of access to inspect and obtain a copy of PHI about the Individual in a designated record set, for as long as the PHI is maintained in the designated record set. The Plan shall create procedures for handling and documenting such record requests in accordance with 45 C.F.R. 164.524.

1. **Right to Amend.** Plan Participants have a right to have a covered entity amend PHI or a record about the Individual in a designated record set for as long as the PHI is maintained in the designated record set. The Plan shall create procedures for handling and documenting such record requests in accordance with 45 C.F.R. 164.526.

B. Accounting. Plan Participants have a right to receive an accounting of Disclosures of PHI made by a covered entity in the six years prior to the date on which the accounting is requested. The Plan shall create procedures for handling and documenting such record requests in accordance with 45 C.F.R. 164.528. The following Disclosures are not subject to accounting:

1. To carry out payment and health care operations as provided in 45 C.F.R. 164.506;

2. To Individuals of PHI about them as provided in 45 C.F.R. 164.502;

3. Incident to a Use or Disclosure otherwise permitted or required by this subpart, as provided in 45 C.F.R. 164.502;
4. Pursuant to an authorization as provided in 45 C.F.R. 164.508;
5. For the facility's directory or to persons involved in the Individual's care or other notification purposes as provided in 45 C.F.R. 164.510;
6. For national security or intelligence purposes as provided in 45 C.F.R. 164.512(k)(2);
7. To correctional institutions or law enforcement officials as provided in 45 C.F.R. 164.512(k)(5);
8. As part of a limited data set in accordance with 45 C.F.R. 164.514(e);
9. That occurred prior to the compliance date for the covered entity.

C. Deceased Individuals. The Plan must comply with the requirements of this subpart with respect to the PHI of a deceased Individual for a period of 50 years following the death of the Individual, in accordance with 45 C.F.R. 164.502(f).

D. Personal Representatives. The Plan shall treat a personal representative as the Individual for purposes of this subchapter, in accordance with 45 C.F.R. 164.502(g). Any person acting as an Attorney-in-Fact under authority of a legally valid Power of Attorney shall be a personal representative under this Section. Additionally:

1. Competent adults and emancipated minors are their own personal representatives.
2. For unemancipated minors, a parent, guardian, or other person with court-ordered or statutory legal authority, has authority to act as personal representative on behalf of the child.
3. For incapacitated or incompetent adults, a guardian or conservator, has authority to act as the personal representative.
4. For deceased individuals, an executor, administrator, or other person has legal authority to act on behalf of a deceased individual or of the individual's estate, has authority to act as personal representative on behalf of the deceased individual.
5. Notwithstanding a State law or any requirement of this paragraph to the contrary, the Plan may elect not to treat a person as the personal representative of an individual if the Plan has a reasonable belief that the

individual has been or may be subjected to domestic violence, abuse, or neglect by such person, or treating such person as the personal representative could endanger the individual. The Plan, in the exercise of professional judgment, decides that it is not in the best interest of the individual to treat the person as the individual's personal representative.

E. Right of an Individual to Request Restriction of Uses and Disclosures.

Plan Participants have a right to request that the Plan restrict Uses or Disclosures of PHI about the Individual to carry out payment, or health care operations, in accordance with 45 C.F.R. 164.522(a)(1).

F. Confidential Communications Requirements.

The Plan must permit Individuals to request and must accommodate reasonable requests by Individuals to receive communications of PHI from the health plan by alternative means or at alternative locations, if the Individual clearly states that the Disclosure of all or part of that information could endanger the Individual, in accordance with 45 C.F.R. 164.522(b)(1)(ii).

APPROVED BY THE BOARD OF RETIREMENT: _____

Attachment 2

Los Angeles County Retiree Healthcare Program HIPAA Security Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time, and its implementing regulations (collectively, the "HIPAA Rules"), govern the use and disclosure of Protected Health Information ("PHI") and Electronic PHI.

Specifically, the HIPAA Security Rule as set forth in 45 C.F.R. 164.302 *et seq.* establishes national standards to protect individuals' electronic personal health information that is created, received, used, or maintained by a covered entity. The Security Rule requires appropriate administrative, physical and technical safeguards to ensure the confidentiality, integrity, and security of electronic protected health information.

This Policy sets forth the framework for the Plan's compliance with the HIPAA Security Rule. This policy is limited to the final HIPAA Security Rule. Other aspects of law, including, but not limited to the HIPAA Privacy Rule or the HIPAA Breach Notification Rule, are addressed in other Plan policies. The Plan recognizes that adequate and appropriate security is necessary for HIPAA's privacy rules to work as intended.

I. DEFINITIONS. As used in this document, the following capitalized terms shall have the respective meaning given below:

A. Business Associate. An entity or person who performs a function involving the Use or Disclosure of PHI on behalf of a covered entity (such as claims processing, case management, utilization review, quality assurance, billing) or provides services for a covered entity that require the disclosure of PHI (such as legal, actuarial, accounting, accreditation).

B. Electronic Protected Health Information ("Electronic PHI"). Electronic PHI means PHI that is transmitted by, or maintained in, electronic media.

C. Protected Health Information ("PHI"). PHI means information that is created or received by the Plan (or by a Health Insurance Issuer in connection with coverage provided under the Plan) and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a

reasonable basis to believe that the information can be used to identify the individual. PHI includes information of persons who are living or who have been deceased for less than 50 years. PHI does not include health information about an employee that is held in LACERA's employment records in its role as an employer, or LACERA's member records in its role as retirement plan administrator. PHI includes Electronic PHI.

II. ADMINISTRATIVE SAFEGUARDS. The plan shall promulgate administrative actions and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect Electronic PHI and to manage the conduct of the Plan or its Business Associate's workforce in relation to the protection of that information as set forth in this Section.

A. Security Management Process. The Plan shall implement policies and procedures to prevent, detect, contain, and correct security violations, in accordance with 45 C.F.R. 164.308(a)(1)(i).

1. **Risk Analysis.** Conduct an accurate and thorough assessment of the potential risks and vulnerabilities to the confidentiality, integrity, and availability of Electronic PHI held by the Plan or its Business Associates.

2. **Risk Management.** Implement security measures sufficient to reduce risks and vulnerabilities to a reasonable and appropriate level to comply with 45 C.F.R. 164.306(a).

3. **Sanctions Policy.** Pursuant to 45 C.F.R. 308(a)(1), Sanctions for using or disclosing PHI in violation of HIPAA or this HIPAA Security Policy will be imposed in accordance with the Plan's Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules.

4. **Information System Activity Review.** Implement procedures to regularly review records of information system activity, such as audit logs, access reports, and security incident tracking reports.

B. Privacy and Security Official. The Plan hereby designates, as required by 45 C.F.R. 164.308(a)(2), the following Privacy and Security Official who is responsible for the development and implementation of the policies and procedures required by HIPAA for the Plan and its Business Associates:

Cassandra Smith
Director, Retiree Healthcare
Los Angeles County Employees Association (LACERA)

The Privacy and Security Official may assign a designee as needed to carry out any of the functions under Policy.

C. Workforce Security. The Plan shall implement procedures to ensure that all members of its workforce have appropriate access to electronic protected health information, as provided under Section II.D. of this Policy, and to prevent those workforce members who do not have access under Section II.D. of this Policy from obtaining access to Electronic PHI, in accordance with 45 C.F.R. 164.308(a)(3)(i).

D. Information Access Management. The Plan shall implement procedures for authorizing access to Electronic PHI that are consistent with the applicable requirements of the Privacy Rule, in accordance with 45 C.F.R. 164.308(a)(4)(i).

E. Workforce Training. The Plan shall implement a security awareness and training program for all members of its workforce (including management), in accordance with 45 C.F.R. 164.308(a)(5)(i). The Security Official is charged with developing training schedules and programs so that all workforce members receive the training necessary and appropriate to permit them to carry out their functions within the Plan in compliance with HIPAA. Such training may be facilitated through LACERA's Privacy and Security Training Program.

F. Security Incident Procedures. The Plan shall implement procedures to address security incidents, in accordance with 45 C.F.R. 164.308(a)(6)(i). Additionally, the Privacy and Security Official shall report any such incidents to the LACERA Incident Response Team (LIRT). The Privacy and Security Official shall work jointly with LIRT to investigate the incident.

1. **Response and Reporting.** The Plan shall identify and respond to suspected or known security incidents; mitigate, to the extent practicable, harmful effects of security incidents that are known to the covered entity or Business Associate; and document security incidents and their outcomes.

G. Contingency Plan. The Plan shall establish procedures for responding to an emergency or other occurrence (for example, fire, vandalism, system failure, and natural disaster) that damages systems that contain Electronic PHI, in accordance with 45 C.F.R. 164.308(a)(7)(i).

1. **Data Backup Plan.** The Plan shall establish and implement procedures to create and maintain retrievable exact copies of electronic protected health information.

2. **Disaster Recovery Plan.** The Plan shall establish (and implement as needed) procedures to restore any loss of data.

3. **Emergency Mode Operation Plan.** The Plan shall establish (and implement as needed) procedures to enable continuation of critical business processes for protection of the security of Electronic PHI while operating in emergency mode.

H. Evaluation. The Plan shall, as required by 45 C.F.R. 164.308(a)(8), perform a periodic technical and nontechnical evaluation, based initially upon the standards implemented under this rule and, subsequently, in response to environmental or operational changes affecting the security of Electronic PHI, that establishes the extent to which the Plan or its Business Associate's security policies and procedures meet the requirements of the HIPAA Security Rule.

III. PHYSICAL SAFEGUARDS. The plan shall institute physical measures and procedures to protect the Plan or its Business Associate's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion as set forth in this Section.

A. Facility Access Controls. The Plan shall implement procedures to limit physical access to its electronic information systems and the facility or facilities in which they are housed, while ensuring that properly authorized access is allowed, in accordance with 45 C.F.R. 164.310(a)(1).

B. Workstation Use. The Plan shall implement procedures that specify the proper functions to be performed, the manner in which those functions are to be performed, and the physical attributes of the surroundings of a specific workstation or class of workstation that can access Electronic PHI, in accordance with 45 C.F.R.164.310(b).

C. Workstation Security. The Plan shall implement physical safeguards for all workstations that access Electronic PHI, to restrict access to authorized users, in accordance with 45 C.F.R. 164.310(c).

D. Device and Media Controls. The Plan shall implement procedures that govern the receipt and removal of hardware and electronic media that contain Electronic PHI into and out of a facility, and the movement of these items within the facility, in accordance with 45 C.F.R. 164.310(d)(1).

1. **Disposal.** The Plan shall implement procedures to address the final disposition of Electronic PHI, and/or the hardware or electronic media on which it is stored.

2. **Media Re-use.** The Plan shall implement procedures for removal of electronic protected health information from electronic media before the media are made available for re-use.

IV. TECHNICAL SAFEGUARDS. The Plan shall institute technical safeguards and procedures for its use that protect electronic PHI and control access to it.

A. Access Control. The Plan shall implement technical procedures for electronic information systems that maintain Electronic PHI to allow access only to those persons or software programs that have been granted access rights as

specified in Section II.D. of this Policy, in accordance with 45 C.F.R. 164.312(a)(1).

1. **Unique User Identification.** The Plan shall assign a unique name and/or number for identifying and tracking user identity.

2. **Emergency Access Procedure.** The Plan shall establish (and implement as needed) procedures for obtaining necessary Electronic PHI during an emergency.

B. Audit Controls. The Plan shall implement hardware, software, and/or procedural mechanisms that record and examine activity in information systems that contain or use Electronic PHI, in accordance with 45 C.F.R. 164.312(b).

C. Integrity. The Plan shall implement procedures to protect Electronic PHI from improper alteration or destruction, in accordance with 45 C.F.R. 164.312(c)(1).

D. Person or Entity Authentication. The Plan shall implement procedures to verify that a person or entity seeking access to Electronic PHI is the one claimed, in accordance with 45 C.F.R. 164.312(d)(1).

E. Transmission Security. The Plan shall implement technical security measures to guard against unauthorized access to Electronic PHI that is being transmitted over an electronic communications network, in accordance with 45 C.F.R. 164.312(e)(1).

V. Documentation. The Plan shall maintain the policies and procedures implemented to comply with this Policy in written (which may be electronic) form and if an action, activity or assessment is required by this Policy to be documented, maintain a written (which may be electronic) record of the action, activity, or assessment, in accordance with 45 C.F.R. 164.316(b)(1)(i); (ii).

A. Time Limit. The Plan shall retain the documentation for 6 years from the date of its creation or the date when it last was in effect, whichever is later, in accordance with 45 C.F.R. 164.316(b)(2)(i).

B. Availability. The Plan shall make documentation available to those persons responsible for implementing the procedures to which the documentation pertains, in accordance with 45 C.F.R. 164.316(b)(2)(ii).

C. Updates. The Plan shall review documentation periodically, and update as needed, in response to environmental or operational changes affecting the security of the electronic protected health information, in accordance with 45 C.F.R. 164.316(b)(2)(iii).

APPROVED BY THE BOARD OF RETIREMENT: _____

Attachment 3

Los Angeles County Retiree Healthcare Program HIPAA Privacy and Security Breach Notification Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

This Policy sets forth a framework to deal with actual or potential Breaches as required under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing rules and regulations, and the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") of the American Recovery and Reinvestment Act of 2009 ("ARRA") and its implementing rules and regulations, each as may be amended from time to time, including those regulatory amendments of the Department of Health and Human Services published at 78 Fed. Reg. 5566 (Jan. 25, 2013) ("HIPAA Final Omnibus Rule").

I. DEFINITIONS

A. Breach. Breach means the acquisition, access, use, or disclosure of PHI in a manner not permitted under HIPAA, which compromises the security or privacy of the PHI. Breach excludes:

1. Any unintentional acquisition, access, or use of PHI by a workforce member or person acting under the authority of the Plan or its Business Associate if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under HIPAA.
2. Any inadvertent disclosure by a person who is authorized to access protection health information at the Plan or its Business Associate to another person authorized to access PHI at the same the Plan or its Business Associate, or organized health care arrangement in which the covered entity participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under HIPAA.
3. A disclosure of PHI where the Plan or its Business Associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

B. Unsecured Protected Health Information ("Unsecured PHI"). Unsecured PHI means any PHI which is not unusable, unreadable, or indecipherable to unauthorized persons through the use of technology or methodology, such as encryption or destruction, as specified by the HSS Secretary.

C. Privacy Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Privacy Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

D. Security Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Security Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

II. DISCOVERY AND INVESTIGATION

A. Discovery of Breach. A Breach shall be treated as discovered as of the first day on which such Breach is known to the Plan or, by exercising reasonable diligence, would have been known to the Plan or any person, other than the person committing the Breach, who is a workforce member or agent of the Plan.

Workforce members who believe that Plan Participant information has been used or disclosed in any way that compromises the security or privacy of that information shall immediately notify the Plan's Privacy and Security Official.

Following the discovery of a potential Breach, the Plan shall begin an investigation, conduct a risk assessment, and, based on the results of the risk assessment, begin the process of notifying each individual whose PHI has been, or is reasonably believed by the Plan to have been, accessed, acquired, used, or disclosed as a result of the Breach. The Plan shall also begin the process of determining what notifications are required or should be made, if any, to the Secretary of the Department of Health and Human Services ("HHS"), media outlets, or law enforcement officials.

B. Breach Investigation. The Plan's Privacy and Security Official, or their designee, shall be responsible for the investigation of any Breaches under this Policy. The Privacy and Security Official shall report any such incidents to the LACERA Incident Response Team (LIRT). The Privacy and Security Official shall work jointly with LIRT to investigate the incident. The Plan's entire workforce is expected to assist management in this investigation as requested. The investigator shall be the key facilitator for all Breach notification processes.

C. Risk Assessment. For Breach response and notification purposes, a Breach is presumed to have occurred unless the Plan can demonstrate that there is a low probability that the PHI has been compromised based on, at minimum, the following risk factors:

1. The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification.
2. The unauthorized person who used the PHI or to whom the disclosure was made.
3. Whether the PHI was actually acquired or viewed.
4. The extent to which the risk to the PHI has been mitigated.

D. Documentation. The investigator must document the risk assessment and the outcome of the risk assessment process. All documentation related to the Breach investigation, including the risk assessment, must be retained for a minimum of six years.

III. NOTIFICATION

A. Individuals Affected. If it is determined that Breach notification must be sent to affected individuals, the Plan's standard Breach notification letter (as modified for the specific Breach) will be sent out to all affected individuals. The Plan also has the discretion to provide notification following an impermissible use or disclosure of PHI without performing a risk assessment, if the Plan so chooses.

B. Contents of Notification Letter. Notice to affected individuals shall be written in plain language and must contain the following information, which elements are included in the Plan's standard Breach notification letter:

1. A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known.
2. A description of the types of unsecured PHI that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved).
3. Any steps the individuals should take to protect themselves from potential harm resulting from the Breach.
4. A brief description of what the Plan is doing to investigate the Breach, to mitigate harm to individuals, and to protect against further Breaches.
5. Contact procedures for individuals to ask questions or learn additional information, which includes a toll-free telephone number, email address, website, or postal address.

C. Service of Notice. This letter will be sent by first-class mail to the individual at the last known address of the individual or, if the individual agrees to electronic notice and such agreement has not been withdrawn, by electronic mail. The notification shall be provided in one or more mailings as information is available. If the Plan knows that the individual is deceased and has the address of the next of kin or personal representative of the individual, written notification by first-class mail to the next of kin or person representative shall be carried out.

D. Substitute Notice. If there is insufficient or out-of-date contact information that precludes direct written or electronic notification, a substitute form of notice reasonably calculated to reach the individual shall be provided. If there is insufficient or out-of-date contact information for fewer than 10 individuals, then the substitute notice may be provided by an alternative form of written notice, by telephone, or by other means. If there is insufficient or out-of-date contact information for 10 or more individuals, then the substitute notice shall be in the form of either a conspicuous posting for a period of 90 days on the home page of the Plan's website, or a conspicuous notice in major print or broadcast media in the Plan's geographic areas where the individuals affected by the Breach likely reside. The notice shall include a toll-free number that remains active for at least 90 days where an individual can learn whether his or her PHI may be included in the Breach.

E. Time for Notice. Notice to affected individuals shall be made without unreasonable delay and in no case later than 60 calendar days after the discovery of the Breach. If the Plan determines that notification requires urgency because of possible imminent misuse of unsecured PHI, notification may be provided by telephone or other means, as appropriate, in addition to the methods noted above. It is the responsibility of the Plan to demonstrate that all notifications were made as required, including evidence demonstrating the necessity of any delay.

F. Notification to HHS. In the event a Breach of unsecured PHI affects 500 or more of the Plan's participants, HHS will be notified at the same time notice is made to the affected individuals, in the matter specified on the HHS website. If fewer than 500 of the Plan's participants are affected, the Plan will maintain a log of the Breaches to be submitted annually to the Secretary of HHS no later than 60 days after the end of each calendar year, in the manner specific on the HHS website. The submission shall include all Breaches discovered during the preceding calendar year.

G. Notification to Media. In the event the Breach affects more than 500 residents of a state, prominent media outlets serving the state and regional area will be notified without unreasonable delay and in no case later than 60 calendar days after the discovery of the Breach. The notice shall be provided in the form of a press release.

H. Delay of Notification Authorized for Law Enforcement Purposes. If a law enforcement official states to the Plan or a Business Associate that a notification, notice, or posting would impede a criminal investigation or cause damage to national security, the Plan shall:

1. If the statement is in writing and specifies the time for which a delay is required, delay such notification, notice, or posting for the time period specified by the official; or
2. If the statement is made orally, document the statement, including the identity of the official making the statement, and delay the notification, notice, or posting temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described above is submitted during that time.

IV. ADMINISTRATIVE REQUIREMENTS

A. Maintenance of Breach Information. The Plan shall maintain a process to record or log all Breaches of unsecured PHI, regardless of the number of participants affected. The following information should be collected for each Breach:

1. A description of what happened, including the date of the Breach, the date of the discovery of the Breach, and the number of participants affected, if known.
2. A description of the types of unsecured PHI that were involved in the Breach (such as full name, social security number, date of birth, home address, account number, other).
3. A description of the action taken with regard to notification of participants regarding the Breach.
4. Steps taken to mitigate the Breach and prevent future occurrences.

B. Business Associate Responsibilities. The Plan's Business Associates shall, without unreasonable delay and in no case later than 60 calendar days after discovery of a Breach of unsecured PHI, notify the Plan of such Breach. Such notice shall include the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used, or disclosed during the Breach. The Business Associate shall provide the Plan with any other available information that the Plan is required to include in notification to the individual at the time of the notification or promptly thereafter as information becomes available. Upon notification by the Business Associate of discovery of a Breach, the Plan will be responsible for notifying

affected individuals, unless otherwise agreed upon by the Business Associate to notify the affected individuals.

C. Workforce Training. The Plan shall train all members of its workforce on the Plan's policies and procedures with respect to PHI as necessary and appropriate for the members to carry out their job responsibilities. Workforce members shall also be trained as to how to identify and report Breaches within the Plan. The Privacy and Security Official is charged with developing training schedules and programs so that all workforce members receive the training necessary and appropriate to permit them to carry out their functions within the Plan in compliance with HIPAA. Such training may be facilitated through LACERA's Security and Privacy Training Program.

D. Complaints. The Plan provides a process for individuals to make complaints concerning the Plan's patient privacy policies and procedures or its compliance with such policies and procedures. Individuals also have the right to complain about the Plan's Breach notification processes. Any complaints regarding violation of this Policy or the Plan's HIPAA Security Policy, or any HIPAA Rules generally, shall be addressed through the LACERA Administrative Appeals Procedure. A copy of the procedure shall be provided to any participant upon request.

E. Sanctions. Sanctions for using or disclosing PHI in violation of this Policy will be imposed in accordance with the Plan's Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules.

F. No Intimidating or Retaliatory Acts; No Waiver of HIPAA Rights. The Plan may not intimidate, threaten, coerce, discriminate against, or take other retaliatory action against any individual for exercising his or her rights under this Policy. Individuals shall not be required to waive their privacy rights as a condition of the provision of payment, enrollment in a health plan, or eligibility for benefits.

APPROVED BY THE BOARD OF RETIREMENT: _____

Attachment 4

Los Angeles County Retiree Healthcare Program Business Associate Policy

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

This Policy sets forth the process to be undertaken by the Plan prior to disclosing any PHI to a Business Associate. The Privacy Rule, the Security Rule, and the Health Information Technology for Economic and Clinical Health ("HITECH") Act require the Plan to execute agreements with vendors identified as Business Associates that include specific provisions, and require the Plan to take action when it becomes aware of a Business Associate's material breach of the Business Associate provisions.

I. DEFINITIONS

A. Privacy Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Privacy Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

B. Security Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Security Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

II. ADMINISTRATIVE REQUIREMENTS

A. Business Associate Determination. All proposed arrangements with vendors must be evaluated by the Privacy and Security Official, or their designee, in order to determine whether a specific vendor is considered to be a Business Associate prior to disclosing PHI to the vendor.

B. Business Associate Agreement. The Plan shall enter into a Business Associate Agreement with individuals or entities meeting the definition of a Business Associate. The agreement must include certain protections for the use and disclosure of PHI as outlined further in this policy.

C. Minimum Necessary Requirement. The information disclosed to the Business Associate must be restricted to the minimum amount necessary to enable the Business Associate to perform the function with which it is assisting the Plan.

D. Breach by Business Associate. If the Plan becomes aware of a pattern of activity or practice of the Business Associate that constituted a material breach or violation of the Business Associate's obligation under the Business Associate Agreement or other arrangement, the Plan must take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps were unsuccessful, terminated the contract or arrangement, if feasible.

E. Breach by Subcontractor. If the Plan becomes aware of a pattern of activity or practice of a subcontractor that constituted a material breach or violation of the subcontractor's obligation under the Business Associate Agreement or other arrangement, the Business Associate must take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps were unsuccessful, terminated the contract or arrangement, if feasible.

III. BUSINESS ASSOCIATE AGREEMENTS

A. Business Associate Provisions. Prior to disclosing any PHI to a Business Associate, the Plan will obtain satisfactory assurances from a Business Associate that it will appropriately safeguard the PHI it receives or creates on behalf of the Plan, in the form of a written agreement that includes the following provisions that provide that the Business Associate shall:

1. Not use or disclose PHI other than as permitted or required by the agreement with the Plan or as required by law;
2. Use appropriate safeguards to prevent use or disclosure of the PHI other than as provided by the agreement with the Plan and use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI; and comply with Subpart C of Part 164 of the HIPAA Security Rule.
3. Report to the Plan any access, use or disclosure of the information not provided for by its contract and any security incident of which it becomes aware; and following the discovery of any Breach of Unsecured PHI, notify the Plan in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery.
4. In accordance with 45 C.F.R. Section 164.502(e)(1)(ii), ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the Business Associate agree in writing to the same restrictions and conditions that apply to the Business Associate with respect to such information and implement reasonable and appropriate safeguards to protect the PHI. Business Associate will obtain written permission from the Plan prior to any such Disclosure;

**Los Angeles County Retiree Healthcare Program
Business Associate Policy**

3

5. Make available to the Plan the information necessary for the Plan to comply with an individual's right to access to PHI in accordance with 45 CFR Section 164.524; and if BA maintains an electronic health record, provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act;
6. Make available PHI for amendment and amend the Business Associates records as necessary in accordance with 45 CFR Section 164.526;
7. Make available the information required to provide an accounting of disclosures in accordance with 45 CFR Section 164.528;
8. Make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of HHS for purposes of determining compliance with the Privacy Rule;
9. At termination of the contract, if feasible, return or destroy all PHI that the Business Associate still maintains in any form and retain no copies of such information, or, if such return or destruction is not feasible, extend the protections of the contract to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
10. To the extent the Business Associate is to carry out the Plan's obligations under the HIPAA Privacy Rule, comply with the requirements of the HIPAA Privacy Rule that apply to the covered entity in the performance of such obligations.
11. Business Associate shall not use or disclose PHI for fundraising or marketing purposes, except as provided under the Contract and consistent with the requirements of 42 U.S.C. 17936 and 45 C.F.R. Sections 164.501, 164.508(a)(3), and 164.514(f); BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates, 42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a); BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of the Plan and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2) and 45 C.F.R. Section 164.502(a)(5)(ii); however, this prohibition shall not affect payment by the Plan to BA for services provided pursuant to the Contract.
12. Business Associate (and its agents or subcontractors) shall request, use and disclose only the minimum amount of PHI necessary to accomplish

the purpose of the request, use or disclosure. The Business Associate Agreement is attached as Exhibit A to this policy.

B. Other Uses and Disclosures. The agreement cannot authorize the Business Associate to use or further disclose PHI that is broader than the Plan could make internally, or for purposes for which the Plan could not use or disclose the information itself. If the Plan must use an individual's authorization to use an individual's information for its own purposes (i.e.; marketing products of third parties), then this same authorization would be required in order for the Plan to disclose the information to the Business Associate for the same purpose. The contract may permit the Business Associate to use and disclose PHI for the proper management and administration of the Business Associate and to provide data aggregation services relating to the health care operations of the Plan.

C. Non-Compliance with Business Associate Provisions. In the event that an employee or other person at the Plan becomes aware of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of the Business Associate's obligation under the agreement with the Plan, the person should notify the Privacy and Security Official. The Plan will take reasonable steps to cure the breach or end the violation, as applicable. If such steps are unsuccessful and the Business Associate cannot or will not remedy the practice or pattern, the Plan will terminate the contract, if feasible, or if termination is not feasible, contact the Privacy and Security Official, who will consult with the Plan's Legal Counsel regarding reporting the problem to the Secretary of HHS.

APPROVED BY THE BOARD OF RETIREMENT: _____

Attachment 5

Los Angeles County Retiree Healthcare Program Notice of Privacy Practices

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. **Please review it carefully.**

YOUR RIGHTS

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get a copy of your health and claims records · You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this.

· We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct health and claims records · You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.

· We may say "no" to your request, but we'll tell you why in writing within 60 days.

Request confidential communications · You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.

· We will consider all reasonable requests, and must say "yes" if you tell us you would be in danger if we do not.

Ask us to limit what we use or share · You can ask us not to use or share certain health information for treatment, payment, or our operations.

· We are not required to agree to your request, and we may say "no" if it would affect your care.

Get a list of those with whom we've shared information

· You can ask for a list (accounting) of the times we've shared your health information for six years prior to the date you ask, who we shared it with, and why.

· We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We'll provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of this privacy notice

· You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

· If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.

· We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

· You can complain if you feel we have violated your rights by contacting us using the information on page 5.

- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201 or calling 1-877-696-6775. You may also visit: www.hhs.gov/ocr/privacy/hipaa/complaints.

· We will not retaliate against you for filing a complaint.

YOUR CHOICES

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care

- Share information in a disaster relief situation

- Contact you for fundraising efforts

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we *never* share your information unless you give us written permission:

- Marketing purposes
- Sale of your information

OUR USES AND DISCLOSURES

How do we typically use or share your health information? We typically use or share your health information in the following ways.

Run our organization

- We can use and disclose your information to run our organization and contact you when necessary.

Example: *We use health information about you to develop better services for you.*

- We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage.

Administer your plan

- We may disclose your health information to your health plan sponsor for plan administration. *Example: Your company contracts with us to provide a health plan, and we provide your company with certain statistics to explain the premiums we charge.*

How else can we use or share your health information? We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes.

For more information see:

www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
- Preventing or reducing a serious threat to anyone’s health or safety

Do research

We can use or share your information for health research.

Comply with the law

We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we’re

complying with federal privacy law, including Plan policies.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director

We can share health information about you with organ procurement organizations.

We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers' compensation claims
- For law enforcement purposes or with a law enforcement official
- With health oversight agencies for activities authorized by law
- For special government functions such as military, national security, and presidential protective services

Contact Information

Should you have any questions about this Privacy Notice, or any other privacy related questions or concerns, please don't hesitate to contact us.

Cassandra Smith
Director, Retiree Healthcare
Privacy and Security Official
P.O. Box 7060
Pasadena, CA 91109
(800) 786-6464, press 1
www.lacera.com

Effective Date

August 9, 2018

Attachment 6

**Los Angeles County Retiree Healthcare Program
Policy on Sanctions for Violation of the HIPAA Privacy and Security Policies**

The County of Los Angeles sponsors the Retiree Healthcare Program (the "Plan"). The Retiree Healthcare Program is a group health plan under HIPAA Rules, and therefore a covered entity under HIPAA. Pursuant to agreements with the County and other participating agencies, the Plan is administered by the Los Angeles County Employees Retirement Association ("LACERA"), and certain LACERA staff are authorized to act on behalf of the Plan for administration purposes. LACERA has certified to the Plan that it has taken the necessary steps to avail itself of the Plan Sponsor Exception to the HIPAA Business Associate Rules, and as such, LACERA is not a Business Associate of the Plan.

The purpose of this policy (the "Policy") is to establish appropriate sanctions for workforce members who fail to comply with HIPAA Privacy and Security Rules as set forth in the Plan's HIPAA Privacy and Security Policies. The Plan will ensure all workforce members comply with the Plan's Policies as well as state and federal regulations such as HIPAA by applying sanction and disciplinary actions appropriate to the breach of this Policy. This Policy applies to all Plan workforce members including, but not limited to full-time employees, part-time employees, trainees, volunteers, contractors, and temporary workers.

I. DEFINITIONS

A. Privacy Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Privacy Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

B. Security Policy Definitions. Any and all definitions established in the Los Angeles County Retiree Healthcare Program Security Policy are hereby incorporated into this Policy insofar as such terms are used in this Policy.

II. RESPONSIBILITIES

A. Duty to Discipline. The Plan will appropriately discipline employees and other workforce members for any violation of Privacy or Security Policies or procedures to a degree appropriate for the gravity of the violation, in accordance with LACERA's employee policies, Civil Service Rules, and any applicable provision under a Memoranda of Understanding (MOU) with represented employees.

1. The Plan shall maintain a log of all disciplinary actions taken under this Policy and, if appropriate, shall record such disciplinary actions in the employment personnel records of the employee in accordance with LACERA's employee policies, Civil Service Rules, and MOU.

B. Duty to Investigate. The Plan will investigate all privacy or security incidents or violations and mitigate to the extent possible any negative effects that the incident may have had in a timely manner.

C. Retention Period. A copy of this Policy and any all records created pursuant to it shall be retained for a minimum period of six (6) years from the date it was created or, if revised, for a minimum period of six (6) years from the date it was last in effect.

D. Responsible Party. The Plan's Privacy and Security Officer is responsible for reviewing and investigating reported privacy incidents and violations of Privacy and Security Policies.

E. Compliance. Failure to comply with this or any other privacy or security policy will result in disciplinary actions as described in this Policy. Legal actions also may be taken for violations of applicable regulations and laws such as HIPAA.

F. Duty to Report. Any workforce member who observes or becomes aware of or suspects a wrongful use or disclosure of Protected Health Information (PHI) maintained by the Plan is required to report his or her suspicion or the wrongful use or disclosure as soon as possible to his/her supervisor/manager or the Privacy and Security Official. Workforce members who become aware of security breaches must immediately notify the Privacy and Security Official of the breach.

1. A workforce member who fails to report either a suspected or actual violation will have violated this Policy, and may be subject to disciplinary action, up to and including termination.

G. No Retaliation for Good Faith Reports. The Plan will not retaliate against a member of its workforce who acts in good faith believing the practice he or she reports is unlawful or violates Plan policy. Any employee who believes that he or she has been subject to retaliation should immediately notify Human Resources.

III. CATEGORIES OF BREACHES

A. Level 1 Breach. Failure to demonstrate appropriate care in handling confidential information that results in accidental access, incidental access, or inappropriate access due to lack of awareness and/or education. Examples include but are not limited to:

1. Failing to sign off a computer terminal when leaving the work area for an extended period of time; leaving confidential information unattended in a non-secure area;
2. Disclosing identifiable information by careless telephone use, or discussions in hallways, elevators, or other public areas;

**Los Angeles County Retiree Healthcare Program
Policy on Sanctions for Violation of the HIPAA Privacy and Security Rules**

3

3. Leaving confidential information displayed on computer screens, desks, or work stations where others can view it;
4. Accessing personal demographic information, such as dates of birth, addresses, or telephone numbers when these are not required to do your job;
5. Purposeful disregard of policy related to the appropriate handling of confidential information, or continued demonstration of behaviors listed above. Examples include but are not limited to:
 - a) Sharing User ID & passwords with co-workers or encouraging them to share;
 - b) Failure to follow appropriate guidelines for the use of fax, email, or computer transmission of PHI;
 - c) Using aggregate data sets, such as mailing lists or enrollment logs, without appropriate approval.

B. Level 2 Breach. Unauthorized access to PHI or repeated violations of previous breaches. Examples include but are not limited to:

1. Accessing protected health information of an individual for whom you have no job-related responsibility, including, without limitation, friends and family members;
2. Providing ID or password to unauthorized individuals.

C. Level 3 Breach. Major disregard of policies or repeated demonstrations of behaviors listed above. Examples include but are not limited to:

1. Using another workforce member's user-ID and password without their knowledge;
2. Releasing data for personal gain, such as information on prominent persons, celebrities;
3. Wrongful disclosure or tampering with data;
4. Destroying data without authorization or altering data intentionally;
5. Releasing data with intent to harm the reputation of an individual or the organization;

6. Accessing sensitive records, HIV test results, drug and alcohol test results or treatment records, records of sexually assaulted or domestic violence victims, or any other records having special protection under federal and/or state laws and regulations when the information is not needed to perform your job.

IV. DISCIPLINARY ACTION THAT MAY BE TAKEN

A. Countywide Discipline Guidelines. The Plan will consider the County of Los Angeles Department of Human Resources Countywide Discipline Guidelines for Employees. For any violation of this Policy, management shall look at the totality of the circumstance surrounding the offense, or set of offenses, in order to determine the appropriate administrative response in accordance with the Guidelines. The Guidelines approach discipline progressively; however, management reserves the right to impose discipline on the totality of the circumstances, up to termination of service.

B. Available Sanctions. Sanctions that may be imposed include, but are not limited to:

1. Verbal Counseling by the employee's immediate supervisor;
2. Written Notice of Verbal Counseling by the employee's immediate supervisor;
3. A Written Warning letter to the employee's personnel file;
4. A Written Reprimand letter to the employee's personnel file;
5. Suspension (1-30 calendar days without pay);
6. Termination of employment.

Lower forms of sanctions are not appropriate if the employee's actions justify a more severe response.

C. Violations of State or Federal Confidentiality Laws and Regulations. Workforce members who knowingly and willfully violate state or federal law for improper use or disclosure of an individual's information are subject to criminal investigation and prosecution or civil monetary penalties.

APPROVED BY THE BOARD OF RETIREMENT: _____

July 30, 2018

TO: Each Member, Board of Investments
Each Member, Board of Retirement

FROM: Jill P. Rawal 
Staff Counsel

FOR: August 8, 2018 Board of Investments Meeting
August 9, 2018 Board of Retirement Meeting

SUBJECT: **BIENNIAL REVIEW OF LACERA'S CONFLICT OF INTEREST CODE,
AND ADOPTION OF REVISED CODE**

RECOMMENDATION

Staff recommends that the Boards:

1. Adopt the revised Conflict of Interest Code; and
2. Authorize staff to file the revised Code with the County of Los Angeles Board of Supervisors, which is the code reviewing authority.

Because every local agency is legally required to review its Conflict of Interest Code biennially in even numbered years, the Boards must review LACERA's Code this year. Staff recommends that LACERA's Code be revised to update the positions subject to the Code, adjust disclosure categories for certain positions based on the decisions they may be able to influence, and bring the Code into compliance with recent developments in the law. The revised Code will not go into effect until approved by the Board of Supervisors.

BACKGROUND

California law requires that every local agency adopt a Conflict of Interest Code identifying positions required to file a Statement of Economic Interests (Form 700) and stating the disclosure categories for each position. The Code applies to positions "which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest," except positions which manage public investments. Cal Gov't Code Section 87302(a).

Positions managing public investments must file a Statement of Economic Interests under Government Code section 87200, and therefore their disclosures do not need to be addressed in the Conflict of Interest Code.

Persons who file under an agency-adopted Conflict of Interest Code are referred to as “Code Filers,” and persons who file under Section 87200 are referred to as “87200 Filers.”

LACERA’s Conflict of Interest Code has three parts:

1. **Introductory page**, which incorporates FPPC Regulation 18730. Regulation 18730 contains the terms of a standard conflict of interest code as prescribed by the FPPC. Regulation 18730 is attached as Exhibit 2 to this memo; it provides a great deal of relevant information concerning disclosures, disqualification, and penalties for violation. The regulation provides that it may be incorporated by reference into the Code and need not be repeated in full in the Code. The introductory page of the Code also identifies the place of filing and retention of Statements of Economic Interests.
2. **Exhibit “A,”** which lists and defines the disclosure categories. The disclosure categories summarize the information that must be disclosed by persons subject to each category. The disclosure categories are tailored to the specific categories of interests that are relevant to LACERA. LACERA has seven (7) disclosure categories.
3. **Exhibit “B,”** which lists all designated positions subject to the Conflict of Interest Code and the disclosure categories that apply to each position.

Once approved by the local agency, the Code must be submitted to the agency’s code reviewing body, which in LACERA’s case is the Board of Supervisors. The Code is not effective until approved by the code reviewing body.

DISCUSSION

Staff reviewed LACERA’s current Conflict of Interest Code and determined that the Code should be updated.

The revised Conflict of Interest Code is attached as Exhibit 1. The changes recommended by LACERA staff are redlined. The changes fall into three general categories:

1. **Minor edits for clarity and readability.** Several minor revisions were made throughout the Code to ensure consistency and improve readability.
2. **Changes in position titles.** Chief Financial Officer, LACERA and Assistant Chief Financial Officer, LACERA will be added to the Code; however, this is merely a title change from Division Manager and Assistant Division Manager, respectively.

3. ***Addition of new positions.*** Chief Information Security Officer, LACERA and Chief Technology Officer will be added to the Code.

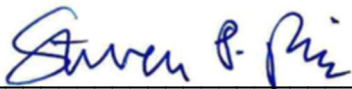
CONCLUSION AND RECOMMENDATION

For the reasons set forth above, **IT IS RECOMMENDED** that the Boards:

1. Adopt the revised Conflict of Interest Code; and
2. Authorize staff to file the revised Code with the County of Los Angeles Board of Supervisors, which is the code reviewing authority.

Attachments

Reviewed and Approved



Steven P. Rice
Chief Counsel

c: Robert Hill
James Brekk
Bernie Buenaflor
John Popowich
All Division Managers

Conflict of Interest Code
of the

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
(LACERA)**

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section
18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Exhibits ~~and Appendix~~ designating officials and employees and establishing economic disclosure categories shall constitute the ~~C~~onflict of ~~i~~nterest ~~e~~Code of the Los Angeles County Employees Retirement Association (LACERA).

Place of Filing of Statements of Economic Interests

All officials and employees required by this Conflict of Interest Code to submit a statement of economic interests shall file their statements with LACERA's Chief Executive Officer, or his or her designee.

LACERA shall make and retain a copy of all statements filed by its Board Members, Alternate Board Members, as appropriate, and its Chief Executive Officer and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

LACERA shall retain the originals of statements for all other Designated Positions named in this Conflict of Interest Code and for: Chief Counsel, LACERA; Chief Investment Officer, LACERA; and Principal Investment Officer, LACERA. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "A" – DISCLOSURE CATEGORIES

CATEGORY 1

Persons in this category shall disclose all interest in real property within the jurisdiction that would be suitable for housing all or part of LACERA's operations and all real property within two miles of that property. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the County of Los Angeles or within two miles of any land used to conduct LACERA's operations.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 2

Persons in this category shall disclose all investments and business positions in, and all income (including gifts, loans and travel payments) received from, business entities that are the type utilized by LACERA.

CATEGORY 3

Persons in this category shall disclose all business positions and investments in business entities that are the type in which LACERA's trust funds may be invested (include securities, real estate and business entities), all income (including gifts, loans and travel payments) from such business entities, and all interests in real estate co-owned with or purchased from such business entities.

CATEGORY 4

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by LACERA and associated with the job assignment of designated positions assigned to this disclosure category.

CATEGORY 5

Persons in this category shall disclose all income (including gifts, loans and travel payments) from, investments in and business positions with any member of LACERA, any agent or employee association representing any such member, and business positions with, investments in or income (including gifts, loans and travel payments) from any entity owned or controlled by any such member or any such member's spouse or other financial dependent.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "A" (Continued)

CATEGORY 6

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to LACERA which could affect a financial interest of the individual shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by LACERA's Chief Executive Officer or his or her designee. (See footnote in Exhibit "B" for clarification.)

CATEGORY 7

Persons in this category shall disclose all income (including gifts, loans and travel payments) received from any LACERA member, or agent of any such LACERA member, with a disability retirement application before the Board of Retirement (during the reporting period) and all business positions with, investments in, or income (including gifts, loans and travel payments) received, from any entity owned or controlled by any such member.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "B"

Designated Positions

Disclosure Categories

Board of Retirement:

First Member (County Treasurer)	1, 2, 5
Second Member (Elected General Member)	1, 2, 5
Third Member (Elected General Member)	1, 2, 5
Fourth Member (Appointed by Board of Supervisors)	1, 2, 5
Fifth Member (Appointed by Board of Supervisors)	1, 2, 5
Sixth Member (Appointed by Board of Supervisors)	1, 2, 5
Seventh Member (Elected Safety Member)	1, 2, 5
Eighth Member (Elected Retired Member)	1, 2, 5
Ninth Member (Appointed by Board of Supervisors)	1, 2, 5
Alternate Safety Member (Elected by Safety Members)	1, 2, 5
Alternate Retired Member (Elected by Retired Members)	1, 2, 5

Retirement Administration:

Assistant Executive Officer, LACERA, Unclassified	1, 2, 3, 5
Assistant Executive Officer, LACERA	1, 2, 3, 5
Senior Staff Counsel, LACERA	1, 2, 3, 5
Staff Counsel, LACERA	1, 2, 3, 5
Chief Counsel, LACERA (Disability Litigation Section)	4, 7
Senior Staff Counsel, LACERA (Disability Litigation Section)	7
Senior Investment Officer, LACERA	1, 2, 3
Finance Analyst III, LACERA	1, 2, 3
Finance Analyst II, LACERA	1, 2, 3
Chief, Internal Audit, LACERA	4, 5
Division Manager, LACERA	4, 5
Assistant Division Manager, LACERA	4, 5
<u>Chief Financial Officer</u>	<u>4, 5</u>
<u>Assistant Chief Financial Officer</u>	<u>4, 5</u>
Director, Human Resources, LACERA	4
Administrative Services Officer, LACERA	4, 5
Disability Retirement Specialist Supervisor	4, 7

Designated Positions

Disclosure Categories

Contract Analyst, LACERA	4
Special Assistant, LACERA	4
Creative Coordinator, LACERA	4
Chief, Communications, LACERA	4
Director, Retiree Health, LACERA	4, 5
Principal Internal Auditor, LACERA	4, 5
Chief, Quality Assurance and Metrics, LACERA	4, 5
Section Head, LACERA	4, 5
Information Systems Manager, LACERA	4, 5

Assistant Information Systems Manager, LACERA

4

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "B" (Continued)

~~Assistant Information Systems Manager, LACERA~~

~~4~~

~~Chief Technology Officer~~

~~4~~

~~Chief Information Security Officer~~

~~4~~

Consultants/New Positions*

6

Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in this code, subject to the following limitations:

The Chief Executive Officer or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this ~~e~~Conflict-of-Interest ~~i~~Code. (Gov. Code Section 81008.)

Officials Who Manage Public Investments:

The following positions are not covered by the code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only.

Board of Investments:

First Member (County Treasurer and Tax Collector)
Second Member (Elected General Member)
Third Member (Elected General Member)
Fourth Member (Elected Safety Member)
Fifth Member (Appointed by Board of Supervisors)
Sixth Member (Appointed by Board of Supervisors)
Seventh Member (Appointed by Board of Supervisors)
Eighth Member (Elected Retired Member)
Ninth Member (Appointed by Board of Supervisors)
Chief Executive Officer, LACERA
Chief Executive Officer, LACERA, Unclassified
Chief Counsel, LACERA
Chief Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA

Employees of LACERA's independent Contractors and Consultants who perform the same or substantially all the same functions as LACERA's Chief Investment Officer.

EFFECTIVE DATE:

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August 1, 2018

TO: Each Board Member
Board of Retirement

FROM: Operations Oversight Committee
Marvin Adams, Chair
Thomas Walsh, Vice Chair
Alan Bernstein
William Pryor
Vivian H. Gray, Alternate

FOR: August 9, 2018 Board of Retirement Meeting

SUBJECT: FIDUCIARY & CYBER LIABILITY INSURANCE RENEWAL

RECOMMENDATION

That the Board of Retirement approve the purchase of Fiduciary Liability and Cyber Liability Insurance effective October 6, 2018 with the following insurance carriers:

Coverage Type	Carrier	Limits	Premium
Fiduciary (Primary)	Hudson Insurance Company	\$25 Million	\$205,590
Fiduciary (Excess)	Westchester Fire Insurance Company	\$10 Million	\$61,649
Cyber	NAS Insurance Company	\$20 Million	\$113,701

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 and most recently, Cyber Liability Insurance for the organization to protect the Trust Funds against potential losses. The current policies are set to expire on October 6, 2018.

In order to market LACERA's search for Fiduciary and Cyber Liability coverage, LACERA's Broker – Kaercher Campbell & Associates Insurance Broker (KCAIB), submitted a request for bids to multiple insurance carriers and provided the insurance selection team with an analysis whereby all terms (including coverage limits and sub-limits, deductibles, endorsements and exclusions) were compared side-by-side. The

Fiduciary Selection Team (Team) consisted of representatives from the Administrative Services Division, Legal Office, and Executive Office.

Based on the Procurement Policy, the Fiduciary and Cyber 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 each 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 Fiduciary Insurance selection for the OPEB Trust Funds is not included in this memorandum.

BENCHMARK ANALYSIS

Having a sound insurance program requires having sufficient coverage for each Policy in place. Determining the appropriate limit for any retirement plan is rarely easy, given that there are numerous factors to consider in establishing the appropriate limits of liability, including peer benchmarking analysis, loss history, risk profile, risk philosophy, etc. For LACERA, determination of the Fiduciary Liability limits, retentions, and premiums are primarily based on the following factors:

- Amount of Net plan assets: The amount of net plan assets increased to \$52.7 billion an increase of \$4.9 billion, a 9.3 percent increase from 2016 (LACERA's CAFR report for fiscal year ending June 30, 2017).
- Number of participants: the number of participants increased by 3,282 from 165,575 to 168,857, a two percent increase.
- Funding status: The independent actuary, Milliman Inc., performed an actuarial valuation as of June 30, 2017 and it was determined that the funding ratio of the actuarial assets were up to 79.9 percent versus 79.4 percent as of June 30, 2016.
- The net investment gains for fiscal year 2017 were \$6.1 billion, an increase of \$6.0 billion from the 2016 fiscal year net investment gain of \$80 million. This fiscal years' time-weighted investment returns of 12.7 percent (net of fees) exceeded the actuarial assumed investment earnings rate of 7.25 percent.

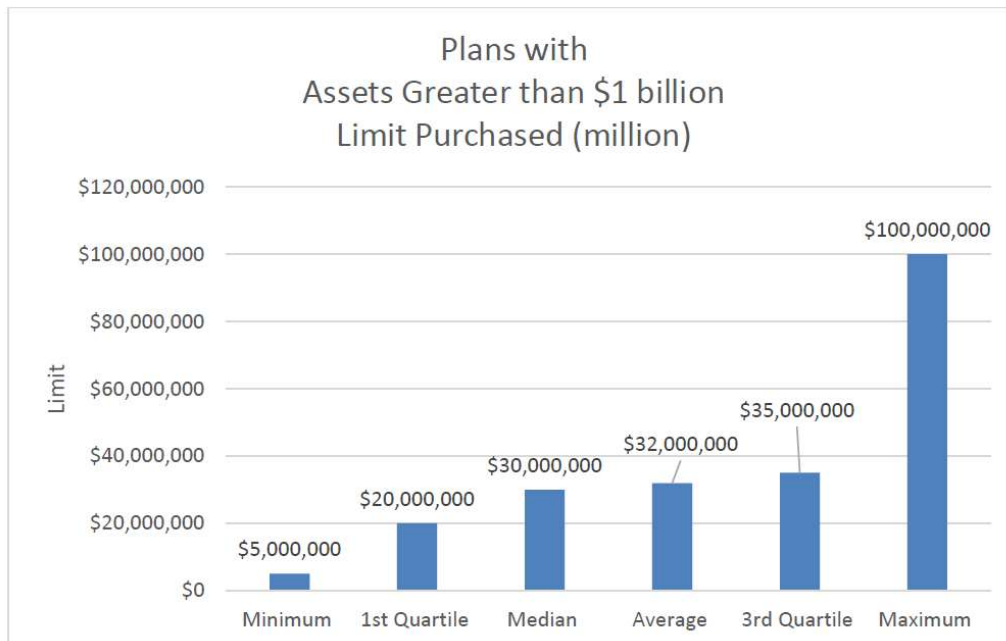
In the last couple years, LACERA has seen a significant increase in the plan assets, number of plan participants, and the net investment gains. Given that these figures

continue to increase; a benchmark analysis was conducted on LACERA's Fiduciary Liability Insurance Program to validate that the Policy limits are sufficient and adequate to cover the risks of a potential loss.

The Benchmarking analysis compared LACERA's business performance metrics to industry best practices from other plans similar in size. Essentially, the benchmarking analysis is comparing apples-to-apples to obtain accurate data for the Fiduciary Liability Insurance Program. The analysis was based on the following factors:

- Total assets,
- Number of participants
- Funding status

Based on the benchmark results, the average Policy limit amongst LACERA's peers is \$32 million. In the past, LACERA's Fiduciary Liability Insurance Program required \$25 million coverage to protect the organization in an event of a fiduciary breach. As a result of the analysis and since the increase in assets, it is recommended that the current Program's Policy limit is increased by \$10 million, expanding the Fiduciary Liability Insurance Program to \$35 million. See table below for the results from benchmarking analysis.



As an extra layer of review, the team also had the coverage profile reviewed by LACERA's Fiduciary Counsel, Reed Smith L.L.P., who confirmed and advised that fiduciary coverage of \$30-35 million would be appropriate for LACERA given his knowledge of the limits purchased by peer systems.

FIDUCIARY INSURANCE

In order to protect the Trust Fund from liability due to a claim of breach of fiduciary duty, it is recommended LACERA obtain coverage in the amount of \$35 million, which is in line with the benchmark analysis and fiduciary counsel's input. The highest limit that Fiduciary Insurance Carriers are willing to underwrite for the coverage is \$25 million; therefore, LACERA is required to obtain the coverage in multiple layers, \$25 million primary and \$10 million excess, to reach the desired coverage of \$35 million.

KCAIB's marketing strategy focused on obtaining the most comprehensive coverage for the most competitive price. To meet LACERA's insurance needs, KCAIB obtained quotes utilizing LACERA's Board approved Purchasing Policy requirements and standard industry criteria which enabled them to successfully negotiate competitive options for renewal.

Based on coverage requirements for LACERA's Fiduciary Liability Insurance Program, the Team 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)

The Team compared the proposed coverage policies, and determined the Hudson Insurance Company and Westchester Fire Insurance Company Policy form was more comprehensive than the other qualifying competitors. The Team identified the following advantages offered:

- 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)

Hudson Insurance Company, LACERA's current Fiduciary Insurance Carrier, has agreed to underwrite the \$25 million Policy with a premium of \$205,590 and Westchester Fire Insurance Company will underwrite the \$10 million Policy with a premium of \$61,649. 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.

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 potential individual 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 for this renewal period 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.

CYBER LIABILITY

The costs and expenses of a data breach can be wide-ranging. According to the *Cyber Claims Study* conducted by NetDiligence (industry experts who provide cyber risk assessments), the average claim from a data breach for a large company in 2017 was \$3.2 million. Although, each breach has its own set of unique factors, the financial impact is fairly consistent across the board. Depending on the severity of the breach, the breach can be a financial burden to the organization. The impact to the organization can consist of the following:

- Information Loss
- Business Disruption
- Financial Loss

- Equipment Damages
- Defense Cost
- Good Will to Members

Potential costs associated with a data breach can add up rapidly and can be a financial burden to the organization. The Team conducted an analysis to determine the appropriate amount of coverage required to ensure the organization is upholding its fiduciary responsibility in protecting the Trust Fund. The analysis included evaluating the size of the Trust Fund, number of members (direct and indirect), number of records (electronic and paper), and loss history of known breaches outside of the organization. As the result of the analysis conducted by the team, the recommendation is to continue purchasing \$20 million in coverage to mitigate the severity of potential financial losses.

KCAIB is familiar and aware of the organization's process for selecting vendors; therefore, their marketing strategy focused on obtaining the most comprehensive coverage for the most competitive price for LACERA. To achieve the desired results, KCAIB sought quotes from various insurance carriers for consideration.

The Team reviewed the Cyber Liability Insurance quotes to determine which Policy best protects the Trust Fund while still opting for the most competitive price. The Team determined that the NAS Insurance Company's Policy form is more comprehensive than what the other carriers offered. NAS was the only carrier to offer the full \$20 million Policy limit. The other carriers offered \$5 million in coverage which requires multiple layers to reach the required \$20 million limit leading to 25% increase in cost over the NAS proposal. The following are additional advantages offered by NAS:

- Access to Expert Cyber Risk Advisors
- 24/7 Online Training Courses
- Sample Policies and Vendor Agreement Templates
- Cyber Security Training Courses
- Compliance Materials
- Risk Management Tools and Guidelines
- Anti-Phishing / Social Engineering courses
- Incident Response Plans

In summary, after an extensive procurement process for Fiduciary and Cyber Liability Insurance, it is recommended to bind a one-year Fiduciary Insurance Policy with Hudson Insurance Company with \$25 million Policy limits and excess coverage limits of \$10

million with Westchester Fire Insurance Company and bind a one-year Cyber Insurance Policy with NAS with \$20 million Policy limits.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD approve the purchase of Fiduciary and Cyber Liability Insurance effective October 6, 2018 with the following insurance carriers:

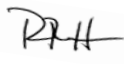
Coverage Type	Carrier	Limits	Premium
Fiduciary (Primary)	Hudson Insurance Company	\$25 Million	\$205,590
Fiduciary (Excess)	Westchester Fire Insurance Company	\$10 Million	\$61,649
Cyber	NAS Insurance Company	\$20 Million	\$113,701

/jb



August 1, 2018

TO: Each Member
Board of Retirement

FROM: Robert R. Hill 
Interim Chief Executive Officer

FOR: Board of Retirement Meeting of August 9, 2018

SUBJECT: Intelligence Support Systems World North America – Training Conference & Exhibition in Washington, D.C. on September 5-7, 2018

The Intelligence Support Systems (ISS) World North America – Training Conference and Exhibition will be held in Washington, D.C. on September 5-7, 2018 at the Bethesda North Marriott Hotel & Conference Center. This conference is the world's largest gathering of North American Law Enforcement, Homeland Security, Defense, Public Safety and other members of the Government Intelligence Community as well as Telecom Operators responsible for cyber threat intelligence gathering, DarkNet monitoring, lawful interception and cybercrime investigations.

The main conference highlights include the following:

- Artificial Intelligence Product Training for Law Enforcement and Government Intel
- Social Network Monitoring and Cyber Threat Analytics Training
- Quantum Computing Reality and Post-Quantum Cryptography Today
- Advanced Hi-Tech Cyber Investigation Training by LEAs and Ph.Ds

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The hotel group rate at the Bethesda North Marriott Hotel & Conference Center is \$219.00 per night plus applicable taxes and the registration fee for trustees to attend is \$995.00.

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 Intelligence Support Systems (ISS) World North America – Training Conference and Exhibition on September 5-7, 2018 in Washington, D.C. and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

RH/bn
Attachment

ISS World 2018 Program - Agenda at a Glance

Track 1: Advanced HI-Tech Cyber Investigation Training Seminars Led by Law Enforcement Officers and Ph.D Computer Scientists

Wednesday, September 5, 2018

Seminar #1

9:00-5:00

Online Social Media and Internet Investigations

9:00-10:00

Proxies, VPNs, and Dark Web: Identity Concealment and Location Obfuscation

10:15-11:15

Tor, onion routers, Deepnet, and Darknet: An Investigator's Perspective

11:30-12:30 PM

Tor, onion routers, Deepnet, and Darknet: A Deep Dive for Criminal Investigators

1:30-2:30 PM

Cellular Handset Geolocation: Investigative Opportunities and Personal Security Risks

2:45-3:45 PM

Collecting Evidence from Online Social Media: Building a Cyber-OSINT Toolbox (Part 1)

4:00-5:00 PM

Collecting Evidence from Online Social Media: Building a Cyber-OSINT Toolbox (Part 2)

Seminar #2

9:00-5:00

Practitioners Guide to Internet Investigations

The aim of this 1 day seminar is to take the attendees from the basics of understanding the Internet, how to find data, through to a full understanding of best practice of an Internet investigator, building their OSINT toolbox, and having awareness and knowledge of all the tools available to achieve this. It is aimed primarily at the investigator, delivered from the perspective of detective, to empower them to have the best methodology and tradecraft to profile and catch suspects.

This is exclusively Law Enforcement only, as Practical examples, covert and investigative methodology and tradecraft will be given throughout the seminar.

09:00-10:00

The Internet, and how suspects leave a Digital Footprint. How the system works for us, as investigators

10:15-11:15

Recognizing Traffic Data and digital profiling via social networks and devices - digital shadows

11:30-12:30 PM

WIFI, geolocation, and Mobile Data traces and tracking

1:30-2:30 PM

Awareness of Emerging Technologies, Masking Tech and Tools, TOR and proxies

2:45-3:45 PM

Advanced Techniques in Tracing Suspects, and lateral problem solving

4:00-5:00 PM

Open Source Tools, resources and techniques - A walk through my free law enforcement open source tools site

Seminar #3

9:00-10:00

Cybercurrency 101: Introduction to What Technical Investigators Need to Know about Bitcoin and Altcoin Transactions, Dark Web Commerce and Blockchain Analysis

This 101 training seminar is an introduction to Bitcoin, how the system is used to support criminal activities (e.g. Dark Web) and why technical investigators need to understand the basic Bitcoin transaction mechanism (Blockchain) to successfully defeat 21st century criminals and terrorist actions. Specifically, this introduction to Bitcoin for technical investigators addresses:

Seminar #4

10:15-11:15

Investigation Techniques for Unmasking TOR Hidden Services and Other Dark Web Operations

Presented by: *Matthew Lucas, (Ph.D Computer Science), VP, TeleStrategies*

TOR networks are notoriously effective at hiding the online identity of criminals, terrorists and others who are up to no good. The other side that receives less attention are TOR hidden

services. These are services that leverage TOR's anonymizing capabilities to mask the identity of criminally-hosted online services - forming the basis of just about all illegal gambling sites, drug markets, child exploitation material, firearm sales, terrorism propaganda, and more.

Seminar # 5

11:30-12:30

Defeating Network Encryption: What Law Enforcement and The Intelligence Community Needs to Understand

Presented by: *Dr. Matthew Lucas (Ph.D Computer Science), Vice President, **TeleStrategies***

The starting point to defeating encryption is to separate techniques addressing stored encrypted data such as with the Apple iPhone issue. The other challenge is defeating encrypted data in transit (e.g. Telegram, Whatsapp, etc.) or Network Encryption. This session is about defeating the later.

Seminar #6

13:30-14:30

Understanding "The Very Basics" of Quantum Computing for Non-Engineers

Presented by: *Jerry Lucas, (Ph.D, Physics) President, **TeleStrategies***

This very basic, one-hour session is for cyber security and intelligence gathering professionals who must understand quantum computing technology basics to access artificial intelligence, machine learning as well as defeating encryption applications but do not have any significant advanced academic training in physics, mathematics nor engineering.

Seminar #7

14:45-15:45

Understanding "Defeating Encryption" with Quantum Computing for Non-Engineers

Presented by: *Jerry Lucas, (Ph.D, Physics) President, **TeleStrategies***

This one hour, session is for cyber security executives and specialists who have the responsibility of assessing the lead time they have before deploying quantum safe cryptography solutions but don't have a technical background. If you believe nation state security agencies are developing quantum computing to decrypt your past and future intercepted transmission sessions, this high-level webinar should be a must attend briefing.

And to do this you need to understand how a quantum computing circuit works when designed for the sole purpose of defeating public key encryption.

Seminar #8
4:00-5:00 PM

Understanding "Post-Quantum Cryptography" for Non-Mathematicians

Presented by: *Jerry Lucas (Ph.D, Physics) President, **TeleStrategies***

This one hour session is for cyber security executives responsible for developing alternatives to today's cryptography infrastructure in response to the threat of quantum computing.

Thursday, September 6, 2018

Seminar #9
09:00-5:00 PM

Concerns and Considerations in Financial Crime Investigations

Presented by: *Michael Loughnane, CAMS, CFE, **Loughnane Associates, LLC** Mike is a former US Federal Law Enforcement Officer who specialized in complex fraud and cybercrime investigations and currently provides training to improve detection and investigations of fraud, money laundering and counter terror finance.*

09:00-10:00 AM

Criminal Essentials: The Needs of a Criminal Network

11:00-12:00 PM

Financial Crime Schemes in Money Laundering

1:00-2:00 PM

The Essentials of Trade Based Money Laundering

2:30-3:30 PM

How Does Money Actually Move?

4:00-5:00 PM

Follow the Money Beyond the Banks

Seminar #10
4:00-5:00 PM

Advanced Analytic Techniques for De-anonymizing Hidden Network Digital Currency Transactions and Messaging Using Open Source and Commercial Software

In this session, Stephen E Arnold reviews technology-centric methods for de-anonymizing hidden network activities. Based on research conducted for US federal agencies and research

to support his work as a commissioner for the Judicial Commission of Inquiry into Human Trafficking and Child Sex Abuse.

Friday, September 7, 2018

Seminar #11

8:30-9:30

Practitioners Guide to Understanding Cyber Attacks on Banks - Exploring Vulnerabilities from The Perspective Of The Hacker

This one-hour session will explore the viewpoints of both the banks perception of vulnerabilities, and that of the attacker. A follow-up session at 10:30 will address Practitioners Guide to Defending Banks Against Cyber Attacks.

Seminar #12

10:30-11:30

Practitioners Guide to Defending Banks Against Cyber Attacks – Identifying And Protecting Vulnerabilities To Frustrate The Thief, and Integrity Proof The Systems

Presented by: *Mark Bentley, Communications Data Expert, National Cyber Crime Law Enforcement, UK Police*

This one-hour session will explore the protection of weak points and future proofing banks against cyber attacks.

Seminar #13

12:00-1:00 PM

What Investigators and Intelligence Professionals Need to Know about Amazon's Disruptive Streaming Data Marketplace and Policeware Services

Presented by: *Stephen Arnold, Managing Partner, Arnold.IT*

In this presentation, research completed by Stephen E Arnold and his research team to support their work related to the Judicial Commission's activities reveals the capabilities of Amazon's entrance into the policeware and intelligence analytics markets. ("Policeware" is shorthand for the vendors who provide data gathered via OSINT methods, software to analyze and make sense of OSINT and nonpublic data, and how certain investigative work will be performed.)

Seminar #14

12:00-1:00 PM

Top 20 Open Source Tools (OSINT) Used in Cybercrime Investigations

Presented by: *Mark Bentley, Communications Data Expert, National Cyber Crime Law Enforcement, UK Police*

Seminar #15

8:30-1:00 PM

Special SS7 Intercept, Vulnerabilities and Most Damaging SS7 Infrastructure Attacks over the Last 12 Months

Presented by *Jean Gottschalk, Principal Consultant, The Telecom Defense Limited Company*

8:30-9:30 AM

SS7 Vulnerabilities and Intercept Options

There are two very important aspects of telco SS7 infrastructure law enforcement and interior security needs to understand. For law enforcement: you can locate and track a target anywhere in the world if they just turn on their cell phone. For Interior Security: large scale distributed denial of service attacks over SS7 can completely take down today's telecom networks.

10:30-11:30 AM

The Most Damaging SS7 Network Infrastructure Attacks over the Last 12 Months

12:00-1:00 PM

Intercept Implications of 4G/5G Diameter Signaling Replacing SS7

As telecom service providers transition to IP based VoLTE and introduce 5G, SS7 will be replaced with diameter signaling. This session provides the technical basics of diameter, options for transitioning SS7 to diameter and the new challenges facing law enforcement.



July 12, 2018

TO: Each Member
Board of Investments
Board of Retirement

FROM: Robert Hill *RH*
Interim Chief Executive Officer

FOR: Board of Investments Meeting of August 8, 2018
Board of Retirement Meeting of August 9, 2018

SUBJECT: 2018 USC Marshall Corporate Directors Symposium
November 8, 2018 in Los Angeles, California

The National Association of Corporate Directors (NACD) - Southern California Chapter and USC Marshall School of Business presents the USC Marshall Corporate Directors Symposium - Governing in the Digital Age: Board Leadership Matters on November 8, 2018 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:

- Overview and Investors Perspective in the Digital Age
- Talent and Culture in the Digital Age
- Privacy, Transparency and IP in the Digital Age
- Audit/Risk Roundtable

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rate near the venue ranges from \$275.00 to \$450.00 per night plus applicable resort fees and taxes. 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 2018 USC Marshall Corporate Directors Symposium on November 8, 2018 in Los Angeles, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

RH/lg
Attachment

USC Marshall
School of Business



Governing in the Digital Age: Board Leadership Matters

2018 Corporate Directors Symposium

Presented by **The National Association of Corporate Directors
Southern California Chapter** and **USC Marshall School of Business**

Thursday, November 8, 2018 | 7:30 a.m. – 5:00 p.m.

The California Club, 538 S. Flower Street, Los Angeles, CA 90071

SPEAKERS



Peter Gleason
President and CEO, National Association
of Corporate Directors



Hester M. Peirce
Commissioner, Securities and Exchange
Commission (SEC)

Panelists

Matt Arevalo, Co-Founder - Loot Crate
Ray Rothrock, CEO - RedSeal, Inc.; Board Director - Check Point Software Technologies
David Shadpour, CEO - Social Native
Jaynie Studenmund, Board Director - CoreLogic, Inc., Western Asset

**MARK YOUR
CALENDARS!**

FOUNDING SPONSOR
 RGP

USC Marshall Corporate Directors Symposium

"Governing in the Digital Age: Board Leadership Matters"

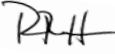
Thursday, November 8, 2018 | The California Club, 538 S. Flower Street, Los Angeles

TIME	Location	Details	Notes / Sponsor	Speakers
7:30 a.m. - 8:20 a.m.	Main Lounge - 120 max	<i>Nominating / Corporate Governance Roundtable</i>		
7:30 a.m. - 8:20 a.m.	2nd Floor Dining Room - 190 max	<i>Compensation Roundtable</i>	Semler Brossy	
		<i>Audit / Risk Roundtable</i>	PwC	
8:30 a.m. - 9:20 a.m.	Main Lounge - 120 max	<i>Cyber Roundtable</i>		
8:30 a.m. - 9:20 a.m.	2nd Floor Dining Room - 190 max	<i>D&O</i>		
8:30 a.m. - 9:20 a.m.	French Room - 40 max	<i>Crisis Management</i>		
9:30 a.m.	Main Dining Room	Welcome		
9:40 a.m. - 10:30 a.m.	Main Dining Room	Opening Fireside Chat: Capital Formation in the Digital Age / SEC		Jim Ellis SEC Commissioner Hester Peirce
10:30 a.m. - 11:30 a.m.		Plenary Panel - AI - Overview and Investors Perspective in the Digital Age		Jared Franz, Economist - Capital Group
11:40 a.m. - 12:40 p.m.	Main Lounge - 120 max	Breakout Session #1 - Talent and Culture in the Digital Age	RGP	Kate Duchene, CEO - RGP Caroline Nahas - Korn Ferry Matt Arevalo, Co-Founder - Loot Crate
11:40 a.m. - 12:40 p.m.	2nd Floor Dining Room - 190 max	Breakout Session #2 - Marketing and Communications in the Digital Age		Jaynie Studenmund, Board Director - Corelogic, Western Asset David Shadpour, Founder - Social Native
<i>12:45 p.m. - 1:45 p.m.</i>	<i>Main Dining Room</i>	<i>Lunch</i>		
1:55 p.m. - 2:55 p.m.	Main Lounge - 120 max	Breakout Session #3 - Operation Supply Chain in the Digital Age		Nick Vyas, Executive Director and Co-Founder - USC Marshall's Center for Global Supply Chain Management
1:55 p.m. - 2:55 p.m.	2nd Floor Dining Room - 190 max	Breakout Session #4 - Privacy, Transparency and IP in the Digital Age		Bret Arsenault, CVP and Chief Information Security Officer - Microsoft
<i>2:55 - 3:10</i>	<i>Main Dining Room</i>	<i>Afternoon Session Break</i>		
3:15 p.m. - 4:15 p.m.	Main Dining Room	Plenary Panel - BRC/Risk Management in the Digital Age		Robyn Bew, NACD Maureen Breakiron-Evans, Director, Ally Financial Inc., Cognizant Technology Solutions, Cubic Corp.
4:15 p.m. - 4:45 p.m.	Main Dining Room	Closing Keynote: What it Means to be a Director in the Digital Age		Peter Gleason, NACD President
4:45 p.m. - 4:55 p.m.	Main Dining Room	Symposium Wrap Up / Closing Comments / Invite all to cocktail reception		
<i>5:00 p.m. - 6:30 p.m.</i>	<i>Main Lounge</i>	<i>Cocktail Reception / Appetizers</i>		



June 4, 2018

TO: Each Member
Board of Investments
Board of Retirement

FROM: Robert R. Hill 
Interim Chief Executive Officer

FOR: Board of Investments Meeting of August 8, 2018
Board of Retirement Meeting of August 9, 2018

SUBJECT: Public Pension Trustees Fiduciary Conference: Gaining the Tools for Innovation
New York, New York on October 2-3, 2018

The Public Pension Trustees Fiduciary Conference: Gaining the Tools for Innovation will take place on October 2-3, 2018 at New York Law School in New York, New York. This conference provides a venue for trustees from around the country to explore how values and beliefs have a crucial role to play in approaching our fiduciary duties. The conference emphasizes collaboration and small-group activities interspersed with on-topic speakers and high-quality panel discussions.

The main conference highlights include the following:

- We Did the Investments Beliefs – Now What?
- The Purpose of Asset Management
- The Price is Wrong – Fee Models for Asset Management Services
- FinTech and the Effect on Institutional Investors

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The hotel group rate at the Sheraton Tribeca New York Hotel is \$359.00 per night plus applicable taxes and the registration fee for trustees to attend is \$495.00.

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 Public Pension Trustees Fiduciary Conference: Gaining the Tools for Innovation on October 2-3, 2018 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

RH/bn
Attachment

SAVE THE DATE • OCTOBER 2-3, 2018 • IN NYC

PUBLIC PENSION TRUSTEES FIDUCIARY CONFERENCE

★ GAINING THE TOOLS FOR INNOVATION ★

NYC

The Mayor's Office of Pensions
and Investments

NEW YORK
LAW SCHOOL

 INITIATIVE FOR
RESPONSIBLE
INVESTMENT

CONFERENCE AGENDA

Tuesday, October 2

9:00am-10:00am Registration and Breakfast

10:00am-10:15am: Opening Remarks

10:15am-11:00am: Keynote Speaker

11:00am-12:30pm: We Did The Investment Beliefs- Now What?!?!

In this panel discussion, trustees and investment staff will highlight ways in which they integrated their investment beliefs statement into their actual investment process. What were the challenges? How did other stakeholders react? How far have you gotten? What lessons should boards draw from your experience as they go through their investment beliefs process?

- Wayne Moore, Trustee, Los Angeles County Employees Retirement Association
- Anna Pot, Manager Responsible Investments, APG Asset Management

12:30pm-1:30pm: Lunch

1:30pm-2:00pm: The Price Is Wrong

After-lunch activity that talks about innovations in fee models for asset management services

2:00pm-3:00pm: The Purpose of Asset Management:

A fireside chat with **Jon Lukomnik**, co-author of the book "What They Do With Your Money," focusing on his new white paper "The Purpose of Asset Management," and how he believes institutional investors must change their investment practices for better and more sustainable economic growth.

3:00pm-3:15pm: Coffee Break

3:15pm-4:45pm: "Murder and Revival on the Orient Express,"

Based on the paper by Charlie Ellis that describes how each of the four major sets of decision-makers in institutional asset management, managers, consultants, staff, and boards all are responsible for underperformance. Instead of underperformance however, this session will focus on how each of these groups is responsible for the inability of institutional investors to "invest for the long-term." More importantly, we will discuss how each of these groups can play a positive role in reforming institutional asset management.

4:45pm-5:00pm: Report Outs and Wrap-Up

5:00-6:00pm: Reception: Mingle and debrief with your fellow trustees over drink

Wednesday, October 3

8:00am-9:00am: Breakfast and Learn session with CFA Institute

9:00am-9:15am: Recap of Day 1

9:15am-10:00am: Tech Talk

In this session, **Ken Akoundi**, Founder of Risk Metrics and publisher of InvestorDNA will discuss the latest developments in the "FinTech" world and how they will affect institutional asset owners.

10:00am-10:15am- Coffee Break

10:15am-11:15am: Developments in Institutional Asset Management Session: TBD

11:15am-11:30am: Coffee Break

11:30am-1:00pm: Closing Plenary: Putting It All Together

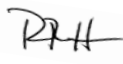
1:00pm: Closing

DRAFT



August 1, 2018

TO: Each Member
Board of Retirement

FROM: Robert R. Hill 
Interim Chief Executive Officer

FOR: Board of Retirement Meeting of August 9, 2018

SUBJECT: Committee on Worker's Capital Conference
September 10-11, 2018 in San Francisco, California

The 2018 Committee on Worker's Capital (CWC) Conference will take place on September 10 - 11, 2018 in San Francisco, California. The annual conference is the premier forum for international collaboration and dialogue between trade unions and pension fund trustees to effect change in the global economy through the responsible investment of workers' capital.

The main conference highlights include the following:

- Worker's Rights in the Investment Chain
- Strategic Role of Investors in a Just Transition
- Risks in the Hospitality Sector
- Fees in the Investment Chain

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rates near the conference location is \$229.00-\$379.00 per night plus applicable taxes and the registration fee to attend is complimentary to Board members.

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

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the 2018 Committee on Worker's Capital (CWC) Conference on September 10-11, 2018 in San Francisco, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

RH/bn
Attachment



2018 Workers' Capital Conference Agenda

[As of 14 June 2018 – subject to change]

10-11th September 2018

San Francisco, USA

[LiUNA Local 261 Union Hall](#)

[CLICK HERE TO REGISTER FOR THE CONFERENCE](#)

[\(Trustees who wish to register to the Trustee Leadership Workshop may click here\)](#)

Simultaneous French and Spanish interpretation available

The 2018 Worker's Capital Conference is a global conference organized by the Global Unions Committee on Workers' Capital (CWC), a joint initiative of the International Trade Union Confederation (ITUC), the Trade Union Advisory Committee to the OECD (TUAC) and the Global Unions Federation (GUFs).

The annual Workers' Capital conference is the premier forum for international collaboration and dialogue between trade unions and pension fund trustees to effect change in the global economy through the responsible investment of workers' capital – more than USD35 trillion. This year's event will highlight the challenge of improving the accountability of asset managers to asset owners on social issues.

SUNDAY - 9 September 2018

19:00 **Informal networking dinner – [Alma Cocina \(2801 Folsom Street\)](#)**
\$40 per person (includes meal and one beverage, excludes tips) at participants' cost
Every participant is encouraged to bring currency to cover their meal and tips/service as there will only be one receipt per table

MONDAY - 10 September 2018

8:30-12:30 **[Trustee Education Workshop](#)**
For the first time, the CWC is offering a trustee leadership workshop in partnership with the Trustee Leadership Forum and the Shareholder Association for Research and Education (SHARE).

[Shareholder Activism Working Group](#)

Capital strategies officers will be invited to a strategic session on capital stewardship priorities.

12:30-13:30 **[Lunch](#)**

13:30-13:35 **[Welcome by Conference Host LiUNA](#)**

13:35-14:00 **[Welcome and Overview of CWC Work/Priorities](#)**

- Liz Shuler, Secretary-treasurer, AFL-CIO (USA)



14:00-14:30 **CWC 2017/2018 report-back**
The CWC Secretariat staff and the committee chairs will report back on this past year's activities.

14:30-15:45 **Session: Asset manager accountability on social issues**
For asset owners, the task of establishing accountability from asset managers on social issues is fraught with challenges. This session will report on the CWC's new asset manager accountability initiative while examining gaps between discourse and action, discussing asset owner experiences in approaching asset managers and exploring strategies moving forward.

15:45-16:00 **Break**

16:15-17:15 **Session: Workers' rights in the investment chain**
This session will review progress by trade unions to elevate the profile of workers' rights in investment chain initiatives since the launch of the CWC Guidelines on Workers' Rights and Labour Standards in 2017.

17:15-17:30 **Xander den Uyl, Trustee, ABP % UNPRI Board Member**
Coen Van Der Veer, Treasurer, FNV (Netherlands) & CWC Chair

17:30-18:45 **Reception (light hors-d'oeuvres and refreshments)**

TUESDAY - 11 September 2018

8:30-8:45 **Paddy Crumlin, President, International Transport Workers' Federation**

8:45-10:00 **Session: Infrastructure**
This session will discuss concrete initiatives that seek to help trustees reconcile pension board decision making with the general interest of the trade union movement as they pertain to this asset class including the CWC Trustee Guidance Note on Pension Fund Investment, the ACTU labour standards code for infrastructure asset managers and the development of responsible contractor policies in the US.

10:00-10:15 **Break**

10:15-11:30 **Fees in the investment chain**
The transparency of costs paid by asset owners has gained increasing attention and scrutiny from regulators and governments in recent years. This session will report on recent regulatory developments in Australia, the Netherlands, the UK and the USA and will chart a path to build the capacity of trustees and unions to seek better cost transparency.

11:30-12:15 **Keynote: Lenore Palladino**
Lenore Palladino is Senior Economist and Policy Counsel at the Roosevelt Institute, where her area of expertise is inequality and finance. Her most recent work examines why stock



buybacks artificially boost share prices, rewarding shareholders and executives to the detriment of workers and the broader economy.

12:15-13:15 **Lunch**

13:15-13:30 **Sharan Burrow, General Secretary, International Trade Union Confederation**

13:30-14:45 **Session: Lessons learned from the responsible stewardship of workers' capital**

This facilitated dialogue session will examine key campaigns in several asset classes that CWC participants have brought to the network this year. Trade union representatives and trustees will discuss successes, challenges, trustee support, asset manager engagement and the relationship is between capital stewardship and other aspects of union campaigns.

14:45-15:00 **Break**

15:00-16:15 **Session: The strategic role of investors in a Just Transition**

Investor responses to climate change continue to gain momentum in the form of shareholder engagement, capital allocation decisions and policy dialogues. While the implications of the climate transition for workers and communities has not been embedded into the bulk of these investor responses, the concept of just transition is gaining ground. This session will take stock of progress and discuss ongoing initiatives.

16:30-17:30 **TBC - PRI Side Event: Risks in the hospitality sector**

A field trip organized by the CWC and UNITE HERE. More details are forthcoming.

July 24, 2018

TO: Each Member
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 9, 2018 Board of Retirement Meeting

SUBJECT: Change in Operations Oversight Committee Meeting Schedule

RECOMMENDATION

That the Board of Retirement change the regular meeting schedule of the Operations Oversight Committee so that Committee, along with the Insurance, Benefits & Legislative Committee, will meet immediately following Board of Retirement administrative meetings.

DISCUSSION

From 2002 to 2016, meetings of the Operations Oversight Committee (OOC) took place after the Board of Retirement (BOR) administrative meetings. On August 11, 2016, the Board took action to change OOC meetings to following the BOR's disability meetings. The change was made to accommodate the schedule of the trustee who was the OOC Chair at that time. A copy of the memo in support of the August 2016 BOR action is attached and provides additional historical background.

The reason for the August 2016 change no longer exists. Staff believes it is administratively more efficient and allows for a more logical presentation and discussion of BOR business for OOC meetings to be returned to their original schedule following BOR administrative meetings. OOC addresses matters of fund operations and administration more in line with the typical agenda of BOR administrative meetings than with the agenda of BOR disability meetings.

CONCLUSION

For these reasons, staff recommends that the BOR change the OOC's regular meeting schedule so that OOC, along with the Insurance, Benefits & Legislative Committee, will meet immediately following BOR administrative meetings.

Attachment

c: Robert Hill
James Brekk

John Popowich
Bernie Buenaflor

August 1, 2016

TO: Each Member
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 11, 2016 Board of Retirement Meeting

SUBJECT: **DISCUSSION AND POSSIBLE ACTION ON CHANGE IN OPERATIONS
OVERSIGHT COMMITTEE MEETING SCHEDULE**

BACKGROUND AND ISSUE

At the July 13, 2016 Operations Oversight Committee (OOC) meeting, there was discussion about changing OOC's regular meeting schedule due to a conflict in the Committee Chair's schedule. Specifically, the Committee Chair, Mr. Kelly, stated that he is a member of the Legislative Committee of the California Association of County Treasurers and Tax Collectors (CACTTC), which meets each month at 2:00 p.m. on the same day as the LACERA Board of Retirement's administrative meeting. Given the usual length of BOR meetings, Mr. Kelly stated that he cannot stay to attend OOC meetings if he is also to make the CACTTC Legislative Committee meetings. Mr. Kelly raised the possibility of holding OOC's meetings on another date or at another time, at least for so long as he is Chair of the OOC.

This memo discusses the process which must be followed to make a permanent or long-term change in the OOC's meeting schedule. In short, any such change can only be made by action of the full Board of Retirement.

DISCUSSION

The Board of Retirement's committee structure was adopted by the Board on January 4, 1995. A copy of the Board's action is Attachment A. This basic structure has remained unchanged since 1995, although the name of the Insurance, Benefits and Legislative Committee (IBLC) was revised.

The committee meeting schedule was set by Board action on April 3, 2002. A copy of the CEO's March 25, 2002 Board memo on the issue is Attachment B. A copy of the Minutes of the April 3, 2002 Board meeting is Attachment C. Specifically, as shown in

Each Member, Board of Retirement

August 1, 2016

Re: Possible Change in Operations Oversight Committee Meeting Schedule

Page 2

the Minutes, the Board voted that, "The Thursday, following the second Wednesday of each month is when the administrative agenda items would be handled. Both the Insurance, Benefits, and Legislative Committee meeting and Operations Oversight Committee meeting will be handled following the end of the Board of Retirement meeting." The minutes go on to say that this schedule will be used on a "trial basis" before being added to the BOR's Regulations. However, the issue never returned to the Board for further action, which leaves the April 3, 2002 action as the most recent Board decision on the subject. The schedule for committee meetings was never added to the Regulations.

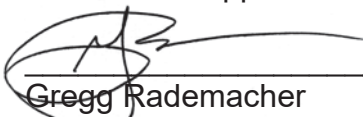
Because the OOC meeting schedule was established by vote of the full Board, it can only be permanently changed by a full Board vote. There is nothing in the Board Regulations or policies or in law that suggests otherwise. It is reasonable that the Committee Chair, in consultation with the Chair of the full Board, be allowed administrative flexibility in the spirit of cooperation and good governance to make occasional changes in the order of meetings with the full Board and IBLC on the same day to accommodate scheduling issues or other circumstances, barring an objection from another Board member. In fact, such minor changes are sometimes made for the convenience of Board members. However, a change in the regular day of the meeting (from the Thursday after the second Wednesday to some other day) and/or a change in the regular time of the meeting are not minor changes. This type of change fundamentally alters the Board's April 3, 2002 action and must be voted on by the full Board.

CONCLUSION

For the reasons set forth above, a change of the type suggested by the current OOC Chair must be made by action of the full Board of Retirement. Staff does not take a position or make a recommendation on whether a change should or should not be made in that staff serves at the pleasure of the Board. The matter is agendized for discussion and possible action as the Board deems appropriate.

Attachments

Review and Approved



Gregg Rademacher
Chief Executive Officer

Each Member, Board of Retirement

August 1, 2016

Re: Possible Change in Operations Oversight Committee Meeting Schedule

Page 3

c: Gregg Rademacher

Robert Hill

John Popowich

James Pu

Beulah Auten

Kimberly Hines

Jeannine Smart

John Nogales

Bernie Buenaflor

Derwin Brown

Allan Cochran

ATTACHMENT A
January 4, 1995 Board Action

APPROVED

JAN 04 1995

BY THE 
BOARD OF RETIREMENT



December 28, 1994

TO: Each Member:
Board of Retirement

FROM: Marsha D. Richter 
Chief Executive Officer

 SUBJECT: **PROPOSAL TO MODIFY THE BOARD'S COMMITTEE
STRUCTURE**

Staff suggests the Board's current committee system could be more effective if the number of standing committees were reduced with the surviving committees given larger mandates and convened according to a regular schedule of monthly meetings.

Staff anticipates the Board will be asked to adopt positions on an increasing number of complex issues. Changes in legislative leadership at both the federal and state levels of government require increased vigilance over legislative initiatives in the areas of pension and health care policy.

LACERA's re-engineering project will necessarily involve the Board in a series of decisions regarding the acquisition and implementation of new technologies, feasibility assessments of new organizational structures, the design and implementation of better service delivery systems, and on-going evaluation of the effectiveness of these efforts.

Although full exposition and debate of these many issues would be too time consuming to accomplish at regular Board Meetings, staff believes these issues can be best worked from the conceptual stage to the development of complete recommendations at the committee level.

However, the current committee system is too fragmented to facilitate effective Board/staff deliberations on these issues. In 1994, the Board had seven (7) standing committees and one ad-hoc committee. In addition, there were five (5) joint committees. Most of these committees have narrow mandates and meet very infrequently. It is often unclear which committee has jurisdiction over an issue and for those committees that meet infrequently, it has been difficult to find mutually agreeable dates to schedule necessary meetings.



Board of Retirement

December 28, 1994

Page 2

Staff proposes the current committees be reduced to the following:

- **INSURANCE AND BENEFITS COMMITTEE (IBC)**

This Committee would have jurisdiction over all policy issues related to benefit design (insurance, retirement, disability, and death benefits). The Committee's mandate would include reviewing and recommending positions on all benefits related legislative proposals at both the state and federal levels. As necessary, the Committee would also be responsible for developing LACERA's legislative proposals for Board review.

- **OPERATIONS OVERSIGHT COMMITTEE (OOC)**

This Committee would have jurisdiction over administrative policies and practices used to implement LACERA's programs. The Committee would be responsible for reviewing plans involving acquisition and implementation of new technology and the use of external consultants. The Committee would also have jurisdiction over the budget and would serve as the Association's audit committee. The Committee would work with staff to set standards for service delivery and monitoring staff effectiveness.

- **DISABILITY PROCEDURES AND SERVICES COMMITTEE (DPSC)**

This Committee would be responsible for evaluating current disability procedures, identifying and recommending procedural improvements, and recruiting and evaluating the external professionals required to administer the disability retirement program.

These three (3) committees, organized as described above would incorporate the functions of the seven (7) 1994 standing committees, one ad-hoc committee, and would also replace the Joint Budget Committee. Staff suggests that the Joint Budget Committee be discontinued but the Board of Investments be invited to appoint members to the Operations Oversight Committee for review and approval of the annual budget.

Board of Retirement

Decemer 28, 1994

Page 3

Staff proposes joint committees be reduced in number to the Travel Policy Committee and a CEO Evaluation Committee. If a special issue arose that required joint Board review, a special ad-hoc committee could be established.

Staff suggests a Chair and Vice-Chair be appointed for each committee and the committee membership be comprised of those Board Members interested and willing to serve on each committee. Staff suggests that every Board Member be encouraged to serve on at least one committee and that Board Members be allowed to serve on as many as all three (3) committees if their schedules permit such participation. The three (3) committees would have set monthly meetings and would be noticed and posted in compliance with the Brown Act. Agendas and meeting minutes would be distributed to all members of the Board.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve staff's proposal to re-assign the responsibilities currently divided among seven (7) committees to three (3) committees: Insurance and Benefits Committee (IBC), Operation Oversight Committee (OOC), and Disability Procedures and Services Committee (DPSC).

MDR:ivi
BDCOM.DOC/DIR.RICHTM

ATTACHMENT B

March 25, 2002 Board Memo



March 25, 2002

To: Each Member
Board of Retirement

From: Marsha D. Richter *MOR*
Chief Executive Officer

→ Subject: **Board Meeting Schedule**

At the Operations Oversight Committee meeting, the Committee directed staff to evaluate expanding the Board meeting schedule to include a second meeting and to present the evaluation results to the Board of Retirement.

Dividing the Work Load

The Board of Retirement's by-laws require the regular monthly meeting to be held on the first Wednesday of the month at 9:00am. At this meeting, the Board addresses three main types of business: service retirement/survivor consent agenda, disability agenda including applications and appeals, and administrative matters.

A logical division of work would be to separate the administrative matters from the disability agenda. The disability agenda requires a considerable amount of preparatory time prior to the Board meeting and may require up to four hours to complete during the Board meeting. Staff believes that separating the disability agenda from the administrative matters would facilitate the Board member's calendar in preparing for the meeting and reduce the probability of having the Board meetings extend into the afternoon.

Keeping the First Wednesday Meeting

It is a longstanding tradition for the Board of Retirement to meet on the first Wednesday of each month. With this tradition, many Board members have scheduled their calendars with consideration to this commitment. Additionally, your legal staff and the attorneys representing disability applicants also restrict their calendars to ensure that they do not have other matters before the courts on this date. As such, staff would recommend we continue in the practice of hearing the disability agenda on the first Wednesday of the month. Additionally, staff recommends including the service retirement/survivor consent agenda at the first Wednesday meeting. Our information system is programmed with specific regard to the Board meeting date and the end of the month payroll cycle. While we do have the capability to modify the information system's payroll programs, staff would prefer to minimize these types of system changes during the DB2 transition and in anticipation of implementing the County's Fringe Benefit Memorandum of Understanding.



The Administrative Agenda

To address the administrative agenda, your Board may consider one the of the following options.

- The third Wednesday of the month. (The Board of Investments currently meets on the second and fourth Wednesday of each month.)
- The Thursday following the “disability” board meeting. In other words, the next day.
- The Tuesday following the “disability” board meeting. This meeting day is currently reserved for the Board of Retirement’s Insurance, Legislative and Benefit Committee and the Operations Oversight Committee meetings.

Committee Meetings

The Board may also wish to consider rescheduling your Committee meeting dates. As the Board’s administrative agenda is generally brief, your Board could schedule one or more committee meetings on the same day following the administrative board meeting. For example, the Insurance Benefit and Legislative Committee meeting could be scheduled to begin immediately following the administrative board meeting with the Operations Oversight Committee meeting to convene after lunch. It is plausible that all three meetings could occasionally be completed prior to lunch. And depending on the Board’s appetite, the Disability Procedures and Services Committee meeting could also be conducted on the same day.

Testing a Plan

Staff recommends that your Board try out a new meeting schedule to ensure it is meeting your needs. And as the May meeting has already been rescheduled due to calendar conflicts, staff recommends that a new schedule not be tried earlier than June 2002.

Harmony with the By-Laws

Your Board’s by-laws provide that the Board may call “special meetings”. As such, adding an additional meeting is within your expressed powers and could be done quite easily. Staff recommends that if your Board does find a new meeting schedule that suits your needs, the by-laws be changes after a trial period.

IT IS THEREFORE RECOMMENDED that your Board provide direction on scheduling future Board meetings.

ATTACHMENT C

April 3, 2002 Board Minutes



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BOR MINUTES APRIL 2002

BOARD OF RETIREMENT MINUTES - APRIL 3, 2002

PRESENT

Les Robbins, Chairman
 Edgar H. Twine, Vice Chairman
 Simon S. Russin, Secretary
 Bruce Perelman
 Sadonya Antebi
 John Fleming
 William Pryor
 Mark J. Saladino
 Richard R. Wirth
 Warren Bennett

STAFF ADVISORS AND PARTICIPANTS

Marsha D. Richter, Chief Executive Officer
 Gregg Rademacher, Assistant Executive Officer
 Robert Hill, Assistant Executive Officer
 David L. Muir, Chief Counsel
 Daniel E. McCoy, Chief Counsel, Disability Litigation
 Margaret L. Oldendorf, Senior Staff Counsel
 Sylvia R. Miller, Manager, Disability Retirement Services

I. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MARCH 6, 2002

II. CONSENT AGENDA

- A. Applications for Service Retirement
 B. Applications for Survivor Benefits
 C. Appeals (Memo dated March 26, 2002.)

CASE NO.	APPEALS	ATTORNEY	DECISION
14B	Kim V. Aboudara	Thomas J. Wicke	Deny SCD - Not Disabled Without Prejudice
2494A	Betty Jo Webb	Mark E. Singer	Deny SCD - Not Disabled
5493A	Earline L. Freeman	In Pro Per	Deny SCD - Grant NSCD
5501A	Willie J. Pickett	In Pro Per	Deny SCD - Not Disabled Without Prejudice
5502A	Cynthia T. Mosley	In Pro Per	Deny SCD - Not Disabled
5503A	Claire Pellicano	In Pro Per	Deny SCD - Not Disabled
5505A	Thomas F. Stephens	In Pro Per	Deny SCD - Not Disabled
5507A	Sandra L. Spence	Thomas J. Wicke	Deny SCD - Grant NSCD
5508A	Tracey L. Lockhart	Kenneth L. Risen	Deny SCD - Not Disabled Without Prejudice
5509A	Louise A. Oseguera	Kenneth L. Risen	Deny SCD - Not Disabled
5510A	Josephine Phillips	Kenneth L. Risen	Deny SCD - Not Disabled
5511A	Andrew Tomenchuk	Kenneth L. Risen	Deny SCD - Not Disabled Without Prejudice
5512A	Agata K Wojkowska	Tanya Garza-Sutton	Deny SCD - Not Disabled
5513A	Dora Velarde	Kenneth L. Risen	Deny SCD - Not Disabled
5517A	Diana M. Abaraca	In Pro Per	Deny SCD - Not Disabled

D. Recommendation regarding PAYMENT OF INVOICES. (Memo from Sylvia R. Miller dated March 26, 2002.)

E. Recommendation as submitted by Sylvia R. Miller, Manager, Disability Retirement Services: Dismiss with prejudice the appeal for service-connected disability retirement in the case of Catherine L. Lueder. (Memo dated March 22, 2002.)

F. Recommendation as submitted by David L. Muir, Chief Counsel: Approve payment in the amount of \$231.00 to Morrison & Foerster for professional services rendered in connection with general fiduciary matters. (Memo dated March 20, 2002.)

III. OTHER COMMUNICATIONS

A. For Information

1. Staff Activities Report - February, 2002

A. March, 2002 All Stars

2. Chief Executive Officer's Report

A. Report on County's Benefit/Funding Proposal

1. Memo dated March 8, 2002, from David L. Muir, Chief Counsel, regarding: APPELLATE

SCHEDULE IN THE VENTURA LITIGATION

2. Memo dated March 27, 2002, from Margaret L. Oldendorf, Senior Staff Counsel, regarding: Subrogation Verdict in Richard Momet, et al. v. Reba Osterman, et al., (L.A. County Superior Court Case No. EC 030823)

3. Memo dated March 27, 2002, from Margaret L. Oldendorf, Senior Staff Counsel, regarding: Joe F. Funches v. Board of Retirement (L.A. County Superior Court Case No. BS 066971)

4. Memo dated March 26, 2002, from Sylvia R. Miller, Manager, Disability Retirement Services regarding: KPMG Audit Report.

Green Folder Information (Information distributed in each Board Members Green Folder at the beginning of the meeting.)

1. Retirement Board Listing dated March 6, 2002.

2. Memo dated April 1, 2002, from David L. Muir, Chief Counsel, regarding: Brown Act Procedures for Board of Supervisors.

3. Memo dated March 20, 2002, from David L. Muir, Chief Counsel, regarding: LACERA v. Towers Perrin.

4. Memo dated March 28, 2002, from David L. Muir, Chief Counsel, regarding: Board of Supervisors' Resolutions Governing the LACERA Elections.

5. Article taken from Los Angeles Daily Journal, dated March 14, 2002, regarding: Board's Secret Vote Prompts Look at Rules.

6. Article taken from Los Angeles Daily Journal, dated March 20, 2002, regarding: Shut Out.

7. Copy of letter to Honorable Bill Lockyer, Attorney General of California, Opinion Unit, from Fern M. Billings, LACERA Senior Staff Counsel, regarding: Appointment of an Alternate Retired Member to the Board of Retirement. (Letter dated April 1, 2002.)

IV. NON-CONSENT AGENDA

A. Recommendation as submitted by Warren Bennett, Chairman, Disability Procedures & Services Committee: Adopt the proposed policy for members living out of state and applying for disability retirement. (Memo dated March 20, 2002.)

A motion was made by Mr. Pryor, seconded by Mr. Saladino, to approve the above recommendation. Mr. Russin and Miss Antebi expressed their concerns that applicant's must pay their own expenses. After a brief discussion among the Board, it was noted that staff will report back to the Board on any particular cases where disability examinations for out-of-state applicants poses a hardship. This will allow the Board to consider accommodating an applicant in cases of hardship.

The motion passed with Mr. Russin voting no.

B. Recommendation as submitted by Marsha D. Richter, Chief Executive Officer: Approve attendance of Board Members and one staff, as designated by the Chief Executive Officer, to attend the Contingency Planning & Management Conference, to be held April 15-17, 2002, in New Orleans, Louisiana; and approve reimbursement of travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated March 20, 2002.)

A motion was made by Mr. Perelman, seconded by Mr. Saladino, to approve the recommendation. The motion passed unanimously.

C. Recommendation as submitted by Marsha D. Richter, Chief Executive Officer: Approve attendance of staff, as designated by the Chief Executive Officer, to attend Caremark's Fourth Annual Customer Forum in Chicago, IL, to be held May 21-23, 2002; and approve reimbursement of travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated March 25, 2002.)

A motion was made by Mr. Perelman, seconded by Mr. Saladino, to approve the recommendation. The motion passed unanimously.

D. Recommendation as submitted by Marsha D. Richter, Chief Executive Officer: Approve attendance of Board Members and staff, as designated by the Chief Executive Officer, to attend the International Foundation of Employee Benefit Plans' Washington Legislative Update Conference to be held May 20-22, 2002; and approve reimbursement of travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated March 25, 2002.)

A motion was made by Mr. Perelman, seconded by Miss Antebi, to approve the recommendation. The motion passed unanimously.

E. Recommendation as submitted by Marsha D. Richter, Chief Executive Officer: Approve attendance of staff, as designated by the Chief Executive Officer, to attend the Association of Public Pension Fund Auditors Semi-Annual Professional Development Conference in Williamsburg, Virginia, to be held May 5-8, 2002; and approve reimbursement of travel costs incurred in accordance with

LACERA's Education and Travel Policy. (Memo dated March 27, 2002.)

A motion was made by Mr. Perelman, seconded by Miss Antebi, to approve the recommendation. The motion passed unanimously.

F. Recommendation as submitted by Marsha D. Richter, Chief Executive Officer: That the Board of Retirement provide direction to SACRS voting delegate concerning election of 2002/03 officers. (Memo dated March 26, 2002.)

A motion was made by Mr. Twine, seconded by Mr. Russin, that the following is LACERA's recommendation for SACRS 2002/03 Officers:

President: Ray McCray

Vice President: James Lee

Secretary: Bob Williams

Treasurer: Pat Wiegert

The motion passed unanimously.

G. Recommendation as submitted by Marsha D. Richter, Chief Executive Officer regarding Board Meeting Schedule. (Memo dated March 25, 2002.)

After a lengthy discussion the Board decided on splitting the regular Board of Retirement Meeting scheduled into two separate meetings. The first meeting will be reserved for disability retirement cases. Administrative agenda items will be handled at a second meeting later in the month. Meetings of the Insurance, Benefits, and Legislative Committee and Operations Oversight Committee will be held immediately following the administrative meeting of the Board of Retirement. Meetings of the Disability Procedures and Services Committee will be held immediately following the Board of Retirement meeting on the first Wednesday of every other month.

A motion was made by Mr. Saladino, seconded by Miss Antebi, to approve two (2) meetings each month on the 1st and 3rd Wednesday.

A substitute motion was made by Mr. Twine, seconded by Mr. Wirth, to split the Board of Retirement meeting into two meetings a month, beginning in June, 2002, as noted below:

The first Wednesday of each month is when the disability cases would be handled. The Disability Procedures & Services Committee will be held following the Board of Retirement meeting.

The Thursday, following the second Wednesday of each month is when the administrative agenda items would be handled. Both the Insurance, Benefits, and Legislative Committee meeting and Operations Oversight Committee meeting will be handled following the end of the Board of Retirement meeting. It is noted that this schedule will be handled on a trial basis and will be tested before incorporating it into the ByLaws.

The question of substitution only passed with Mr. Perelman voting no.

The action motion, as noted above, passed with Mr. Perelman voting no.

H. Recommendation as submitted by Gregg Rademacher, Assistant Executive Officer: That the Board of Retirement direct the LACERA actuary to perform Fire Department Retirement Trend Study at the Fire Department's expense. (Memo dated March 26, 2002.)

A motion was made by Mr. Pryor, seconded by Mr. Saladino, to approve the recommendation. The motion passed unanimously. Mr. Pryor, made an amendment to the motion and have LACERA pay for the study. The amendment died for lack of a second. The action motion to direct the LACERA actuary to perform Fire Department Retirement Trend Study at the Fire Department's expense.

I. Recommendation as submitted by David L. Muir, Chief Counsel:

Adopt a policy regarding the assignment of referees in difficult cases. (Memo dated March 26, 2002.)

Referee Irene Ayala discussed a case involving an applicant who has been know to sue everyone who takes a position against her.

After a lengthy discussion among the Board and staff the following motion was made:

A motion was made by Mr. Twine, seconded by Mr. Pryor, to cover LACERA's referees pursuant to the provisions of the Tort Claims Act recognizing that though they are not employees, LACERA is just using that body of law to provide LACERA with some type of precedent and dealing with the issues as they come up. The motion passed with Mr. Russin voting no.

V. PUBLIC COMMENT

VI. GOOD OF THE ORDER

(For discussion purposes only.)

VII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

VIII. EXECUTIVE SESSION

The Board met in executive session to discuss the following matters with Legal Counsel.

A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION (Subdivision (a) of Section 54956.9)

1. Los Angeles County Professional Peace Officers' Association, et al. v. LACERA L.A. County Superior Court Case No. BS051355 (Payment of invoice and status report.)

2. Appeal of Jeffrey Hauptman (Payment of invoice.)

3. Disability Retirement Appeal of Blanch Wilson-Payne. Pulled off the agenda at the request of staff.

4. Claim of Michael Schubach - Request To Redeposit Funds. Pulled off the agenda at the request of staff.

B. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION (Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9.)

1. Claim of Millie Bunkley - Reimbursement of Premiums. The Board reconvened in open session, at which time Mr. Muir made the following statement for the record. For the record, the Board met in closed session to discuss with legal Counsel some items of existing litigation and one item of anticipated litigation. In the matter of Los Angeles County Professional Peace Officers' Association, et al. v. LACERA (Ventura case) the Board unanimously approved payment of invoice for outside legal services on a motion by Mr. Fleming, seconded by Mr. Saladino. In the case of Jeffrey Hauptman the Board unanimously approved payment of invoice for outside legal services on a motion by Mr. Saladino, seconded by Mr. Twine. In the claim of Millie Bunkley the Board unanimously denied her claim on a motion by Mr. Saladino, seconded by Miss Antebi.

IX. ADJOURNMENT

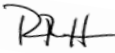
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August 2, 2018

TO: Each Member
Board of Retirement

FROM: Robert H. Hill 
Interim Chief Executive Officer

FOR: Board of Retirement Meeting on August 9, 2018

SUBJECT: **BOARD OF RETIREMENT MEETING CALENDAR**

RECOMMENDATION

It is recommended the Board of Retirement consider rescheduling the Wednesday, October 3, 2018 Disability meeting.

DISCUSSION

Mr. Adams would like to request the Board to reschedule the Wednesday, October 3, 2018 Disability meeting due to the Public Pension Trustees Fiduciary Conference: Gaining the Tools for Innovation in New York, New York on October 2-3, 2018.

Following are potential meeting dates for our October meeting.

Tuesday, October 9, 2018

Thursday, October 11, 2018 – Combined Meeting

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

RH:bn

Attachment

October 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	1	2	3 BOR	4 <i>BOI Agenda Packet Mailing</i>	5 <i>BOR Agenda Packet Mailing</i>	6
NACD Global Board Leaders' Summit – Washington, DC			Public Pension Trustees Fiduciary Conference – New York			
			PREA Conference – Boston, MA			
7	8 Columbus Day	9	10 BOI (Committees)	11 BOR (Committees)	12	13
14	15	16	17	18	19	20
AHIP Medicare Conference – Washington, DC			IFEBP Annual Employee Benefits Conference – New Orleans, LA			
PPI Conference – Australia						
21	22 ICGN New York Event - NY	23 <i>Disability Case Mailing</i>	24	25	26	27
			CII Fall Conference – Boston, MA			
Investment Strategies & Portfolio Management – Philadelphia, PA						
28	29	30	31 Halloween			
NCPERS Public Safety Conference – Las Vegas, NV						

Joseph Kelly
500 West Temple Street, Suite 437
Los Angeles, CA 90012

July 31, 2018

The Board of Retirement
The Los Angeles County Employee Retirement Association
300 North Lake Avenue
Pasadena, CA 91101

Attention: Ms. Bonnie Nolley, Secretary

Dear Ms. Nolley,

In accordance with Board regulations that permit Board members to request items be placed on the agenda in writing no later than noon of the fifth working day prior to any scheduled Board meeting, I respectfully request placement of the following item on the Board of Retirement's Agenda for Thursday, August 9.

IT IS RECOMMENDED THAT THE BOARD OF RETIREMENT:

1. Reconstitute the Joint Organizational Governance Committee (JOGC) as a standing joint committee of both the Board of Retirement (BOR) and Board of Investments (BOI) and reassign to the JOGC all matters currently being considered by Ad Hoc Committees, with the exception of the Ad Hoc Committee overseeing the recruitment of the Retirement Administrator/Chief Executive Officer which will remain responsible for this recruitment at this time;
2. Revise the JOGC Charter, Section 8 Membership, Quorum, and Rules, as follows. (The revision is red-lined.)

There will be eight (8) members with no designated alternates. The JOGC will be comprised of the BOR and BOI Chairs and Vice-Chairs plus one member appointed by each Chair and one member elected by each Board. If there is one JOGC member who represents both Boards (one overlap), then an additional appointment will be made by the BOR Chair in even years and by the BOI Chair in odd years. If there is more than one overlap, the BOR and BOI Chairs will make an equal number of additional appointments; if there are an odd number of overlaps, the final appointment, after the Board Chairs make their separate appointments, will be made following the rule as stated in the preceding sentence that applies in the case of one overlap. **In selecting their appointments, the Chairs will endeavor to include an overall mix of trustees who are appointed by the Board of Supervisors, elected by active employees (general and safety), elected by retired employees, and who serve in an ex-officio capacity. The Chairs will also consider continuity of service when**

selecting Committee members, so that development of expertise and familiarity with the subject matters jurisdictional to the JOGC are encouraged, and to benefit Committee goals.¹

3. Elect a JOGC Member.
4. Request the Interim Chief Executive Officer (CEO) engage Funston Consultants, the consultants who assisted the BOR and the BOI Ad Hoc Committee that recommended the formation of the JOGC, to undertake an evaluation of the JOGC's effectiveness in the fall 2019. Funston should allow for input by all trustees in the evaluation processes. When completed, the evaluation should be placed on a BOI and BOR agenda for discussion.

BACKGROUND

The formation of the JOGC several years ago was one of the most, if not the most, significant governance decisions the Boards have made. The approach the Boards took in evaluating their governance options was methodical, prudent, strategic and inclusive of professional consultant advice. In forming the JOGC, the Board did not delegate its authority for final actions on matters. The JOGC was to develop recommendations that would come before each Board for consideration. The membership of the JOGC was reasonable in number (eight trustees) and its make-up allowed for consideration of our different perspectives and experiences. The JOGC was also subject to the Ralph M. Brown Act. As a result, its deliberations and decisions were transparent to our members. Our commitment to the JOGC was a commitment to govern in an efficient, organized and transparent manner.

In our first meeting of this calendar year, the newly elected Chairs recommended dissolution of the JOGC. Each Board passed the recommended dissolution by a vote of five for and four against. Since the dissolution, the Chairs have formed three distinct Ad Hoc Committees in a row, each charged with a matter of importance. Today, we find ourselves managed through an "Ad Hoc-racy" that has questioned the Board's authority for final actions; limited representation of our diverse experiences in decision-making; compromised our ability to meet our members' expectation of transparency in our deliberations and decisions; and caused confusion and increased operational inefficiencies.

To be clear, in presenting these recommendations to you, I acknowledge that Ad Hoc Committees are permitted under the law, and their use in organizations is often appropriate. However, when compared against the benefits that accrue to the Board, to LACERA and to LACERA's members by governing through the JOGC, the JOGC is a more effective, inclusive, efficient and transparent governance model.

¹ This language is sourced for the most part from the Board of Retirement's Standing Committee Charters, v. 11, approved by the Board of Retirement on April 13, 2017.

JUSTIFICATION FOR RECOMMENDED ACTIONS

The recommended actions are justified by the following:

1. The need for the Board to re-assert its authority over final actions.

Through its Charter, approved unanimously by each Board, the JOGC was to be advisory to each Board. The Charter assigned the JOGC with the responsibility to review and make recommendations to each Board. The Charter purposely did not delegate final decision making to the JOGC. "Final action can only be taken by the Boards themselves" the Charter states.

Compare the authority of the Board under the JOGC with what we have seen with Ad Hoc Committee No. 2. After six meetings and two reports to the Board, both filed as information only on our Board agenda, Ad Hoc Committee No. 2 did not present recommendations to the Board for the Board's deliberation and decision. Ad Hoc Committee No. 2 decided the matter itself.

2. The need to affirm the importance of a committee's membership relative to the committee's objective(s).

This Board has a documented record of acknowledging the importance of a committee's membership to the committee's objective. In this Board's *Standing Committee Charters*, the Board acknowledged this important point when the Board wrote: *The BOR Chair will consider continuity of service when selecting Committee members so that development of expertise and familiarity with the subject matter is encouraged, and to benefit Committee goals.* In the same document, the Board also acknowledged the value different types of trustees bring to deliberations and decisions when the Board wrote: *"In selecting their appointments, the Chairs will endeavor to include an overall mix of ex-officio, appointed, elected, active, and retired members."*

The JOGC included appointed and elected members. By revising the JOGC Charter in the manner recommended, we ensure that the factors of continuity of service and diversity of representation are considered in JOGC appointments. As well, the elected member allows each of us an opportunity to participate in a democratic process related to membership.

By its definition, ad hoc signifies a solution designed for a specific problem or challenge. Ad Hoc Committees do not develop a solution that can be applied to another problem elsewhere. However, these matters assigned to the three Ad Hoc Committees have common threads among them. I believe that a group of eight trustees, some members of which are selected with continuity of service and diversity of representation in mind, is better suited to see the inter-connectedness of

these matters and consider the inter-connectedness in their development of recommendations for consideration by the full Board.

3. The need to be more transparent in our deliberations and decisions.

The JOGC is a standing committee subject to the Ralph M. Brown Act, thereby ensuring the transparency of its deliberations and decisions and providing the Boards, LACERA and LACERA members with a mechanism to hold the JOGC and the Boards accountable for their deliberations and decisions.

Ad Hoc Committees are not subject to the Ralph M. Brown Act. Because of this there is no requirement that the Ad Hoc Committee post meeting agendas, allow for public comment, nor release meeting minutes. Each Ad Hoc Committee the Chairs formed in this "Ad hoc-racy" is charged with consideration of a very material matter. When faced with transparency or continued haziness, I believe the matters themselves require that we affirm transparency and give thanks that the haziness has cleared.

4. The implementation of the Ad Hoc Committee structure has been confusing and has resulted in operational inefficiencies.

The Chairs have revised the number of members on one Ad Hoc Committee to eight, but recently established another Ad Hoc Committee with six members. There was no explanation provided for the difference. The Chairs released meeting minutes for one Ad Hoc Committee, but not another. Further, the minutes it did release did not contain any indication that the minutes were reviewed or approved. These very recent actions were likely initiated in response to the lack of formal communication of Committee deliberations and decisions, a fact that appears to have frustrated trustees.

The Ad Hoc Committee structure has also resulted in an ever increasing number of meetings, including a significant number of Joint Board meetings. The Chairs scheduled Joint Board Meetings in four out of the five most recent months. Earlier this year, this Board's Chair and Vice Chair cited "too many meetings" as a justification for disbanding the JOGC; yet disbanding the JOGC has actually increased the number of Joint Board meetings.

Sincerely,


A handwritten signature in black ink, appearing to read "Joseph Kelly", with a long, sweeping underline.

Joseph Kelly

**FOR INFORMATION ONLY**

July 27, 2018

TO: Each Member
Board of Retirement

FROM: Bernie Buenaflo 
Interim Assistant Executive Officer

FOR: Board of Retirement Meeting of August 9, 2018

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

Summary

Attached for your review is the July 1, 2017 Los Angeles County Other Postemployment Benefits (OPEB) Program Actuarial Valuation Report prepared by your Board's OPEB actuary, Milliman. This report, commonly referred to as the "OPEB valuation report," estimates the long-term funding liability for retiree medical, dental/vision, and death benefits promised to active and retired Los Angeles County workers, who participate in the LACERA retirement benefits plan. The plan sponsors use the determinations made in the OPEB valuation report for program funding decisions.

Accounting Standards

The valuation was performed at the request of Los Angeles County to satisfy financial statement reporting guidelines that apply to sponsoring employers, such as Los Angeles County, and those organizations, such as LACERA, who administer OPEB benefit programs.

In 2015, the Governmental Accounting Standards Board (GASB) issued new Statement Numbers 74 and 75, which guide financial statement reporting requirements for OPEB programs applicable to both the plan and the plan sponsors, respectively. GASB 74 and 75 superseded GASB 43 and 45. The data, assumptions, program provisions, and funding goals described in the OPEB valuation report serve as a basis for the GASB 74 and 75 disclosure reports, which Milliman prepares separately. GASB sets forth specific financial reporting requirements for LACERA and the County, which result in different computations and data, including discount rates and actuarial cost methodology, than the information provided in the OPEB valuation report. The GASB reporting guidelines are intended to improve OPEB program cost disclosures and do *not* require any funding arrangements.

Board Policy

Your Board's OPEB Actuarial Valuation and Audit Policy Statement, revised in October 2017, requires *annual* valuations such that financial statement disclosure reports can be prepared for LACERA, as well as the plan sponsors. This July 1, 2017 OPEB valuation report is the *first* annual valuation prepared in accordance with the revised Policy to meet timelines associated with LACERA's and the plan sponsors' financial statement reporting requirements.

Assumptions

The actuarial demographic and economic assumptions used to prepare the valuation results are based on those developed for the retirement benefits plan and supplemented by those

specific to the OPEB program, which are identified and reviewed by the OPEB Program stakeholder group.

Board Presentation

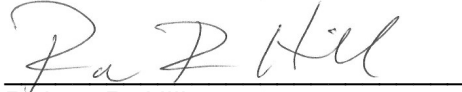
Milliman's lead OPEB consulting actuary, Robert Schmidt, will be present at your August 9, 2018 meeting to provide a high-level overview of the actuarial assumptions, procedures, and valuation results.

Conclusion

Finally, I would like to recognize and express my gratitude to LACERA division staff from Retiree Health Care, Financial and Accounting Services and the OPEB program stakeholder group, who actively participated in the year-long OPEB valuation process, including: LACERA's consulting actuary–Milliman; LACERA's auditing actuary–Cavanaugh Macdonald; LACERA's health care consultant–Segal; representatives from Los Angeles County's Chief Executive Office, Auditor-Controller, and their actuary–Cheiron; representatives from SEIU Local 721 and their actuary–Rael & Letson; and representatives from the Los Angeles County Superior Court and the South Coast Air Quality Management District.

RH:BB:BSA;tg

REVIEWED AND APPROVED:



Robert R. Hill
Interim Chief Executive Officer

Enclosure



Los Angeles County Employees Retirement Association

Other Postemployment Benefits Program Actuarial Valuation

July 1, 2017

Prepared by:

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June 29, 2018

Mr. Robert R. Hill
Interim Chief Executive Officer
LACERA
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

Re: July 1, 2017 Other Postemployment Benefits (OPEB) Actuarial Valuation

Dear Robert:

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, 2017, and the retiree health plan premium rates in effect as of July 1, 2017, received from Aon Hewitt (LACERA's Health Care Benefits Consultant at the time), and July 1, 2018, received from Segal (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, Aon Hewitt, and Segal. 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 Patient Centered Outcomes Research Institute Fee and the Insurer Fee (including the 2019 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 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 was 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, 2018 renewals and carrier ACA Health Insurer Fee details and claim costs. The investment rate of return assumption was reviewed utilizing the Meketa Investment Group investment policy resulting in no change to this assumption from the prior July 1, 2016 OPEB valuation. These 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; Cavanaugh Macdonald, LACERA's auditing actuary; Segal, 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.

This July 1, 2017 OPEB valuation is for funding purposes. The data, assumptions, OPEB program provisions as described in Appendix B of this report, and the funding goals serve as a basis for the separate GASB 74 and 75 disclosure reports. Actuarial computations under Government Accounting Standards Board (GASB) Statement Numbers 74 and 75 are for purposes of fulfilling financial accounting requirements for LACERA and Los Angeles County (the employer) respectively. The GASB 74 and 75 disclosure reports need to meet the requirements of these standards which include but are not limited to a different discount rate and actuarial cost methodology. LACERA must report under GASB 74 since the benefit payments flow through LACERA's financial accounts. 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 outside districts, 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, Cavanaugh Macdonald, 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

Table of Contents

	Page
Letter of Transmittal	
Section 1: Executive Summary	1
Section 2: Actuarial Valuation as of July 1, 2017	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. CAFR Information	20
Section 3: GASB Liabilities and Costs as of July 1, 2017 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 Tier 2 Employees	I-1

Section 1: Executive Summary



2017 Valuation Results

	July 1, 2017	July 1, 2016
Actuarial Accrued Liability (\$ billions)	\$ 26.30	\$ 25.91
Less Assets	0.74	0.56
Unfunded Actuarial Accrued Liability	\$ 25.56	\$ 25.35
County Normal Cost Rate	12.54%	13.26%
County ARC as a Percentage of Payroll	25.57%	27.03%

Overview

We are pleased to present the results of the July 1, 2017 annual actuarial valuation. Several key points are summarized as follows:

- The Unfunded Actuarial Accrued Liability (UAAL) increased due to a combination of several factors, some of which were offsetting. These included increases due to the passage of time since our July 1, 2016 valuation, claim cost experience gains, trend assumption gains, demographic losses, and asset gains measured as of July 1, 2017.
- 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, 2016 and July 1, 2017 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, 2016 Valuation	\$ 25.91	\$ (0.56)	\$ 25.35	13.26%	27.03%
Expected One-year Change	1.59	(0.13)	1.46	0.14%	0.47%
B. July 1, 2017 Valuation Expected	\$ 27.50	\$ (0.69)	\$ 26.81	13.40%	27.50%
Claim Cost Experience	(0.74)	-	(0.74)	(0.24%)	(0.62%)
Trend Assumption (Gain)/Loss ¹	(0.47)	-	(0.47)	(0.26%)	(0.50%)
Other Experience (Gain)/Loss	0.01	-	0.01	(0.36%)	(0.78%)
Asset (Gain)/Loss	-	(0.05)	(0.05)	0.00%	(0.03%)
C. July 1, 2017 Valuation	\$ 26.30	\$ (0.74)	\$ 25.56	12.54%	25.57%

¹ Includes impact of July 1, 2018 renewals and the Health Insurer Fee

**Analysis of Change
(continued)**

Section A: The expected one-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, 2016 valuation payroll of \$7,268.6 million, increased by 3.25% per year (the payroll increase assumed at the time of the July 1, 2016 valuation) for one year to \$7,504.8 million (projected as of July 1, 2017).

Section B: The claim cost experience gain includes the impact of updated aging factors. The trend assumption gain includes the impact of the July 1, 2018 premiums and the trend assumption changes. The July 1, 2018 premiums are based on premiums received from Segal as of April 13, 2018. The fees associated with ACA are reflected in the medical and dental trend rates. These fees include the Patient Centered Outcomes Research Institute (PCORI) Fee and the Insurer Fee. Carriers took different approaches to adjust for the calendar year 2017 Health Insurer Fee moratorium but have taken a more uniform approach for the 2019 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. There is an asset gain due to the actual investment returns being higher than assumed. Higher than expected OPEB Trust assets in July 1, 2017 lowers the UAAL. The amortization of this change between expected and actual assets is included in the ARC resulting in a 0.03% decrease in the County ARC percentage. The cost percentages in this section are based on the updated July 1, 2017 valuation payroll of \$7,743.0 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, 2017.
- 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 GASB statements No. 43 and 45. 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.

County Costs for OPEB Benefits¹
Summary of July 1, 2017 Valuation Results
 (all dollar amounts in billions)

	LA County			Superior Court	Total
	General	Safety	Subtotal		
1. Present Value of Future Benefits	\$ 27.80	\$ 11.27	\$ 39.07	\$ 1.63	\$ 40.70
2. Present Value of Future Normal Costs	10.55	3.36	13.91	0.49	14.40
3. Actuarial Accrued Liability (1-2)	\$ 17.25	\$ 7.91	\$ 25.16	\$ 1.14	\$ 26.30
4. Assets ²	0.48	0.22	0.70	0.04	0.74
5. Unfunded Actuarial Accrued Liability (3-4)	\$ 16.77	\$ 7.69	\$ 24.46	\$ 1.10	\$ 25.56
6. ARC ³	\$ 1.34	\$ 0.56	\$ 1.90	\$ 0.08	\$ 1.98
7. ARC expressed as a percentage of payroll					
Normal Cost	11.33%	17.90%	12.63%	10.59%	12.54%
UAAL payment	11.12%	20.80%	13.02%	13.12%	13.03%
Total	22.45%	38.70%	25.65%	23.71%	25.57%

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, 2017, compared with July 1, 2016, under the Projected Unit Credit Cost Method. The July 1, 2017 results are based on an assumed 4.50% investment rate of return (discount rate) and the July 1, 2016 results are based on an assumed 4.50% investment rate of return as well. The July 1, 2017 investment rate of return reflects the investment policy assumptions from Meketa Investment Group, changes in asset allocation and assumed investment returns. The commitment to prefunding is based on a 2015 County budget policy.

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 one-year increase of 6.5% is higher than the anticipated one-year increase of 3.25%.
- The expected County paid benefits for the first year following the valuation date. The one-year increase of 4.9% is less than the previously expected one-year increase of 7.7% due largely to lower than anticipated health care premiums. This is based on Table 6 of the July 1, 2016 valuation, which expected the 2016-2017 payment level of \$570.6 million to increase to \$614.3 million in 2017-2018 (as compared to the new expected 2017-2018 amount of \$598.7 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 1.5% overall increase is lower than expected as a result of lower-than-expected claims and trend.
- The Annual Required Contribution (ARC). The ARC increased by 0.8% in dollar terms, and decreased by 5.4% as a percentage of payroll. As seen in the Analysis of Change section on page 1, lower-than-expected health care claims and trend as well as and higher-than-expected payroll increases.

**Table 1: July 1, 2017 Summary of County Paid Liabilities and Cost
 (All Dollar Amounts in Millions)**

	July 1, 2017	July 1, 2016	Percentage Change
A. Total Membership			
1. Active Members	97,149	95,295	1.9%
2. Vested Terminated Members	8,302	8,207	1.2%
3. Retirees and Survivors (Medical Coverage)	49,109	47,903	2.5%
4. Total	<u>154,560</u>	<u>151,405</u>	2.1%
B. Valuation Payroll	\$ 7,743.0	\$ 7,268.6	6.5%
C. Projected County Paid First-Year Benefits	\$ 598.7	\$ 570.6	4.9%
D. Present Value of Future Benefits (PVB) ¹	\$ 40,698.2	\$ 40,212.9	1.2%
E. Actuarial Accrued Liability by Member Group ¹			
1. LA County Members	\$ 25,160.9	\$ 24,791.9	1.5%
2. Superior Court Members	1,139.9	1,120.7	1.7%
3. Total	<u>\$ 26,300.8</u>	<u>\$ 25,912.6</u>	1.5%
F. Actuarial Accrued Liability by Member Status ¹			
1. Active Members	\$ 14,660.5	\$ 14,547.9	0.8%
2. Vested Terminated Members	669.0	652.5	2.5%
3. Retired Members	10,971.3	10,712.2	2.4%
4. Total	<u>\$ 26,300.8</u>	<u>\$ 25,912.6</u>	1.5%
G. Actuarial Accrued Liability by Benefit Type ¹			
1. Retiree Medical	\$ 21,386.0	\$ 21,269.9	0.5%
2. Retiree Dental/Vision	1,247.0	1,248.2	(0.1%)
3. Medicare Part B	3,461.5	3,192.8	8.4%
4. Retiree Death Benefit	206.3	201.7	2.3%
5. Total	<u>\$ 26,300.8</u>	<u>\$ 25,912.6</u>	1.5%
H. Assets	\$ 742.9	\$ 560.8	32.5%
I. Unfunded Actuarial Accrued Liability	\$ 25,557.9	\$ 25,351.8	0.8%
J. Annual Required Contribution (ARC) ²	\$ 1,979.8	\$ 1,964.4	0.8%
K. ARC expressed as a percentage of payroll			
1. Normal Cost	12.54%	13.26%	(5.4%)
2. UAAL payment	13.03%	13.77%	(5.3%)
3. Total	<u>25.57%</u>	<u>27.03%</u>	(5.4%)

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, 2017

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 annually.

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, 2017 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: Cavanaugh Macdonald, 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.

Appendix I provides a summary of the basic provisions of the Tier 2 program for employees hired after June 30, 2014.

B. GASB Liabilities and Costs

**Key Liability
Descriptions**

This funding valuation is performed on the same basis as the July 1, 2016 funding valuation report, which was consistent with GASB Statements No. 43 and No. 45. A discussion of the new GASB Statements No. 74 and 75 is in Section 2, Subsection E, Accounting and CAFR Information.

There are two measures of OPEB program liabilities, the Actuarial Present Value of Projected Total Benefits (PVB) and the Actuarial Accrued Liability (AAL).

**Key Liability
Descriptions
(continued)**

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.

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 prior GASB 43 and 45 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 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, 2017, the beginning of the 2017/2018 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.

GASB issued Statement No. 74 in June of 2015. This statement replaced GASB Statement No. 43. GASB also issued Statement No. 75 in June of 2015. This statement replaced GASB Statement No. 45. LACERA was required to adopt Statement No. 74 for the fiscal year ended June 30, 2017. For the County, Statement No. 75 is required to be adopted for the fiscal year ending June 30, 2018. The requirements under GASB 74 and 75 necessitate separate disclosure reports from this funding valuation. Parts of this valuation, including the census and assumptions are utilized in the separate GASB 74 and 75 disclosure reports.

The information in this report was prepared for the purpose of presenting OPEB funding and CAFR information. The actual funding of the OPEB program benefits may differ from the amounts used for accounting disclosure purposes. 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, 2017 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	\$ 5,841.5	\$ 3,461.6	\$ 9,303.1	\$ 374.0	\$ 9,677.1
Vested Terminateds	709.1	61.8	770.9	88.6	859.5
Actives	8,513.1	3,792.9	12,306.0	540.0	12,846.0
Total	\$ 15,063.7	\$ 7,316.3	\$ 22,380.0	\$ 1,002.6	\$ 23,382.6
2. AAL - Retiree Paid Medical Premiums					
Retirees	\$ 514.3	\$ 285.9	\$ 800.2	\$ 38.1	\$ 838.3
Vested Terminateds	283.1	33.1	316.2	32.4	348.6
Actives	589.4	195.2	784.6	25.0	809.6
Total	\$ 1,386.8	\$ 514.2	\$ 1,901.0	\$ 95.5	\$ 1,996.5
3. AAL - County Paid Medical Benefits (1) - (2)					
Retirees	\$ 5,327.0	\$ 3,175.8	\$ 8,502.8	\$ 335.9	\$ 8,838.7
Vested Terminateds	426.0	28.7	454.7	56.2	510.9
Actives	7,923.7	3,597.7	11,521.4	515.0	12,036.4
Total	\$ 13,676.7	\$ 6,802.2	\$ 20,478.9	\$ 907.1	\$ 21,386.0

**Table 2 (Cont): July 1, 2017 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	\$ 453.0	\$ 188.9	\$ 641.9	\$ 27.2	\$ 669.1
Vested Terminateds	40.5	2.7	43.2	4.7	47.9
Actives	481.9	138.8	620.7	31.3	652.0
Total	\$ 975.4	\$ 330.4	\$ 1,305.8	\$ 63.2	\$ 1,369.0
5. AAL - Retiree Paid Dental & Vision Premiums					
Retirees	\$ 41.6	\$ 15.5	\$ 57.1	\$ 2.9	\$ 60.0
Vested Terminateds	16.4	1.5	17.9	1.8	19.7
Actives	34.0	6.8	40.8	1.6	42.4
Total	\$ 92.0	\$ 23.8	\$ 115.8	\$ 6.3	\$ 122.1
6. AAL - County Paid Dental & Vision Benefits (4) - (5)					
Retirees	\$ 411.4	\$ 173.4	\$ 584.8	\$ 24.3	\$ 609.1
Vested Terminateds	24.1	1.2	25.3	3.0	28.3
Actives	447.9	132.0	579.9	29.7	609.6
Total	\$ 883.4	\$ 306.6	\$ 1,190.0	\$ 57.0	\$ 1,247.0

**Table 2 (Cont): July 1, 2017 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	\$ 960.8	\$ 362.2	\$ 1,323.0	\$ 57.9	\$ 1,380.9
Vested Terminateds	103.5	5.9	109.4	12.0	121.4
Actives	1,462.4	401.3	1,863.7	95.5	1,959.2
Total	\$ 2,526.7	\$ 769.4	\$ 3,296.1	\$ 165.4	\$ 3,461.5
8. AAL - County Paid Retiree Death Benefit					
Retirees	\$ 111.6	\$ 24.2	\$ 135.8	\$ 6.8	\$ 142.6
Vested Terminateds	7.3	0.4	7.7	0.7	8.4
Actives	45.4	7.0	52.4	2.9	55.3
Total	\$ 164.3	\$ 31.6	\$ 195.9	\$ 10.4	\$ 206.3
9. AAL - County Paid Benefits (3) + (6) + (7) + (8)					
Retirees	\$ 6,810.8	\$ 3,735.6	\$ 10,546.4	\$ 424.9	\$ 10,971.3
Vested Terminateds	560.9	36.2	597.1	71.9	669.0
Actives	9,879.4	4,138.0	14,017.4	643.1	14,660.5
Total	\$ 17,251.1	\$ 7,909.8	\$ 25,160.9	\$ 1,139.9	\$ 26,300.8

Table 3: July 1, 2017 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	\$ 634.1	\$ 262.4	\$ 896.5	\$ 31.9	\$ 928.4
2. Retiree Paid Medical Premiums	92.4	35.8	128.2	3.8	132.0
3. Net County Paid Medical Benefits (1) - (2)	\$ 541.7	\$ 226.6	\$ 768.3	\$ 28.1	\$ 796.4
4. Total Dental/Vision Benefits	\$ 32.6	\$ 8.7	\$ 41.3	\$ 1.7	\$ 43.0
5. Retiree Paid Dental/Vision Premiums	5.2	1.1	6.3	0.2	6.5
6. Net County Paid Dental/Vision Benefits (4) - (5)	\$ 27.4	\$ 7.6	\$ 35.0	\$ 1.5	\$ 36.5
7. County Paid Medicare Part B Premiums	\$ 102.4	\$ 26.7	\$ 129.1	\$ 5.4	\$ 134.5
8. County Paid Retiree Death Benefit	\$ 2.9	\$ 0.4	\$ 3.3	\$ 0.2	\$ 3.5
9. Total County Normal Cost (3) + (6) + (7) + (8)	\$ 674.4	\$ 261.3	\$ 935.7	\$ 35.2	\$ 970.9
10. Valuation Payroll	\$ 5,951.1	\$ 1,459.5	\$ 7,410.6	\$ 332.4	\$ 7,743.0
11. County Normal Cost as a Percentage of Payroll	11.33%	17.90%	12.63%	10.59%	12.54%

Milliman July 1, 2017 OPEB Actuarial Valuation
Los Angeles County Employees Retirement Association

Table 4: 2017-2018 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)	\$ 27,800.6	\$ 11,267.5	\$ 39,068.1	\$ 1,630.1	\$ 40,698.2
Present Value of Future Normal Cost (PVFNC)	10,549.5	3,357.7	13,907.2	490.2	14,397.4
Actuarial Accrued Liability as of July 1, 2017	\$ 17,251.1	\$ 7,909.8	\$ 25,160.9	\$ 1,139.9	\$ 26,300.8
Fund Balance at July 1, 2017	484.5	222.1	706.6	36.3	742.9
Unfunded Actuarial Accrued Liability	\$ 16,766.6	\$ 7,687.7	\$ 24,454.3	\$ 1,103.6	\$ 25,557.9
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	\$ 661.8	\$ 303.5	\$ 965.3	\$ 43.6	\$ 1,008.9
3. 2017 - 2018 Annual Required Contribution (ARC) on July 1, 2017					
Amortization of UAAL	\$ 661.8	\$ 303.5	\$ 965.3	\$ 43.6	\$ 1,008.9
Normal Cost	674.4	261.3	935.7	35.2	970.9
Annual Required Contribution (ARC) (As of July 1, 2017)	\$ 1,336.2	\$ 564.8	\$ 1,901.0	\$ 78.8	\$ 1,979.8
4. July 1, 2017 Valuation Payroll					
	\$ 5,951.1	\$ 1,459.5	\$ 7,410.6	\$ 332.4	\$ 7,743.0
5. Estimated ARC as a Percentage of Valuation Payroll					
	22.45%	38.70%	25.65%	23.71%	25.57%

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
6/30/2018	\$ 530.8	\$ 47.7	\$ 64.5	\$ 8.4	\$ (48.2)	\$ (4.5)	\$ 598.7
6/30/2019	587.9	49.5	73.3	8.6	(55.0)	(4.8)	659.5
6/30/2020	638.0	52.1	76.8	8.8	(60.6)	(5.1)	710.0
6/30/2021	695.8	55.8	82.3	9.1	(67.0)	(5.5)	770.5
6/30/2022	746.9	58.7	88.5	9.3	(72.7)	(5.8)	824.9
6/30/2023	802.5	61.7	95.4	9.6	(78.6)	(6.1)	884.5
6/30/2024	861.6	64.8	103.6	9.8	(84.6)	(6.5)	948.7
6/30/2025	923.5	68.0	111.9	10.1	(90.6)	(6.8)	1,016.1
6/30/2026	990.2	71.3	121.8	10.3	(97.0)	(7.1)	1,089.5
6/30/2027	1,054.8	74.7	133.0	10.6	(102.8)	(7.4)	1,162.9

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>
6/30/2018	\$ 400.2	\$ 174.2	\$ 574.4	\$ 24.3	\$ 598.7
6/30/2019	437.2	195.9	633.1	26.4	659.5
6/30/2020	467.4	214.3	681.7	28.3	710.0
6/30/2021	504.4	235.3	739.7	30.8	770.5
6/30/2022	538.3	253.6	791.9	33.0	824.9
6/30/2023	574.9	274.0	848.9	35.6	884.5
6/30/2024	615.1	295.1	910.2	38.5	948.7
6/30/2025	657.8	316.8	974.6	41.5	1,016.1
6/30/2026	704.1	340.5	1,044.6	44.9	1,089.5
6/30/2027	753.8	360.5	1,114.3	48.6	1,162.9

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 AAL and ARC. 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, 2017 AAL	\$ 26,300.8	\$ 32,311.3	\$ 21,765.1
Percentage Increase/(Decrease)		23%	(17%)
2017 - 2018 ARC	\$ 1,979.8	\$ 2,562.1	\$ 1,558.7
Percentage Increase/(Decrease)		29%	(21%)

E. 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, 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%
July 1, 2017	\$742,900	\$26,300,800	\$25,557,900	2.8%	\$7,637,032	334.7%

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>	
2015	\$2,152,300	\$470,185	-	\$470,185	22%
2016	\$2,152,300	\$530,320	-	\$530,320	25%
2017	\$1,979,800	\$645,381	-	\$645,381	33%

¹ Values from Fiscal Year Ended June 30, 2015, 2016, and 2017 are from the LACERA 2017 CAFR. Actual Employer Contributions are not yet available for Fiscal Year Ended June 30, 2018.

Milliman July 1, 2017 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
July 1, 2017	3,229	41,266	(1,839)	(18,052)	51,754	578,586	4.18%	11,180

Los Angeles County Other Post Employment Benefits Program
Actuarial Analysis of Financial Experience - OPEB Program

(Dollars in Millions)

	Valuation as of July 1			
	2012	2014	2016	2017
Prior Valuation Unfunded Actuarial Accrued Liability	\$ 24,031	\$ 26,953	\$ 28,063	\$ 25,352
Expected Increase/(Decrease) from Prior Valuation	3,771	3,873	3,240	1,462
Claim Costs Greater/(Less) than Expected ¹	(3,864)	(5,471)	(2,322)	(1,213)
Change in Assumptions ²	3,423	3,238	(3,385)	-
Asset Return Less/(Greater) than Expected	N/A	(484)	78	(54)
All Other Experience	(408)	(46)	(322)	11
Ending Unfunded Actuarial Accrued Liability	\$ 26,953	\$ 28,063	\$ 25,352	\$ 25,558

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%	
July 1, 2017	-	11,640	14,661	743	N/A	6%	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. Milliman has prepared LACERA's first GASB 74 disclosure report issued on September 27, 2017. This GASB 74 disclosure report is based on the July 1, 2016 OPEB valuation, measurement date of June 30, 2017 and reporting date of June 30, 2017. The second GASB 74 disclosure report will be based on this July 1, 2017 OPEB valuation, measurement date of June 30, 2018 and reporting date of June 30, 2018.

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, the first GASB 75 disclosure report will be addressed based on the July 1, 2016 OPEB valuation with a measurement date of June 30, 2017 and a reporting date of June 30, 2018. The second GASB 75 disclosure report will be based on this July 1, 2017 OPEB valuation with a measurement date of June 30, 2018 and a reporting date of June 30, 2019.

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 Actuarially Determined Contribution (ADC) is the ARC with excise tax.
- 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, 2017 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.

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. The Tax Cuts and Jobs Act, passed in December 2017, adjusted the indexing of future Cadillac tax thresholds from CPI-U to chained CPI-U. Additional legislation passed in January 2018 further delayed the Cadillac until 2022 and suspended the health insurer fee for calendar year 2019. These changes are reflected in the health cost trend.

LACERA requested that Sections 1 and 2 exclude the impact of the Excise Tax under ACA and that Section 3 include the Excise Tax. A summary of results and the trend assumption reflecting the 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 table on page 25 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, 2017 Summary of County Paid Liabilities and Cost with Excise Tax
 (All Dollar Amounts in Millions)**

	July 1, 2017 with Excise Tax	July 1, 2017 without Excise Tax	Percentage Change
A. Total Membership			
1. Active Members	97,149	97,149	0.0%
2. Vested Terminated Members	8,302	8,302	0.0%
3. Retirees and Survivors (Medical Coverage)	49,109	49,109	0.0%
4. Total	<u>154,560</u>	<u>154,560</u>	0.0%
B. Valuation Payroll	\$ 7,743.0	\$ 7,743.0	0.0%
C. Projected County Paid First-Year Benefits	\$ 598.7	\$ 598.7	0.0%
D. Present Value of Future Benefits (PVB) ¹	\$ 43,723.4	\$ 40,698.2	7.4%
E. Actuarial Accrued Liability by Member Group ¹			
1. LA County Members	\$ 26,510.8	\$ 25,160.9	5.4%
2. Superior Court Members	1,196.9	1,139.9	5.0%
3. Total	<u>\$ 27,707.7</u>	<u>\$ 26,300.8</u>	5.3%
F. Actuarial Accrued Liability by Member Status ¹			
1. Active Members	\$ 15,721.5	\$ 14,660.5	7.2%
2. Vested Terminated Members	704.2	669.0	5.3%
3. Retired Members	11,282.0	10,971.3	2.8%
4. Total	<u>\$ 27,707.7</u>	<u>\$ 26,300.8</u>	5.3%
G. Actuarial Accrued Liability by Benefit Type ¹			
1. Retiree Medical	\$ 22,792.9	\$ 21,386.0	6.6%
2. Retiree Dental/Vision	1,247.0	1,247.0	0.0%
3. Medicare Part B	3,461.5	3,461.5	0.0%
4. Retiree Death Benefit	206.3	206.3	0.0%
5. Total	<u>\$ 27,707.7</u>	<u>\$ 26,300.8</u>	5.3%
H. Assets	\$ 742.9	\$ 742.9	0.0%
I. Unfunded Actuarial Accrued Liability	\$ 26,964.8	\$ 25,557.9	5.5%
J. Annual Required Contribution (ARC) ²	\$ 2,123.4	\$ 1,979.7	7.3%
K. ARC expressed as a percentage of payroll			
1. Normal Cost	13.68%	12.54%	9.1%
2. UAAL payment	13.74%	13.03%	5.4%
3. Total	<u>27.42%</u>	<u>25.57%</u>	7.2%

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
6/30/2018	6/30/2019	5.80%	6.00%
6/30/2019	6/30/2020	6.30%	6.00%
6/30/2020	6/30/2021	6.70%	6.50%
6/30/2021	6/30/2022	5.70%	6.10%
6/30/2022	6/30/2023	5.80%	6.10%
6/30/2023	6/30/2024	5.30%	5.30%
6/30/2024	6/30/2025	5.40%	5.40%
6/30/2025	6/30/2026	5.60%	5.40%
6/30/2026	6/30/2027	5.80%	5.40%
6/30/2027	6/30/2028	5.90%	5.50%
6/30/2037	6/30/2038	6.10%	5.60%
6/30/2047	6/30/2048	5.70%	5.60%
6/30/2057	6/30/2058	5.50%	5.80%
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%	4.50%
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, 2073, the pre 65 trend rate remains at 4.50%. After fiscal year ending June 30, 2095, 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, 2018. ACA Fees including PCORI, Health Insurer Fee and the impact from the calendar years 2017 and 2019 moratoriums are also included in the medical and dental/vision trends.

Milliman July 1, 2016 OPEB Actuarial Valuation
Los Angeles County Employees Retirement Association

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, 2017 with Excise Tax	July 1, 2017 without Excise Tax
6/30/2018	\$ 482.6	\$ 482.6
6/30/2019	532.9	532.9
6/30/2020	577.4	577.4
6/30/2021	628.8	628.8
6/30/2022	679.6	674.2
6/30/2023	735.9	723.9
6/30/2024	791.4	777.0
6/30/2025	849.9	832.9
6/30/2026	913.8	893.2
6/30/2027	977.2	952.0

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.

Plan	First Year Excise Tax Applies (as of 7/1/2014)	First Year Excise Tax Applies (as of 7/1/2016)	First Year Excise Tax Applies (as of 7/1/2017)
Blue Cross I	2018	2020	2022
Blue Cross II	2018	2020	2022
Blue Cross III	2037	2041	2040
Blue Cross Prudent Buyer	2018	2020	2022
Cigna Network Model	2018	2020	2022
Cigna Healthcare for Seniors	2045	2047	2046
Firefighters' Local 1014	2018	2020	2022
Kaiser Basic	2019	2021	2022
Kaiser Over 65	2046	2050	2048
UnitedHealthcare	2018	2020	2022
UnitedHealthcare Medicare Advantage	2049	2049	2048
SCAN	2046	2057	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. 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, based on the asset allocation approved in the December 2017 Board of Investments meeting which is 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 approved in the September 2017 Board of Retirement meeting. The premiums, claim costs, aging, and trend used for this valuation are updated as of July 1, 2017.

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. Nearly all of the assumptions were developed in our 2016 Retirement and OPEB experience study reports. The investment earnings, claim costs, and health cost trend assumptions were updated for this July 1, 2017 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 OPEB program's July 1, 2017 premium and claim information.

Table A-22 presents the health cost trend rates for the July 1, 2017 OPEB valuation. These rates reflect the final July 1, 2018 renewals and the impact from the 2019 calendar year moratorium of the Health Insurer Fee under the Affordable Care Act (ACA).

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, Aon Hewitt, and Segal 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

Since LACERA is a partially funded plan, a blend of the expected return on the County's general funds (3.54%) and the OPEB Trust return (6.30%) is used. For this valuation the investment earnings assumption is 4.50%, 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, 2017, 32.84% of the ARC was funded (\$645 million) / (\$1,964 million). We weight the OPEB Trust's expected return with the percent of the ARC that is funded, 32.84%. We weight the expected return of the General funds with the percent of the ARC that is unfunded, 67.16%. This results in a discount rate of 4.50% (4.45% rounded to the nearest quarter percent). The separate GASB 74/75 disclosure reports which are different from this funding valuation will follow prescribed discount rate requirements.

Health Cost Trend

The rates of the health cost trends are illustrated in Table A-22. Table A-22 includes a description of the model we use. These rates reflect the final July 1, 2018 renewals and the impact from the 2019 calendar year moratorium of the Health Insurer Fee under the ACA. The trends in Table A-22 do not include the excise tax under the ACA. These rates were adopted July 1, 2017.

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. 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. 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.

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, 2017

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
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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 Basis – Beneficiaries are assumed to have the same mortality as a general member of the opposite gender who has taken a service retirement.	Table A-2
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 <i>Post 65</i> 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	1.000%
70	1.000%
75	1.000%
80	1.000%
85	1.000%
90	0.930%
95	0.850%
100	0.640%
105	0.430%
110	0.210%
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 7.143% calculated as follows:

$$\begin{aligned}
 \text{Age 85 rate in 2017} &= \text{Age 85 rate in 2014 with 3 years improvement} \\
 &= 7.362\% \times (100.0\% - 1.0\%) \times (100.0\% - 1.0\%) \times (100.0\% - 1.0\%) \\
 &= 7.143\%
 \end{aligned}$$

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.

The separate GASB 74 and 75 disclosure reports are based on the cost allocation method, Entry Age Normal Level Percent of Pay. This cost allocation method includes both general wage and merit increases. Merit increases are located in Table A-5 of the June 30, 2017 actuarial valuation of retirement 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



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**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		



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**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		



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**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		



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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 and Medicare Part B premium reimbursement benefits.

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%



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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%



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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)				

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%



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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	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.

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. Tier 2 retirees are required to enroll in Medicare when eligible.

Effective January 1, 2007, Medicare Part B premiums vary depending on income status. The County places a cap on the per member monthly Part B reimbursement amount at the standard amount (e.g. \$134.00 for calendar year 2018). We assume that there will be no shift in enrollment.

For purposes of this valuation, we assume the average Medicare Part B premium reimbursement from July 1, 2017 through July 1, 2018 is \$122.67 per member per month. This is based on the average 2017 calendar year Medicare Part B premium rates provided in the census of \$111.34 per member per month and 2018 calendar year Medicare Part B standard premium rate of \$134.00.

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 this table below. The premium rates in Table A-20 include the carriers' administration fees and LACERA's per contract monthly administration fee. The per contract monthly administration fee was \$8.00 effective July 1, 2017 and July 1, 2018, and is included in the premium rates.

**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

**Pre and Post Age 65 Monthly Rates Effective July 1, 2018
 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	\$ 1,147.49	\$ 1,147.49	\$ 908.42	\$ 1,504.58	
Retiree & Spouse	\$ 2,067.52	\$ 2,067.52	\$ 1,786.33	\$ 2,715.52	
Retiree & Family	\$ 2,438.53	\$ 2,438.53	\$ 2,015.84	\$ 3,206.43	
Retiree & Children	\$ 1,517.73	\$ 1,517.73	\$ 1,167.26	\$ 1,996.12	
Minor Survivor	\$ 381.27	\$ 381.27	\$ 248.58	\$ 476.31	\$ 332.14
UnitedHealthcare Single					\$ 1,159.37
UnitedHealthcare Two-Party					\$ 2,116.35
UnitedHealthcare Family					\$ 2,509.10

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

Post Age 65 Monthly Rates Effective July 1, 2018

Tier	Anthem Blue Cross - Plan III	SCAN	United Healthcare Medicare Advantage
One Medicare	\$ 468.23		
Retiree & Spouse- 1 Medicare	\$ 1,493.50		
Retiree & Spouse- 2 Medicare	\$ 930.36		
Retiree & Children- 1 Medicare	\$ 837.15		
Retiree & Family- 1 Medicare	\$ 1,862.31		
Retiree & Family- 2 Medicare	\$ 1,299.09		
Retiree & Family- 3 Medicare	\$ 1,455.70		
Retiree Only		\$ 309.00	\$ 356.76
Retiree & 1 Dependent (1 Medicare)			\$ 1,508.13
Retiree & 1 Dependent (2 Medicare)		\$ 610.00	\$ 705.52
Retiree & 2 + Deps. (1 Medicare)			\$ 1,706.49
Retiree & 2 + Deps. (2 Medicare)			\$ 903.88

Kaiser California Monthly Rates

Effective Date	July 1, 2017	July 1, 2018
Retiree Basic (Under 65)	\$937.63	\$1,002.90
Retiree Risk (Senior Advantage)	\$256.62	\$274.22
Retiree Excess I	\$1,035.65	\$1,125.53
Retiree Excess II - Part B	\$980.76	\$1,051.35
Excess III - Medicare Not Provided (MNP)	\$1,745.10	\$1,866.70
Family Basic	\$1,867.26	\$1,997.80
One Advantage, One Basic	\$1,186.25	\$1,269.12
One Excess I, One Basic	\$1,965.28	\$2,120.43
One Excess II - Part B, One Basic	\$1,910.39	\$2,046.25
One Excess III (MNP), One Basic	\$2,674.73	\$2,861.60
Two+ Advantage	\$505.24	\$540.44
One Excess I, One Advantage	\$1,284.27	\$1,391.75
One Advantage, One Excess II - Part B	\$1,229.38	\$1,317.57
One Advantage, One Excess III (MNP)	\$1,993.72	\$2,132.92
Two+ Excess I	\$2,063.30	\$2,243.06
One Excess I, One Excess II - Part B	\$2,008.41	\$2,168.88
One Excess I, One Excess III (MNP)	\$2,772.75	\$2,984.23
Two Excess II - Part B	\$1,953.52	\$2,094.70
One Excess II - Part B, One Excess III (MNP)	\$2,717.86	\$2,910.05
Two Excess III - Both (MNP)	\$3,482.20	\$3,725.40
Survivor	\$937.63	\$1,002.90

Firefighters Local 1014 Monthly Rates

Effective Date	July 1, 2017
Medical Member Under 65	\$ 1,078.15
Medical Member + 1 Under 65	1,943.99
Medical Member + 2 Under 65	2,293.11
Medical Member with Medicare	1,078.15
Medical Member + 1; 1 MDC	1,943.99
Medical Member + 1; 2 MDC	1,943.99
Medical Member + 2; 1 MDC	2,293.11
Medical Member + 2; 2 MDC	2,293.11
Medical Surviving Spouse Under 65	1,078.15
Medical Surviving Spouse + 1 Under 65	1,943.99
Medical Surviving Spouse + 2 Under 65	2,293.11
Medical Surviving Spouse with MDC	1,078.15
Medical Surviving Spouse + 1; 1 MDC	1,943.99
Medical Surviving Spouse + 2; 1 MDC	2,293.11
Medical Surviving Spouse + 1; 2 MDC	1,943.99

July 1, 2018 Firefighter Local 1014 rates were not available in time to include in the valuation.

Dental/Vision Monthly Rates

<u>Effective Date</u>	July 1, 2017		July 1, 2018	
	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	\$46.19	\$52.16	\$46.19	\$52.16
Retiree & Dependents	\$94.52	\$108.60	\$94.52	\$108.60
Minor Survivor	\$46.78	\$64.15	\$46.78	\$64.15

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. If a Tier 2 retiree selects a family tier for a plan where the premium for the retiree only tier is less than the Tier 2 benchmark, there is a spouse subsidy equal to the Tier 2 benchmark less the premium for the retiree-only tier.

<u>Tier</u>	<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. Reciprocal service is not included in contribution calculations.

Dental/Vision

The contribution percentages follow the same contribution proportions based on years of service (excluding reciprocal service) as the medical plans. The Tier 1 benchmark is the indemnity plan premium for the tier that the member selects. The Tier 2 benchmark is the indemnity plan premium for the retiree-only tier.

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. Reciprocal service is not included in contribution calculations.

FIREFIGHTERS LOCAL 1014 CONTRIBUTIONS TOWARDS RETIREE HEALTH BENEFITS

Medical, Dental/Vision, and Service-Connected Disability

Contributions are the same as for the County employees.

Table A-21: 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), Table A-15B (Tier 2), and Table A-16 (pre 65 to post 65 election) to develop weighted average claim costs as of July 1, 2017. The weighted average claim costs used for future retirees and dependents are shown in the following tables.

The medical claim costs for pre 65 retirees are different than for post 65 retirees due to different plan selection assumptions.

In the following tables, when shown, child costs are at age 65. The costs for children are assumed to be 39% of the age 65 child costs for males and 21% of the age 65 child costs for females.

Tier 1

A. Future Retirees Retiring Before Age 65

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25 \$	349.78	\$ 477.32	\$ 411.89	\$ 515.57	\$ 258.49	\$ 317.77
30 \$	429.08	\$ 780.30	\$ 600.13	\$ 322.12	\$ 621.38	\$ 552.37
35 \$	705.86	\$ 1,071.88	\$ 884.12	\$ 328.28	\$ 614.83	\$ 548.75
40 \$	860.57	\$ 1,170.85	\$ 1,011.68	\$ 494.24	\$ 621.25	\$ 591.96
45 \$	800.40	\$ 1,117.59	\$ 954.87	\$ 589.52	\$ 687.36	\$ 664.80
50 \$	790.81	\$ 969.06	\$ 877.62	\$ 657.14	\$ 770.19	\$ 744.12
55 \$	843.27	\$ 920.95	\$ 881.10	\$ 807.19	\$ 879.10	\$ 862.52
60 \$	934.11	\$ 948.24	\$ 940.99	\$ 1,033.51	\$ 1,032.37	\$ 1,032.63
65 (Pre 65) \$	1,103.58	\$ 1,076.64	\$ 1,090.46	\$ 1,308.99	\$ 1,239.04	\$ 1,255.17
65 (Post 65) \$	412.46	\$ 355.43	\$ 381.51	\$ 344.47	\$ 385.75	\$ 372.38
70 \$	512.71	\$ 430.49	\$ 468.09	\$ 428.19	\$ 467.20	\$ 454.57
75 \$	591.39	\$ 481.66	\$ 531.84	\$ 493.90	\$ 522.74	\$ 513.40
80 \$	635.27	\$ 511.28	\$ 567.98	\$ 530.54	\$ 554.89	\$ 547.00
85 \$	673.89	\$ 535.91	\$ 599.01	\$ 562.79	\$ 581.62	\$ 575.52
90 \$	707.10	\$ 552.69	\$ 623.30	\$ 590.53	\$ 599.84	\$ 596.83
95 \$	707.10	\$ 552.69	\$ 623.30	\$ 590.53	\$ 599.84	\$ 596.83

B. Future Retirees Retiring After Age 65

Age	Retiree			Spouse/Dependents		
	Male	Female	Total	Male	Female	Total
25	N/A	N/A	N/A	\$ 511.71	\$ 259.97	\$ 318.02
30	N/A	N/A	N/A	\$ 319.71	\$ 624.94	\$ 554.55
35	N/A	N/A	N/A	\$ 325.83	\$ 618.35	\$ 550.89
40	N/A	N/A	N/A	\$ 490.55	\$ 624.81	\$ 593.85
45	N/A	N/A	N/A	\$ 585.11	\$ 691.30	\$ 666.81
50	N/A	N/A	N/A	\$ 652.22	\$ 774.60	\$ 746.38
55	N/A	N/A	N/A	\$ 801.14	\$ 884.13	\$ 864.99
60	N/A	N/A	N/A	\$ 1,025.77	\$ 1,038.28	\$ 1,035.40
65 (Pre 65)	N/A	N/A	N/A	\$ 1,299.19	\$ 1,246.14	\$ 1,258.37
65 (Post 65) \$	333.27	\$ 279.24	\$ 303.95	\$ 267.64	\$ 328.94	\$ 309.09
70 \$	414.28	\$ 338.20	\$ 372.99	\$ 332.69	\$ 398.40	\$ 377.12
75 \$	477.86	\$ 378.40	\$ 423.89	\$ 383.75	\$ 445.76	\$ 425.68
80 \$	513.31	\$ 401.67	\$ 452.73	\$ 412.22	\$ 473.17	\$ 453.43
85 \$	544.52	\$ 421.02	\$ 477.50	\$ 437.28	\$ 495.97	\$ 476.96
90 \$	571.36	\$ 434.21	\$ 496.93	\$ 458.83	\$ 511.50	\$ 494.44
95 \$	571.36	\$ 434.21	\$ 496.93	\$ 458.83	\$ 511.50	\$ 494.44

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	\$ 625.95	\$ 839.53	\$ 626.66	\$ 865.94	\$ 439.79	\$ 447.56
30	\$ 767.86	\$ 1,372.43	\$ 769.88	\$ 541.03	\$ 1,057.22	\$ 1,047.81
35	\$ 1,263.18	\$ 1,885.27	\$ 1,265.25	\$ 551.38	\$ 1,046.07	\$ 1,037.05
40	\$ 1,540.04	\$ 2,059.34	\$ 1,541.77	\$ 830.12	\$ 1,056.99	\$ 1,052.85
45	\$ 1,432.35	\$ 1,965.67	\$ 1,434.13	\$ 990.14	\$ 1,169.46	\$ 1,166.19
50	\$ 1,415.18	\$ 1,704.43	\$ 1,416.14	\$ 1,103.71	\$ 1,310.38	\$ 1,306.61
55	\$ 1,509.05	\$ 1,619.80	\$ 1,509.42	\$ 1,355.73	\$ 1,495.67	\$ 1,493.12
60	\$ 1,671.61	\$ 1,667.80	\$ 1,671.60	\$ 1,735.86	\$ 1,756.45	\$ 1,756.07
65 (Pre 65)	\$ 1,974.88	\$ 1,893.62	\$ 1,974.61	\$ 2,198.53	\$ 2,108.08	\$ 2,109.73
65 (Post 65)	\$ 422.78	\$ 405.39	\$ 422.67	\$ 422.78	\$ 405.39	\$ 405.49
70	\$ 525.54	\$ 490.99	\$ 525.32	\$ 525.54	\$ 490.99	\$ 491.20
75	\$ 606.19	\$ 549.35	\$ 605.83	\$ 606.19	\$ 549.35	\$ 549.69
80	\$ 651.16	\$ 583.13	\$ 650.72	\$ 651.16	\$ 583.13	\$ 583.54
85	\$ 690.75	\$ 611.22	\$ 690.24	\$ 690.75	\$ 611.22	\$ 611.70
90	\$ 724.79	\$ 630.36	\$ 724.18	\$ 724.79	\$ 630.36	\$ 630.93
95	\$ 724.79	\$ 630.36	\$ 724.18	\$ 724.79	\$ 630.36	\$ 630.93

Future Retirees Monthly Dental/Vision Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 25.56	\$ 32.06	\$ 28.92	\$ 28.88	\$ 29.42	\$ 29.24
30	\$ 29.10	\$ 34.44	\$ 31.85	\$ 32.14	\$ 38.17	\$ 36.19
35	\$ 30.93	\$ 35.90	\$ 33.49	\$ 34.17	\$ 39.78	\$ 37.94
40	\$ 32.15	\$ 37.26	\$ 34.79	\$ 35.52	\$ 41.30	\$ 39.40
45	\$ 34.11	\$ 39.09	\$ 36.68	\$ 37.68	\$ 43.32	\$ 41.47
50	\$ 37.93	\$ 42.21	\$ 40.14	\$ 41.90	\$ 46.78	\$ 45.18
55	\$ 43.01	\$ 45.74	\$ 44.42	\$ 47.51	\$ 50.70	\$ 49.65
60	\$ 48.18	\$ 49.44	\$ 48.83	\$ 53.23	\$ 54.79	\$ 54.28
65	\$ 52.66	\$ 50.95	\$ 51.78	\$ 58.18	\$ 56.47	\$ 57.03
70	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
75	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
80	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
85	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
90	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
95	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11

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	\$ 732.41				\$ 732.41			\$ 556.05		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 732.41	\$ 732.41	\$ 365.27		\$ 732.41	\$ 732.41		\$ 556.05	\$ 556.05	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 732.41	\$ 732.41	\$ 365.27		\$ 732.41	\$ 732.41		\$ 556.05	\$ 556.05	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 732.41	\$ 732.41	\$ 365.27		\$ 732.41			\$ 556.05		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 365.27			\$ 365.27			
211	Anthem Blue Cross I	Retiree Only	\$ 495.98				\$ 495.98			\$ 402.69		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 495.98	\$ 495.98	\$ 247.36		\$ 495.98	\$ 495.98		\$ 402.69	\$ 402.69	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 495.98	\$ 495.98	\$ 247.36		\$ 495.98	\$ 495.98		\$ 402.69	\$ 402.69	
214	Anthem Blue Cross I	Retiree and Children	\$ 495.98	\$ 495.98	\$ 247.36		\$ 495.98			\$ 402.69		
215	Anthem Blue Cross I	Minor Survivor				\$ 247.36			\$ 247.36			\$ 247.36
221	Anthem Blue Cross II	Retiree Only	\$ 1,052.42				\$ 1,052.42			\$ 660.87		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,052.42	\$ 1,052.42	\$ 524.88		\$ 1,052.42	\$ 1,052.42		\$ 660.87	\$ 660.87	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,052.42	\$ 1,052.42	\$ 524.88		\$ 1,052.42	\$ 1,052.42		\$ 660.87	\$ 660.87	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,052.42	\$ 1,052.42	\$ 524.88		\$ 1,052.42			\$ 660.87		
225	Anthem Blue Cross II	Minor Survivor				\$ 524.88			\$ 524.88			\$ 524.88
240	Anthem Blue Cross III	One Medicare					\$ 340.51			\$ 340.51		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51			\$ 340.51	\$ 340.51	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51			\$ 340.51	\$ 340.51	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
301	Cigna Network Model Plan	Retiree Only	\$ 2,284.14				\$ 873.34			\$ 567.11		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 2,284.14	\$ 2,284.14	\$ 1,139.17		\$ 873.34	\$ 873.34		\$ 567.11	\$ 566.89	
303	Cigna Network Model Plan	Retiree and Family	\$ 2,284.14	\$ 2,284.14	\$ 1,139.17		\$ 873.34	\$ 873.34		\$ 567.11	\$ 566.89	
304	Cigna Network Model Plan	Retiree and Children	\$ 2,284.14	\$ 2,284.14	\$ 1,139.17		\$ 873.34			\$ 567.11		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,139.17			\$ 1,139.17			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 315.80					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 315.80	\$ 315.80		\$ 315.80	\$ 315.80	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 315.80	\$ 315.80				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 315.80	\$ 315.80		\$ 315.80	\$ 315.80	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 315.80	\$ 315.80		\$ 315.80	\$ 315.80	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 315.80	\$ 315.80				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,120.49							\$ 322.17		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 198.66					
404	Kaiser (CA)	Retiree Excess I					\$ 801.74					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 759.25					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,350.96					
411	Kaiser (CA)	Family Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82					\$ 266.26	\$ 260.88	



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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	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 198.66	\$ 193.01		\$ 198.66	\$ 260.88	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 801.74	\$ 797.77		\$ 801.74	\$ 260.88	
418	Kaiser (CA)	Two+ Advantage					\$ 198.66	\$ 193.01				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 500.20	\$ 495.39				
420	Kaiser (CA)	Two+ Excess I					\$ 801.74	\$ 797.77				
421	Kaiser (CA)	Survivor				\$ 558.82			\$ 558.82			\$ 558.82
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 759.25	\$ 755.16		\$ 759.25	\$ 260.88	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 1,350.96	\$ 1,348.52		\$ 1,350.96	\$ 260.88	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 478.96	\$ 474.08				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 774.81	\$ 770.76				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 780.50	\$ 776.46				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 1,076.35	\$ 1,073.15				
430	Kaiser (CA)	Two Excess II - Part B					\$ 759.25	\$ 755.16				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 1,055.11	\$ 1,051.84				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,350.96	\$ 1,348.52				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,192.10							\$ 283.82		
451	Kaiser - Colorado	Retiree Risk					\$ 283.82					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,192.10	\$ 1,596.11						\$ 283.82	\$ 278.40	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,192.10	\$ 1,596.11	\$ 1,974.14					\$ 283.82	\$ 278.40	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,192.10	\$ 1,308.18			\$ 283.82	\$ 278.40		\$ 283.82	\$ 278.40	
457	Kaiser - Colorado	Two Retiree Risk					\$ 283.82	\$ 278.40				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,192.10	\$ 1,308.18	\$ 2,383.77		\$ 283.82	\$ 278.40		\$ 283.82	\$ 278.40	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 2,530.97		\$ 283.82	\$ 278.40		\$ 283.82	\$ 278.40	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 901.42					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 901.42					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 901.42					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 901.42	\$ 310.72				
461	Kaiser - Georgia Basic	Basic	\$ 1,381.37							\$ 316.05		
462	Kaiser - Georgia	Retiree Risk					\$ 316.05					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,381.37	\$ 1,517.56	\$ 2,936.06		\$ 316.05	\$ 310.72		\$ 316.05	\$ 310.72	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,381.37	\$ 1,517.56	\$ 2,936.03					\$ 316.05	\$ 310.72	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 484.33	\$ 1,517.54	\$ 2,936.03		\$ 316.05	\$ 310.72		\$ 316.05	\$ 310.72	
466	Kaiser - Georgia	Two Retiree Risk					\$ 316.05	\$ 310.72				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,190.12							\$ 332.50		
472	Kaiser - Hawaii	Retiree Risk					\$ 332.50					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,197.68					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,190.12	\$ 1,305.99						\$ 332.50	\$ 327.22	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,190.12	\$ 1,305.99	\$ 2,526.73					\$ 332.50	\$ 327.22	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,190.12	\$ 1,305.99	\$ 2,526.73		\$ 332.50	\$ 327.22		\$ 332.50	\$ 327.22	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,190.12	\$ 1,305.99	\$ 1,451.86		\$ 1,197.68	\$ 866.16		\$ 1,197.68	\$ 866.16	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 332.50	\$ 326.44				



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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)	\$ 1,290.28							\$ 292.05		
482	Kaiser - Oregon	Retiree Risk							\$ 292.05			
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B							\$ 910.14			
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,290.28	\$ 1,416.80						\$ 292.05	\$ 286.65	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,290.28	\$ 2,833.59	\$ 2,741.09					\$ 292.05	\$ 286.65	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,290.28	\$ 1,416.79	\$ 2,741.09				\$ 292.05	\$ 286.65	\$ 292.05	\$ 286.65
488	Kaiser - Oregon	Two Retiree Risk							\$ 292.05	\$ 286.65		
489	Kaiser - Oregon	Retiree w/ Part A only							\$ 782.40			
491	Kaiser - Oregon	One Risk, One Medicare Part A only							\$ 782.40	\$ 286.65		
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,394.72	\$ 484.56					\$ 910.14	\$ 286.65	\$ 292.05	\$ 286.65
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,290.28	\$ 1,416.79					\$ 292.05	\$ 286.65	\$ 292.05	\$ 286.65
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,290.28	\$ 1,416.79	\$ 2,741.12				\$ 292.05	\$ 286.65	\$ 292.05	\$ 286.65
495	Kaiser - Oregon	Two Over 65 unassigned Medicare							\$ 910.14	\$ 906.47		
496	Kaiser - Oregon	Two Medicare Part A only							\$ 782.40	\$ 778.37		
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,290.28	\$ 1,416.79					\$ 782.40	\$ 778.37	\$ 782.40	\$ 778.37
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,290.28	\$ 1,416.79					\$ 910.14	\$ 906.47	\$ 910.14	\$ 906.47
611	SCAN Health Plan	Retiree Only							\$ 218.50			
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)							\$ 218.50	\$ 218.50		
701	United Healthcare	Retiree Only	\$ 1,259.00						\$ 269.98		\$ 269.98	
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,259.00	\$ 1,259.00	\$ 627.90				\$ 269.98	\$ 269.98	\$ 269.98	\$ 269.98
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)							\$ 269.98	\$ 269.98	\$ 269.98	\$ 269.98
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,259.00	\$ 1,259.00	\$ 627.90				\$ 269.98	\$ 269.98	\$ 269.98	\$ 269.98
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,259.00	\$ 1,259.00	\$ 627.90				\$ 269.98	\$ 269.98	\$ 269.98	\$ 269.98
706	United Healthcare	Minor Survivor					\$ 627.90			\$ 627.90		
707	United Healthcare	Single	\$ 1,259.00								\$ 304.36	
708	United Healthcare	Two-Party	\$ 1,259.00	\$ 1,259.00	\$ 627.90						\$ 304.36	\$ 304.21
709	United Healthcare	Family	\$ 1,259.00	\$ 1,259.00	\$ 627.90						\$ 304.36	\$ 304.21



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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	\$ 1,974.88				\$ 422.78			\$ 422.78		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,974.88	\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,974.88	\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 422.78		\$ 422.78	\$ 422.78		\$ 422.78
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78

Dental/Vision Male Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 53.54		
502	Cigna Indemnity Dental/Vision	Family	\$ 53.54	\$ 58.56	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 55.58
901	Cigna Dental HMO/Vision	Retiree Only	\$ 46.82		
902	Cigna Dental HMO/Vision	Family	\$ 46.82	\$ 55.67	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 48.61



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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	\$ 702.27				\$ 702.27			\$ 533.17		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 702.27	\$ 702.27	\$ 689.62		\$ 702.27	\$ 702.27		\$ 533.17	\$ 533.17	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 702.27	\$ 702.27	\$ 689.62		\$ 702.27	\$ 702.27		\$ 533.17	\$ 533.17	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 702.27	\$ 702.27	\$ 689.62		\$ 702.27			\$ 533.17		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 689.62			\$ 689.62			
211	Anthem Blue Cross I	Retiree Only	\$ 475.57				\$ 475.57			\$ 386.13		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 475.57	\$ 475.57	\$ 467.00		\$ 475.57	\$ 475.57		\$ 386.13	\$ 386.13	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 475.57	\$ 475.57	\$ 467.00		\$ 475.57	\$ 475.57		\$ 386.13	\$ 386.13	
214	Anthem Blue Cross I	Retiree and Children	\$ 475.57	\$ 475.57	\$ 467.00		\$ 475.57			\$ 386.13		
215	Anthem Blue Cross I	Minor Survivor				\$ 467.00			\$ 467.00			\$ 467.00
221	Anthem Blue Cross II	Retiree Only	\$ 1,009.12				\$ 1,009.12			\$ 633.68		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,009.12	\$ 1,009.12	\$ 990.94		\$ 1,009.12	\$ 1,009.12		\$ 633.68	\$ 633.68	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,009.12	\$ 1,009.12	\$ 990.94		\$ 1,009.12	\$ 1,009.12		\$ 633.68	\$ 633.68	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,009.12	\$ 1,009.12	\$ 990.94		\$ 1,009.12			\$ 633.68		
225	Anthem Blue Cross II	Minor Survivor				\$ 990.94			\$ 990.94			\$ 990.94
240	Anthem Blue Cross III	One Medicare					\$ 326.50			\$ 326.50		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50			\$ 326.50	\$ 326.50	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50			\$ 326.50	\$ 326.50	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
301	Cigna Network Model Plan	Retiree Only	\$ 2,190.16				\$ 837.41			\$ 543.78		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 2,190.16	\$ 2,190.16	\$ 2,150.70		\$ 837.41	\$ 837.41		\$ 543.78	\$ 543.56	
303	Cigna Network Model Plan	Retiree and Family	\$ 2,190.16	\$ 2,190.16	\$ 2,150.70		\$ 837.41	\$ 837.41		\$ 543.78	\$ 543.56	
304	Cigna Network Model Plan	Retiree and Children	\$ 2,190.16	\$ 2,190.16	\$ 2,150.70		\$ 837.41			\$ 543.78		
305	Cigna Network Model Plan	Minor Survivor				\$ 2,150.70			\$ 2,150.70			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 302.80					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 302.80	\$ 302.80		\$ 302.80	\$ 302.80	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 302.80	\$ 302.80				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 302.80	\$ 302.80		\$ 302.80	\$ 302.80	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 302.80	\$ 302.80		\$ 302.80	\$ 302.80	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 302.80	\$ 302.80				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,074.39							\$ 308.91		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 190.49					
404	Kaiser (CA)	Retiree Excess I					\$ 768.76					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 728.01					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,295.38					
411	Kaiser (CA)	Family Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03					\$ 255.31	\$ 250.14	



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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	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 190.49	\$ 185.06		\$ 190.49	\$ 250.14	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 768.76	\$ 764.95		\$ 768.76	\$ 250.14	
418	Kaiser (CA)	Two+ Advantage					\$ 190.49	\$ 185.06				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 479.62	\$ 475.01				
420	Kaiser (CA)	Two+ Excess I					\$ 768.76	\$ 764.95				
421	Kaiser (CA)	Survivor				\$ 1,055.03			\$ 1,055.03			\$ 1,055.03
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 728.01	\$ 724.09		\$ 728.01	\$ 250.14	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 1,295.38	\$ 1,293.04		\$ 1,295.38	\$ 250.14	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 459.25	\$ 454.58				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 742.93	\$ 739.05				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 748.38	\$ 744.52				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 1,032.07	\$ 1,028.99				
430	Kaiser (CA)	Two Excess II - Part B					\$ 728.01	\$ 724.09				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 1,011.70	\$ 1,008.56				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,295.38	\$ 1,293.04				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,143.05							\$ 272.14		
451	Kaiser - Colorado	Retiree Risk					\$ 272.14					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,143.05	\$ 1,530.44						\$ 272.14	\$ 266.94	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,143.05	\$ 1,530.44	\$ 3,727.08					\$ 272.14	\$ 266.94	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,143.05	\$ 1,254.36			\$ 272.14	\$ 266.94		\$ 272.14	\$ 266.94	
457	Kaiser - Colorado	Two Retiree Risk					\$ 272.14	\$ 266.94				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,143.05	\$ 1,254.36	\$ 4,500.45		\$ 272.14	\$ 266.94		\$ 272.14	\$ 266.94	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 4,778.36		\$ 272.14	\$ 266.94		\$ 272.14	\$ 266.94	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 864.33					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 864.33					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 864.33					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 864.33	\$ 297.94				
461	Kaiser - Georgia Basic	Basic	\$ 1,324.53							\$ 303.05		
462	Kaiser - Georgia	Retiree Risk					\$ 303.05					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,324.53	\$ 1,455.12	\$ 5,543.15		\$ 303.05	\$ 297.94		\$ 303.05	\$ 297.94	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,324.53	\$ 1,455.12	\$ 5,543.10					\$ 303.05	\$ 297.94	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 464.40	\$ 1,455.11	\$ 5,543.10		\$ 303.05	\$ 297.94		\$ 303.05	\$ 297.94	
466	Kaiser - Georgia	Two Retiree Risk					\$ 303.05	\$ 297.94				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,141.15							\$ 318.82		
472	Kaiser - Hawaii	Retiree Risk					\$ 318.82					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,148.40					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,141.15	\$ 1,252.26						\$ 318.82	\$ 313.76	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,141.15	\$ 1,252.26	\$ 4,770.36					\$ 318.82	\$ 313.76	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,141.15	\$ 1,252.26	\$ 4,770.36		\$ 318.82	\$ 313.76		\$ 318.82	\$ 313.76	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,141.15	\$ 1,252.26	\$ 2,741.04		\$ 1,148.40	\$ 830.52		\$ 1,148.40	\$ 830.52	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 318.82	\$ 313.01				



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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)	\$ 1,237.19								\$ 280.03		
482	Kaiser - Oregon	Retiree Risk					\$ 280.03						
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 872.69						
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,237.19	\$ 1,358.51							\$ 280.03	\$ 274.86	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,237.19	\$ 2,717.00	\$ 5,175.06						\$ 280.03	\$ 274.86	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,237.19	\$ 1,358.50	\$ 5,175.06		\$ 280.03	\$ 274.86			\$ 280.03	\$ 274.86	
488	Kaiser - Oregon	Two Retiree Risk					\$ 280.03	\$ 274.86					
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 750.21						
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 750.21	\$ 274.86					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,337.34	\$ 464.63			\$ 872.69	\$ 274.86			\$ 280.03	\$ 274.86	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,237.19	\$ 1,358.50			\$ 280.03	\$ 274.86			\$ 280.03	\$ 274.86	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,237.19	\$ 1,358.50	\$ 5,175.11		\$ 280.03	\$ 274.86			\$ 280.03	\$ 274.86	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 872.69	\$ 869.17					
496	Kaiser - Oregon	Two Medicare Part A only					\$ 750.21	\$ 746.35					
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,237.19	\$ 1,358.50			\$ 750.21	\$ 746.35			\$ 750.21	\$ 746.35	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,237.19	\$ 1,358.50			\$ 872.69	\$ 869.17			\$ 872.69	\$ 869.17	
611	SCAN Health Plan	Retiree Only					\$ 209.51						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 209.51	\$ 209.51					
701	United Healthcare	Retiree Only	\$ 1,207.20				\$ 258.87				\$ 258.87		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45		\$ 258.87	\$ 258.87			\$ 258.87	\$ 258.87	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 258.87	\$ 258.87			\$ 258.87	\$ 258.87	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45		\$ 258.87	\$ 258.87			\$ 258.87	\$ 258.87	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45		\$ 258.87	\$ 258.87			\$ 258.87	\$ 258.87	
706	United Healthcare	Minor Survivor				\$ 1,185.45			\$ 1,185.45				
707	United Healthcare	Single	\$ 1,207.20								\$ 291.84		
708	United Healthcare	Two-Party	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45						\$ 291.84	\$ 291.69	
709	United Healthcare	Family	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45						\$ 291.84	\$ 291.69	



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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	\$ 1,893.62				\$ 405.39			\$ 405.39		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,893.62	\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,893.62	\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 405.39		\$ 405.39	\$ 405.39		\$ 405.39
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39

Dental/Vision Female Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 51.93		
502	Cigna Indemnity Dental/Vision	Family	\$ 51.93	\$ 56.80	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 52.94
901	Cigna Dental HMO/Vision	Retiree Only	\$ 45.41		
902	Cigna Dental HMO/Vision	Family	\$ 45.41	\$ 54.00	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 46.30



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Tier 2

A. Future Retirees Retiring Before Age 65

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 349.78	\$ 477.32	\$ 411.89	\$ 515.57	\$ 258.49	\$ 317.77
30	\$ 429.08	\$ 780.30	\$ 600.13	\$ 322.12	\$ 621.38	\$ 552.37
35	\$ 705.86	\$ 1,071.88	\$ 884.12	\$ 328.28	\$ 614.83	\$ 548.75
40	\$ 860.57	\$ 1,170.85	\$ 1,011.68	\$ 494.24	\$ 621.25	\$ 591.96
45	\$ 800.40	\$ 1,117.59	\$ 954.87	\$ 589.52	\$ 687.36	\$ 664.80
50	\$ 790.81	\$ 969.06	\$ 877.62	\$ 657.14	\$ 770.19	\$ 744.12
55	\$ 843.27	\$ 920.95	\$ 881.10	\$ 807.19	\$ 879.10	\$ 862.52
60	\$ 934.11	\$ 948.24	\$ 940.99	\$ 1,033.51	\$ 1,032.37	\$ 1,032.63
65 (Pre 65)	\$ 1,103.58	\$ 1,076.64	\$ 1,090.46	\$ 1,308.99	\$ 1,239.04	\$ 1,255.17
65 (Post 65)	\$ 261.29	\$ 231.89	\$ 245.33	\$ 231.90	\$ 246.17	\$ 241.55
70	\$ 324.80	\$ 280.85	\$ 300.95	\$ 288.26	\$ 298.15	\$ 294.95
75	\$ 374.65	\$ 314.23	\$ 341.86	\$ 332.50	\$ 333.59	\$ 333.24
80	\$ 402.45	\$ 333.55	\$ 365.06	\$ 357.17	\$ 354.10	\$ 355.09
85	\$ 426.92	\$ 349.62	\$ 384.97	\$ 378.88	\$ 371.16	\$ 373.66
90	\$ 447.96	\$ 360.57	\$ 400.54	\$ 397.55	\$ 382.78	\$ 387.56
95	\$ 447.96	\$ 360.57	\$ 400.54	\$ 397.55	\$ 382.78	\$ 387.56

B. Future Retirees Retiring After Age 65

Age	Retiree			Spouse/Dependents		
	Male	Female	Total	Male	Female	Total
25	N/A	N/A	N/A	\$ 510.49	\$ 259.42	\$ 317.32
30	N/A	N/A	N/A	\$ 318.95	\$ 623.63	\$ 553.37
35	N/A	N/A	N/A	\$ 325.05	\$ 617.05	\$ 549.71
40	N/A	N/A	N/A	\$ 489.37	\$ 623.49	\$ 592.56
45	N/A	N/A	N/A	\$ 583.71	\$ 689.84	\$ 665.37
50	N/A	N/A	N/A	\$ 650.66	\$ 772.96	\$ 744.76
55	N/A	N/A	N/A	\$ 799.23	\$ 882.26	\$ 863.11
60	N/A	N/A	N/A	\$ 1,023.33	\$ 1,036.08	\$ 1,033.14
65 (Pre 65)	N/A	N/A	N/A	\$ 1,296.09	\$ 1,243.50	\$ 1,255.62
65 (Post 65)	\$ 243.59	\$ 226.19	\$ 234.15	\$ 231.88	\$ 233.18	\$ 232.76
70	\$ 302.79	\$ 273.95	\$ 287.14	\$ 288.24	\$ 282.42	\$ 284.30
75	\$ 349.26	\$ 306.51	\$ 326.06	\$ 332.47	\$ 315.99	\$ 321.33
80	\$ 375.17	\$ 325.36	\$ 348.14	\$ 357.14	\$ 335.42	\$ 342.45
85	\$ 397.98	\$ 341.04	\$ 367.08	\$ 378.85	\$ 351.58	\$ 360.41
90	\$ 417.59	\$ 351.72	\$ 381.84	\$ 397.52	\$ 362.59	\$ 373.90
95	\$ 417.59	\$ 351.72	\$ 381.84	\$ 397.52	\$ 362.59	\$ 373.90

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	\$ 625.95	\$ 839.53	\$ 626.66	\$ 865.94	\$ 439.79	\$ 447.56
30	\$ 767.86	\$ 1,372.43	\$ 769.88	\$ 541.03	\$ 1,057.22	\$ 1,047.81
35	\$ 1,263.18	\$ 1,885.27	\$ 1,265.25	\$ 551.38	\$ 1,046.07	\$ 1,037.05
40	\$ 1,540.04	\$ 2,059.34	\$ 1,541.77	\$ 830.12	\$ 1,056.99	\$ 1,052.85
45	\$ 1,432.35	\$ 1,965.67	\$ 1,434.13	\$ 990.14	\$ 1,169.46	\$ 1,166.19
50	\$ 1,415.18	\$ 1,704.43	\$ 1,416.14	\$ 1,103.71	\$ 1,310.38	\$ 1,306.61
55	\$ 1,509.05	\$ 1,619.80	\$ 1,509.42	\$ 1,355.73	\$ 1,495.67	\$ 1,493.12
60	\$ 1,671.61	\$ 1,667.80	\$ 1,671.60	\$ 1,735.86	\$ 1,756.45	\$ 1,756.07
65 (Pre 65)	\$ 1,974.88	\$ 1,893.62	\$ 1,974.61	\$ 2,198.53	\$ 2,108.08	\$ 2,109.73
65 (Post 65)	\$ 422.78	\$ 405.39	\$ 422.67	\$ 422.78	\$ 405.39	\$ 405.49
70	\$ 525.54	\$ 490.99	\$ 525.32	\$ 525.54	\$ 490.99	\$ 491.20
75	\$ 606.19	\$ 549.35	\$ 605.83	\$ 606.19	\$ 549.35	\$ 549.69
80	\$ 651.16	\$ 583.13	\$ 650.72	\$ 651.16	\$ 583.13	\$ 583.54
85	\$ 690.75	\$ 611.22	\$ 690.24	\$ 690.75	\$ 611.22	\$ 611.70
90	\$ 724.79	\$ 630.36	\$ 724.18	\$ 724.79	\$ 630.36	\$ 630.93
95	\$ 724.79	\$ 630.36	\$ 724.18	\$ 724.79	\$ 630.36	\$ 630.93

Future Retirees Monthly Dental/Vision Claim Costs

Age	Retiree			Spouse/Surv Spouse + Dependents		
	Male	Female	Total	Male	Female	Total
25	\$ 25.56	\$ 32.06	\$ 28.92	\$ 28.88	\$ 29.42	\$ 29.24
30	\$ 29.10	\$ 34.44	\$ 31.85	\$ 32.14	\$ 38.17	\$ 36.19
35	\$ 30.93	\$ 35.90	\$ 33.49	\$ 34.17	\$ 39.78	\$ 37.94
40	\$ 32.15	\$ 37.26	\$ 34.79	\$ 35.52	\$ 41.30	\$ 39.40
45	\$ 34.11	\$ 39.09	\$ 36.68	\$ 37.68	\$ 43.32	\$ 41.47
50	\$ 37.93	\$ 42.21	\$ 40.14	\$ 41.90	\$ 46.78	\$ 45.18
55	\$ 43.01	\$ 45.74	\$ 44.42	\$ 47.51	\$ 50.70	\$ 49.65
60	\$ 48.18	\$ 49.44	\$ 48.83	\$ 53.23	\$ 54.79	\$ 54.28
65	\$ 52.66	\$ 50.95	\$ 51.78	\$ 58.18	\$ 56.47	\$ 57.03
70	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
75	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
80	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
85	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
90	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11
95	\$ 56.00	\$ 50.78	\$ 53.31	\$ 61.86	\$ 56.28	\$ 58.11

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	\$ 732.41				\$ 732.41			\$ 340.51		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 732.41	\$ 732.41	\$ 365.27		\$ 732.41	\$ 732.41		\$ 340.51	\$ 340.51	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 732.41	\$ 732.41	\$ 365.27		\$ 732.41	\$ 732.41		\$ 340.51	\$ 340.51	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 732.41	\$ 732.41	\$ 365.27		\$ 732.41			\$ 340.51		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 365.27			\$ 365.27			
211	Anthem Blue Cross I	Retiree Only	\$ 495.98				\$ 495.98			\$ 340.51		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 495.98	\$ 495.98	\$ 247.36		\$ 495.98	\$ 495.98		\$ 340.51	\$ 340.51	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 495.98	\$ 495.98	\$ 247.36		\$ 495.98	\$ 495.98		\$ 340.51	\$ 340.51	
214	Anthem Blue Cross I	Retiree and Children	\$ 495.98	\$ 495.98	\$ 247.36		\$ 495.98			\$ 340.51		
215	Anthem Blue Cross I	Minor Survivor				\$ 247.36			\$ 247.36			\$ 247.36
221	Anthem Blue Cross II	Retiree Only	\$ 1,052.42				\$ 1,052.42			\$ 340.51		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,052.42	\$ 1,052.42	\$ 524.88		\$ 1,052.42	\$ 1,052.42		\$ 340.51	\$ 340.51	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,052.42	\$ 1,052.42	\$ 524.88		\$ 1,052.42	\$ 1,052.42		\$ 340.51	\$ 340.51	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,052.42	\$ 1,052.42	\$ 524.88		\$ 1,052.42			\$ 340.51		
225	Anthem Blue Cross II	Minor Survivor				\$ 524.88			\$ 524.88			\$ 524.88
240	Anthem Blue Cross III	One Medicare					\$ 340.51			\$ 340.51		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51			\$ 340.51	\$ 340.51	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51			\$ 340.51	\$ 340.51	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,112.11	\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,112.11	\$ 554.64		\$ 340.51	\$ 340.51		\$ 340.51	\$ 340.51	
301	Cigna Network Model Plan	Retiree Only	\$ 2,284.14				\$ 873.34			\$ 284.08		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 2,284.14	\$ 2,284.14	\$ 1,139.17		\$ 873.34	\$ 873.34		\$ 284.08	\$ 284.08	
303	Cigna Network Model Plan	Retiree and Family	\$ 2,284.14	\$ 2,284.14	\$ 1,139.17		\$ 873.34	\$ 873.34		\$ 284.08	\$ 284.08	
304	Cigna Network Model Plan	Retiree and Children	\$ 2,284.14	\$ 2,284.14	\$ 1,139.17		\$ 873.34			\$ 284.08		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,139.17			\$ 1,139.17			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 315.80					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 315.80	\$ 315.80		\$ 315.80	\$ 315.80	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 315.80	\$ 315.80				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 315.80	\$ 315.80		\$ 315.80	\$ 315.80	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 315.80	\$ 315.80		\$ 315.80	\$ 315.80	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 315.80	\$ 315.80				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,120.49							\$ 201.50		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 198.66					
404	Kaiser (CA)	Retiree Excess I					\$ 801.74					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 759.25					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,350.96					
411	Kaiser (CA)	Family Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82					\$ 200.08	\$ 194.48	

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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	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 198.66	\$ 193.01		\$ 198.66	\$ 194.48	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 801.74	\$ 797.77		\$ 801.74	\$ 194.48	
418	Kaiser (CA)	Two+ Advantage					\$ 198.66	\$ 193.01				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 500.20	\$ 495.39				
420	Kaiser (CA)	Two+ Excess I					\$ 801.74	\$ 797.77				
421	Kaiser (CA)	Survivor				\$ 558.82			\$ 558.82			\$ 558.82
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 759.25	\$ 755.16		\$ 759.25	\$ 194.48	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,120.49	\$ 1,120.49	\$ 558.82		\$ 1,350.96	\$ 1,348.52		\$ 1,350.96	\$ 194.48	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 478.96	\$ 474.08				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 774.81	\$ 770.76				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 780.50	\$ 776.46				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 1,076.35	\$ 1,073.15				
430	Kaiser (CA)	Two Excess II - Part B					\$ 759.25	\$ 755.16				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 1,055.11	\$ 1,051.84				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,350.96	\$ 1,348.52				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,192.10							\$ 283.82		
451	Kaiser - Colorado	Retiree Risk							\$ 283.82			
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,192.10	\$ 1,596.11						\$ 283.82	\$ 278.40	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,192.10	\$ 1,596.11	\$ 1,974.14					\$ 283.82	\$ 278.40	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,192.10	\$ 1,308.18			\$ 283.82	\$ 278.40		\$ 283.82	\$ 278.40	
457	Kaiser - Colorado	Two Retiree Risk					\$ 283.82	\$ 278.40		\$ 283.82	\$ 278.40	
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,192.10	\$ 1,308.18	\$ 2,383.77		\$ 283.82	\$ 278.40		\$ 283.82	\$ 278.40	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 2,530.97		\$ 283.82	\$ 278.40		\$ 283.82	\$ 278.40	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 901.42					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 901.42					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 901.42					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 901.42	\$ 310.72				
461	Kaiser - Georgia Basic	Basic	\$ 1,381.37							\$ 316.05		
462	Kaiser - Georgia	Retiree Risk					\$ 316.05					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,381.37	\$ 1,517.56	\$ 2,936.06		\$ 316.05	\$ 310.72		\$ 316.05	\$ 310.72	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,381.37	\$ 1,517.56	\$ 2,936.03					\$ 316.05	\$ 310.72	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 484.33	\$ 1,517.54	\$ 2,936.03		\$ 316.05	\$ 310.72		\$ 316.05	\$ 310.72	
466	Kaiser - Georgia	Two Retiree Risk					\$ 316.05	\$ 310.72				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,190.12							\$ 332.50		
472	Kaiser - Hawaii	Retiree Risk					\$ 332.50					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,197.68					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,190.12	\$ 1,305.99						\$ 332.50	\$ 327.22	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,190.12	\$ 1,305.99	\$ 2,526.73					\$ 332.50	\$ 327.22	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,190.12	\$ 1,305.99	\$ 2,526.73		\$ 332.50	\$ 327.22		\$ 332.50	\$ 327.22	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,190.12	\$ 1,305.99	\$ 1,451.86		\$ 1,197.68	\$ 866.16		\$ 1,197.68	\$ 866.16	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 332.50	\$ 326.44				

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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)	\$ 1,290.28								\$ 292.05		
482	Kaiser - Oregon	Retiree Risk					\$ 292.05						
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 910.14						
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,290.28	\$ 1,416.80							\$ 292.05	\$ 286.65	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,290.28	\$ 2,833.59	\$ 2,741.09						\$ 292.05	\$ 286.65	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,290.28	\$ 1,416.79	\$ 2,741.09		\$ 292.05	\$ 286.65			\$ 292.05	\$ 286.65	
488	Kaiser - Oregon	Two Retiree Risk					\$ 292.05	\$ 286.65					
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 782.40						
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 782.40	\$ 286.65					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,394.72	\$ 484.56			\$ 910.14	\$ 286.65			\$ 292.05	\$ 286.65	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,290.28	\$ 1,416.79			\$ 292.05	\$ 286.65			\$ 292.05	\$ 286.65	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,290.28	\$ 1,416.79	\$ 2,741.12		\$ 292.05	\$ 286.65			\$ 292.05	\$ 286.65	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 910.14	\$ 906.47					
496	Kaiser - Oregon	Two Medicare Part A only					\$ 782.40	\$ 778.37					
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,290.28	\$ 1,416.79			\$ 782.40	\$ 778.37			\$ 782.40	\$ 778.37	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,290.28	\$ 1,416.79			\$ 910.14	\$ 906.47			\$ 910.14	\$ 906.47	
611	SCAN Health Plan	Retiree Only					\$ 218.50						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 218.50	\$ 218.50					
701	United Healthcare	Retiree Only	\$ 1,259.00				\$ 269.98				\$ 269.98		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,259.00	\$ 1,259.00	\$ 627.90		\$ 269.98	\$ 269.98			\$ 269.98	\$ 269.98	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 269.98	\$ 269.98			\$ 269.98	\$ 269.98	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,259.00	\$ 1,259.00	\$ 627.90		\$ 269.98	\$ 269.98			\$ 269.98	\$ 269.98	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,259.00	\$ 1,259.00	\$ 627.90		\$ 269.98	\$ 269.98			\$ 269.98	\$ 269.98	
706	United Healthcare	Minor Survivor				\$ 627.90				\$ 627.90			
707	United Healthcare	Single	\$ 1,259.00								\$ 272.45		
708	United Healthcare	Two-Party	\$ 1,259.00	\$ 1,259.00	\$ 627.90						\$ 272.45	\$ 272.28	
709	United Healthcare	Family	\$ 1,259.00	\$ 1,259.00	\$ 627.90						\$ 272.45	\$ 272.28	

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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	\$ 1,974.88				\$ 422.78			\$ 422.78		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,974.88	\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,974.88	\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 422.78		\$ 422.78	\$ 422.78		\$ 422.78
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,974.88	\$ 984.93		\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78	\$ 422.78
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 1,974.88	\$ 984.93	\$ 1,974.88		\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 422.78	\$ 422.78		\$ 422.78	\$ 422.78

Dental/Vision Male Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 53.54		
502	Cigna Indemnity Dental/Vision	Family	\$ 53.54	\$ 58.56	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 55.58
901	Cigna Dental HMO/Vision	Retiree Only	\$ 46.82		
902	Cigna Dental HMO/Vision	Family	\$ 46.82	\$ 55.67	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 48.61

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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	\$ 702.27				\$ 702.27			\$ 326.50		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 702.27	\$ 702.27	\$ 689.62		\$ 702.27	\$ 702.27		\$ 326.50	\$ 326.50	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 702.27	\$ 702.27	\$ 689.62		\$ 702.27	\$ 702.27		\$ 326.50	\$ 326.50	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 702.27	\$ 702.27	\$ 689.62		\$ 702.27			\$ 326.50		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 689.62			\$ 689.62			
211	Anthem Blue Cross I	Retiree Only	\$ 475.57				\$ 475.57			\$ 326.50		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 475.57	\$ 475.57	\$ 467.00		\$ 475.57	\$ 475.57		\$ 326.50	\$ 326.50	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 475.57	\$ 475.57	\$ 467.00		\$ 475.57	\$ 475.57		\$ 326.50	\$ 326.50	
214	Anthem Blue Cross I	Retiree and Children	\$ 475.57	\$ 475.57	\$ 467.00		\$ 475.57			\$ 326.50		
215	Anthem Blue Cross I	Minor Survivor				\$ 467.00			\$ 467.00			\$ 467.00
221	Anthem Blue Cross II	Retiree Only	\$ 1,009.12				\$ 1,009.12			\$ 326.50		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,009.12	\$ 1,009.12	\$ 990.94		\$ 1,009.12	\$ 1,009.12		\$ 326.50	\$ 326.50	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,009.12	\$ 1,009.12	\$ 990.94		\$ 1,009.12	\$ 1,009.12		\$ 326.50	\$ 326.50	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,009.12	\$ 1,009.12	\$ 990.94		\$ 1,009.12			\$ 326.50		
225	Anthem Blue Cross II	Minor Survivor				\$ 990.94			\$ 990.94			\$ 990.94
240	Anthem Blue Cross III	One Medicare					\$ 326.50			\$ 326.50		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50			\$ 326.50	\$ 326.50	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50			\$ 326.50	\$ 326.50	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,066.35	\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,066.35	\$ 1,047.14		\$ 326.50	\$ 326.50		\$ 326.50	\$ 326.50	
301	Cigna Network Model Plan	Retiree Only	\$ 2,190.16				\$ 837.41			\$ 272.40		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 2,190.16	\$ 2,190.16	\$ 2,150.70		\$ 837.41	\$ 837.41		\$ 272.40	\$ 272.40	
303	Cigna Network Model Plan	Retiree and Family	\$ 2,190.16	\$ 2,190.16	\$ 2,150.70		\$ 837.41	\$ 837.41		\$ 272.40	\$ 272.40	
304	Cigna Network Model Plan	Retiree and Children	\$ 2,190.16	\$ 2,190.16	\$ 2,150.70		\$ 837.41			\$ 272.40		
305	Cigna Network Model Plan	Minor Survivor				\$ 2,150.70			\$ 2,150.70			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 302.80					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 302.80	\$ 302.80		\$ 302.80	\$ 302.80	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 302.80	\$ 302.80				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 302.80	\$ 302.80		\$ 302.80	\$ 302.80	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 302.80	\$ 302.80		\$ 302.80	\$ 302.80	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 302.80	\$ 302.80				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,074.39							\$ 193.21		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 190.49					
404	Kaiser (CA)	Retiree Excess I					\$ 768.76					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 728.01					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 1,295.38					
411	Kaiser (CA)	Family Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03					\$ 191.85	\$ 186.48	

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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	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 190.49	\$ 185.06		\$ 190.49	\$ 186.48	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 768.76	\$ 764.95		\$ 768.76	\$ 186.48	
418	Kaiser (CA)	Two+ Advantage					\$ 190.49	\$ 185.06				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 479.62	\$ 475.01				
420	Kaiser (CA)	Two+ Excess I					\$ 768.76	\$ 764.95				
421	Kaiser (CA)	Survivor				\$ 1,055.03			\$ 1,055.03			\$ 1,055.03
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 728.01	\$ 724.09		\$ 728.01	\$ 186.48	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,074.39	\$ 1,074.39	\$ 1,055.03		\$ 1,295.38	\$ 1,293.04		\$ 1,295.38	\$ 186.48	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 459.25	\$ 454.58				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 742.93	\$ 739.05				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 748.38	\$ 744.52				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 1,032.07	\$ 1,028.99				
430	Kaiser (CA)	Two Excess II - Part B					\$ 728.01	\$ 724.09				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 1,011.70	\$ 1,008.56				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 1,295.38	\$ 1,293.04				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,143.05							\$ 272.14		
451	Kaiser - Colorado	Retiree Risk					\$ 272.14					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,143.05	\$ 1,530.44						\$ 272.14	\$ 266.94	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,143.05	\$ 1,530.44	\$ 3,727.08					\$ 272.14	\$ 266.94	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,143.05	\$ 1,254.36			\$ 272.14	\$ 266.94		\$ 272.14	\$ 266.94	
457	Kaiser - Colorado	Two Retiree Risk					\$ 272.14	\$ 266.94				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,143.05	\$ 1,254.36	\$ 4,500.45		\$ 272.14	\$ 266.94		\$ 272.14	\$ 266.94	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 4,778.36		\$ 272.14	\$ 266.94		\$ 272.14	\$ 266.94	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 864.33					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 864.33					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 864.33					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 864.33	\$ 297.94				
461	Kaiser - Georgia Basic	Basic	\$ 1,324.53							\$ 303.05		
462	Kaiser - Georgia	Retiree Risk					\$ 303.05					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,324.53	\$ 1,455.12	\$ 5,543.15		\$ 303.05	\$ 297.94		\$ 303.05	\$ 297.94	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,324.53	\$ 1,455.12	\$ 5,543.10					\$ 303.05	\$ 297.94	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 464.40	\$ 1,455.11	\$ 5,543.10		\$ 303.05	\$ 297.94		\$ 303.05	\$ 297.94	
466	Kaiser - Georgia	Two Retiree Risk					\$ 303.05	\$ 297.94				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,141.15							\$ 318.82		
472	Kaiser - Hawaii	Retiree Risk					\$ 318.82					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,148.40					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,141.15	\$ 1,252.26						\$ 318.82	\$ 313.76	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,141.15	\$ 1,252.26	\$ 4,770.36					\$ 318.82	\$ 313.76	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,141.15	\$ 1,252.26	\$ 4,770.36		\$ 318.82	\$ 313.76		\$ 318.82	\$ 313.76	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,141.15	\$ 1,252.26	\$ 2,741.04		\$ 1,148.40	\$ 830.52		\$ 1,148.40	\$ 830.52	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 318.82	\$ 313.01				

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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)	\$ 1,237.19								\$ 280.03		
482	Kaiser - Oregon	Retiree Risk						\$ 280.03					
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B						\$ 872.69					
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,237.19	\$ 1,358.51							\$ 280.03	\$ 274.86	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,237.19	\$ 2,717.00	\$ 5,175.06						\$ 280.03	\$ 274.86	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,237.19	\$ 1,358.50	\$ 5,175.06			\$ 280.03	\$ 274.86		\$ 280.03	\$ 274.86	
488	Kaiser - Oregon	Two Retiree Risk						\$ 280.03	\$ 274.86				
489	Kaiser - Oregon	Retiree w/ Part A only						\$ 750.21					
491	Kaiser - Oregon	One Risk, One Medicare Part A only						\$ 750.21	\$ 274.86				
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,337.34	\$ 464.63				\$ 872.69	\$ 274.86		\$ 280.03	\$ 274.86	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,237.19	\$ 1,358.50				\$ 280.03	\$ 274.86		\$ 280.03	\$ 274.86	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,237.19	\$ 1,358.50	\$ 5,175.11			\$ 280.03	\$ 274.86		\$ 280.03	\$ 274.86	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare						\$ 872.69	\$ 869.17				
496	Kaiser - Oregon	Two Medicare Part A only						\$ 750.21	\$ 746.35				
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,237.19	\$ 1,358.50				\$ 750.21	\$ 746.35		\$ 750.21	\$ 746.35	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,237.19	\$ 1,358.50				\$ 872.69	\$ 869.17		\$ 872.69	\$ 869.17	
611	SCAN Health Plan	Retiree Only						\$ 209.51					
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)						\$ 209.51	\$ 209.51				
701	United Healthcare	Retiree Only	\$ 1,207.20					\$ 258.87			\$ 258.87		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45			\$ 258.87	\$ 258.87		\$ 258.87	\$ 258.87	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)						\$ 258.87	\$ 258.87		\$ 258.87	\$ 258.87	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45			\$ 258.87	\$ 258.87		\$ 258.87	\$ 258.87	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45			\$ 258.87	\$ 258.87		\$ 258.87	\$ 258.87	
706	United Healthcare	Minor Survivor				\$ 1,185.45				\$ 1,185.45			
707	United Healthcare	Single	\$ 1,207.20								\$ 261.24		
708	United Healthcare	Two-Party	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45						\$ 261.24	\$ 261.08	
709	United Healthcare	Family	\$ 1,207.20	\$ 1,207.20	\$ 1,185.45						\$ 261.24	\$ 261.08	

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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	\$ 1,893.62				\$ 405.39			\$ 405.39		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 1,893.62	\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 1,893.62	\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 405.39		\$ 405.39	\$ 405.39		\$ 405.39
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 1,893.62	\$ 1,859.51		\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39	\$ 405.39
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65	\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39	\$ 405.39
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65	\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39	\$ 405.39
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC					\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39	\$ 405.39
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC	\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39	\$ 405.39
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC	\$ 1,893.62	\$ 1,859.51	\$ 1,893.62		\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39	\$ 405.39
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC					\$ 405.39	\$ 405.39		\$ 405.39	\$ 405.39	\$ 405.39

Dental/Vision Female Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 51.93		
502	Cigna Indemnity Dental/Vision	Family	\$ 51.93	\$ 56.80	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 52.94
901	Cigna Dental HMO/Vision	Retiree Only	\$ 45.41		
902	Cigna Dental HMO/Vision	Family	\$ 45.41	\$ 54.00	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 46.30

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Table A-22: Health Cost Trend Assumptions

The health cost trend assumptions are shown in the following table. These trends have changed from the July 1, 2016 valuation, due to updates in the trend models that we use. The medical trend model is based on the Society of Actuaries' (SOA) published report on long-term medical trend. That report includes detailed research performed by a committee of economists and actuaries that uses 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 accurately project long-term medical trends. Milliman uses this model as the foundation for the trend that it recommends to our clients for OPEB valuations.

The first year trend rates for LACERA non-firefighter Local medical and dental/vision plans have been adjusted to reflect the final July 1, 2018 renewals. ACA fees including PCORI and the impact from the 2019 calendar year moratorium on the Health Insurer Fee are also included in the medical and dental/vision trends. The remaining short term trends are based on Milliman's *Health Cost Guidelines*TM.

The trend assumption for Medicare Part B premiums was updated based on long-term projected Part B costs from the 2017 Medicare Trustees Report from CMS dated July 13, 2017. The dental trend assumption was updated based on the same methodology we used in our 2016 OPEB Investigation of Experience Study.

The following table presents the trend assumptions without the impact of the ACA Excise Tax. The weighted Average Trend is based on the expected payouts from each of the coverages (medical under 65, medical over 65, Part B, and Dental).

After fiscal year ending June 30, 2028, selected years are shown in the table. The trend rates 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%.

Fiscal Year Ending		LACERA Medical		Part B Premiums	Dental Under and Over 65	Weighted Average Trend
From	To	Under 65	Over 65			
6/30/2018	6/30/2019	5.80%	6.00%	9.25%	0.00%	5.85%
6/30/2019	6/30/2020	6.30%	6.00%	1.85%	3.00%	5.42%
6/30/2020	6/30/2021	6.70%	6.50%	4.30%	4.70%	6.20%
6/30/2021	6/30/2022	5.10%	5.10%	4.40%	2.95%	4.88%
6/30/2022	6/30/2023	5.10%	5.10%	4.90%	2.90%	4.94%
6/30/2023	6/30/2024	5.10%	5.10%	5.70%	2.90%	5.03%
6/30/2024	6/30/2025	5.20%	5.20%	5.20%	2.90%	5.06%
6/30/2025	6/30/2026	5.20%	5.20%	6.05%	2.85%	5.15%
6/30/2026	6/30/2027	5.20%	5.20%	6.50%	2.85%	5.21%
6/30/2027	6/30/2028	5.30%	5.30%	5.80%	2.85%	5.21%
6/30/2037	6/30/2038	5.40%	5.40%	5.30%	2.65%	5.26%
6/30/2047	6/30/2048	5.20%	5.20%	4.60%	2.50%	5.01%
6/30/2057	6/30/2058	5.10%	5.10%	4.50%	2.65%	4.93%
6/30/2067	6/30/2068	4.90%	4.90%	4.50%	2.85%	4.79%
6/30/2077	6/30/2078	4.40%	4.40%	4.50%	3.10%	4.39%
6/30/2087	6/30/2088	4.40%	4.40%	4.35%	3.35%	4.37%
6/30/2097	6/30/2098	4.40%	4.40%	4.35%	3.55%	4.37%
6/30/2102	6/30/2103	4.40%	4.40%	4.35%	3.70%	4.38%



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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%



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Appendix B: Summary of Program Provisions



The following description of retiree healthcare 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 HEALTHCARE 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. Healthcare 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 healthcare and death benefits is dependent on receipt of a retirement benefit, the eligibility and other aspects of the retirement benefits are applicable for retirement healthcare 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 or 60 days from the date the retiree's name appears on the Board of Retirement agenda, 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 healthcare 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 healthcare 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 healthcare benefits:

- An eligible surviving spouse or surviving domestic partner, who is eligible to continue to receive retirement benefits and to whom the member was married or registered as a domestic partner for at least one year prior to member's retirement date. If the member was granted a service-connected disability, the one-year rule does not apply. However, the date of marriage or domestic partner registration must precede the date of retirement.
- Surviving unmarried natural children, legally adopted children or stepchildren, up to age 26, if there is also a surviving spouse/eligible domestic partner.
- Surviving unmarried natural children, legally adopted children, or stepchildren, up to age 18 or if a full time student, up to age 22, and receiving retirement pension benefits, without a surviving spouse/domestic partner.
- An eligible surviving spouse or surviving domestic partner who is receiving retiree healthcare, may enroll a new spouse or domestic partner and/or new unmarried natural children, legally adopted children, or stepchildren who are eligible up to age 26.

COUNTY CONTRIBUTIONS TOWARDS RETIREE HEALTHCARE BENEFITS

Medical

If a retiree has 10 years of retirement service credit, the County contributes 40% of the healthcare 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. If a Tier 2 retiree selects a family tier for a plan where the premium for the retiree-only tier is less than the Tier 2 benchmark, there is a spouse subsidy equal to the Tier 2 benchmark less the premium for the retiree-only tier.

<u>Tier</u>	<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. Reciprocal service is not included in contribution calculations.

Dental / Vision

The contribution percentages follow the same contribution proportions based on years of service (excluding reciprocal service) as the medical plans. The Tier 1 benchmark is the indemnity plan premium for the tier that the member selects. The Tier 2 benchmark is the indemnity plan premium for the retiree-only tier.

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. Reciprocal service is not included in contribution calculations.

FIREFIGHTERS LOCAL 1014 CONTRIBUTIONS TOWARDS RETIREE HEALTHCARE 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.

RETIREE HEALTHCARE 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/Local%201014_2017%20SPD.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, 2017 was supplied to us by LACERA's Systems Division staff. Active and vested terminated data is used from the 2017 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, 2017 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	54	-	\$ 6,303,840	70.4	38.2
	F	110	-	9,044,208	67.4	37.2
Plan B	M	12	-	1,179,192	66.2	39.0
	F	43	-	3,884,088	63.1	36.9
Plan C	M	17	-	1,392,168	64.1	38.1
	F	47	-	4,131,588	63.4	37.6
Plan D	M	14,269	4	1,248,711,432	49.3	16.6
	F	28,431	5	2,256,598,656	48.8	16.6
Plan E	M	6,012	-	499,511,976	53.7	20.5
	F	12,427	-	851,755,020	53.5	21.4
Plan G	M	1,688	4,513	374,761,080	37.1	2.0
	F	3,237	9,113	681,958,440	36.2	2.0
Total		66,347	13,635	\$ 5,939,231,688	47.2	14.3
Safety Members- LA County*						
Plan A	M	2	-	\$ 267,072	64.0	42.8
	F	-	-	-	-	-
Plan B	M	6,702	1	754,985,484	44.4	18.2
	F	1,491	-	162,237,036	42.3	15.8
Plan C	M	228	909	91,180,224	30.0	1.7
	F	77	174	20,670,264	29.8	2.0
Total		8,500	1,084	\$ 1,029,340,080	42.0	15.5
Safety Members- Local 1014						
Plan A	M	5	-	\$ 670,968	61.8	35.0
	F	-	-	-	-	-
Plan B	M	2,536	-	314,987,508	46.6	18.8
	F	52	-	6,100,968	44.8	17.5
Plan C	M	141	367	35,834,916	31.1	1.8
	F	5	5	746,532	32.0	2.0
Total		2,739	372	\$ 358,340,892	44.0	16.0

* 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

	Sex	Members		Annual Salary	Average Age	Average Credited Service
		Tier 1	Tier 2			
General Members- Superior Court						
Plan A	M	6	-	\$ 844,536	72.5	26.6
	F	4	-	435,120	69.0	31.3
Plan B	M	2	-	251,052	66.0	16.3
	F	4	-	443,520	61.5	39.1
Plan C	M	-	-	-	-	-
	F	6	-	593,820	59.5	39.3
Plan D	M	531	-	47,151,684	51.2	20.2
	F	1,956	1	159,483,504	51.2	20.4
Plan E	M	321	-	27,803,328	52.6	22.0
	F	837	-	63,435,492	53.3	23.5
Plan G	M	23	238	15,617,196	36.7	1.5
	F	50	492	29,151,912	36.9	1.5
Total		3,740	731	\$ 345,211,164	49.2	17.7
General Members- SCAQMD						
Plan A	M	-	-	\$ -	-	-
	F	-	-	-	-	-
Plan B	M	-	-	-	-	-
	F	1	-	60,492	60.0	39.7
Plan C	M	-	-	-	-	-
	F	-	-	-	-	-
Plan D	M	-	-	-	-	-
	F	-	-	-	-	-
Plan E	M	-	-	-	-	-
	F	-	-	-	-	-
Plan G	M	-	-	-	-	-
	F	-	-	-	-	-
Total		1	-	\$ 60,492	60.0	39.7
All General Members						
Plan A	M	60	-	\$ 7,148,376	70.6	37.0
	F	114	-	9,479,328	67.5	37.0
Plan B	M	14	-	1,430,244	66.1	35.7
	F	48	-	4,388,100	62.9	37.1
Plan C	M	17	-	1,392,168	64.1	38.1
	F	53	-	4,725,408	63.0	37.8
Plan D	M	14,800	4	1,295,863,116	49.4	16.7
	F	30,387	6	2,416,082,160	48.9	16.9
Plan E	M	6,333	-	527,315,304	53.7	20.5
	F	13,264	-	915,190,512	53.5	21.5
Plan G	M	1,711	4,751	390,378,276	37.1	2.0
	F	3,287	9,605	711,110,352	36.2	2.0
Total		70,088	14,366	\$ 6,284,503,344	47.3	14.5
All Safety Members						
Plan A	M	7	-	\$ 938,040	62.4	37.2
	F	-	-	-	-	-
Plan B	M	9,238	1	1,069,972,992	45.0	18.4
	F	1,543	-	168,338,004	42.4	15.9
Plan C	M	369	1,276	127,015,140	30.3	1.7
	F	82	179	21,416,796	29.9	2.0
Total		11,239	1,456	\$ 1,387,680,972	42.5	15.6
Grand Total		81,327	15,822	\$ 7,672,184,316	46.7	14.6

Grand Total (Tiers Combined) 97,149
 This excludes 62 active pension members who are receiving retiree healthcare benefits.



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-2: Summary of Vested Terminated Members

	Sex	Members		Average Age
		Tier 1	Tier 2	
General Members- LA County*				
Plan A	M	13	-	70.3
	F	24	-	67.5
Plan B	M	5	-	67.4
	F	12	-	66.6
Plan C	M	2	-	64.0
	F	9	-	62.6
Plan D	M	1,271	-	48.6
	F	2,520	1	47.0
Plan E	M	952	-	56.4
	F	2,188	-	56.1
Plan G	M	14	18	35.3
	F	46	21	36.7
Total		7,056	40	51.4
Safety Members- LA County*				
Plan A	M	3	-	67.3
	F	-	-	-
Plan B	M	415	-	43.0
	F	113	-	43.8
Plan C	M	2	4	28.0
	F	-	-	-
Total		533	4	43.2
Safety Members- Local 1014				
Plan A	M	-	-	-
	F	-	-	-
Plan B	M	40	-	40.4
	F	10	-	38.3
Plan C	M	1	-	30.0
	F	-	-	-
Total		51	-	39.8

* 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	1	-	68.0
	F	7	-	65.3
Plan B	M	-	-	-
	F	1	-	62.0
Plan C	M	-	-	-
	F	1	-	63.0
Plan D	M	70	-	47.6
	F	203	-	49.1
Plan E	M	99	-	53.8
	F	230	-	54.2
Plan G	M	-	1	36.0
	F	2	3	36.2
Total		614	4	51.7

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	14	-	70.1
	F	31	-	67.0
Plan B	M	5	-	67.4
	F	13	-	66.2
Plan C	M	2	-	64.0
	F	10	-	62.6
Plan D	M	1,341	-	48.5
	F	2,723	1	47.1
Plan E	M	1,051	-	56.2
	F	2,418	-	56.0
Plan G	M	14	19	35.4
	F	48	24	36.7
Total		7,670	44	51.4

All Safety Members

Plan A	M	3	-	67.3
	F	-	-	-
Plan B	M	455	-	42.8
	F	123	-	43.4
Plan C	M	3	4	28.3
	F	-	-	-
Total		584	4	42.9

Grand Total 8,254 48 50.8

Grand Total (Tiers Combined) 8,302

Pension data includes 5,901 non vested terminated members.
 This excludes 37 vested terminated pension members who are receiving retiree healthcare benefits.
 This also excludes 2 records of members who died before 7/1/2017.

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	19,695	-	8,664	-	28,359	72.6	58.3	68.2
	F	25,386	1	15,210	-	40,597	73.9	60.7	69.0
	Total	45,081	1	23,874	-	68,956	73.3	59.8	68.7
Local 1014	M	1,529	-	186	-	1,715	69.3	21.9	64.2
	F	268	-	1,468	-	1,736	77.4	59.7	62.4
	Total	1,797	-	1,654	-	3,451	70.5	55.4	63.3
Superior Court	M	562	-	543	-	1,105	74.5	63.4	69.0
	F	1,620	-	364	-	1,984	72.6	60.5	70.4
	Total	2,182	-	907	-	3,089	73.1	62.2	69.9
SCAQMD	M	27	-	4	-	31	82.3	62.0	79.7
	F	21	-	20	-	41	82.2	75.9	79.1
	Total	48	-	24	-	72	82.3	73.6	79.4
Total Medical	M	21,813	-	9,397	-	31,210	72.4	57.9	68.0
	F	27,295	1	17,062	-	44,358	73.9	60.6	68.8
	Total	49,108	1	26,459	-	75,568	73.2	59.7	68.5
Tiers Combined	Total	49,109		26,459					

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	20,126	-	9,536	1	29,663	72.5	58.5	68.0
	F	26,014	2	15,920	1	41,937	73.8	60.4	68.7
	Total	46,140	2	25,456	2	71,600	73.2	59.7	68.4
Local 1014	M	1,502	-	254	-	1,756	69.3	22.5	62.5
	F	251	-	1,514	-	1,765	77.1	58.6	61.2
	Total	1,753	-	1,768	-	3,521	70.4	53.4	61.9
Superior Court	M	549	-	600	-	1,149	74.5	64.6	69.3
	F	1,654	-	384	-	2,038	72.6	60.3	70.3
	Total	2,203	-	984	-	3,187	73.1	62.9	69.9
SCAQMD	M	26	-	4	-	30	83.2	62.0	80.4
	F	17	-	20	-	37	81.8	75.9	78.6
	Total	43	-	24	-	67	82.6	73.6	79.4
Total Dental/Vision	M	22,203	-	10,394	1	32,598	72.3	58.0	67.8
	F	27,936	2	17,838	1	45,777	73.8	60.3	68.5
	Total	50,139	2	28,232	2	78,375	73.1	59.4	68.2
Tiers Combined	Total	50,141		28,234					

Exhibit C-3 (continued): Summary of Retired Members, Spouses, and Dependents

Death Benefit *

	Gender	Count					Average Age		
		Retirees		Spouses and Dependents		Total	Retirees	Spouses and Dependents	Total
		Tier 1	Tier 2	Tier 1	Tier 2				
LA County	M	23,577	-	NA	NA	23,577	71.9	NA	71.9
	F	26,470	1	NA	NA	26,471	72.4	NA	72.4
	Total	50,047	1	NA	NA	50,048	72.2	NA	72.2
Local 1014	M	1,529	-	NA	NA	1,529	69.3	NA	69.3
	F	9	-	NA	NA	9	71.0	NA	71.0
	Total	1,538	-	NA	NA	1,538	69.3	NA	69.3
Superior Court	M	700	-	NA	NA	700	73.0	NA	73.0
	F	1,952	-	NA	NA	1,952	71.2	NA	71.2
	Total	2,652	-	NA	NA	2,652	71.7	NA	71.7
SCAQMD	M	34	-	NA	NA	34	81.8	NA	81.8
	F	7	-	NA	NA	7	78.7	NA	78.7
	Total	41	-	NA	NA	41	81.3	NA	81.3
Total Death Benefit	M	25,840	-	NA	NA	25,840	71.8	NA	71.8
	F	28,438	1	NA	NA	28,439	72.3	NA	72.3
	Total	54,278	1	NA	NA	54,279	72.1	NA	72.1
Tiers Combined	Total	54,279		NA					

* Totals do not include 395 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	3	-	-	-	-	-	-	-	3
20-24	850	5	-	-	-	-	-	-	855
25-29	5,598	466	19	-	-	-	-	-	6,083
30-34	5,971	2,879	1,239	42	-	-	-	-	10,131
35-39	3,767	3,173	3,774	1,229	58	1	-	-	12,002
40-44	2,299	2,214	3,324	3,961	828	68	1	-	12,695
45-49	1,689	1,612	2,531	4,026	2,423	1,811	146	4	14,242
50-54	1,214	1,113	1,888	2,838	2,066	3,796	1,451	142	14,508
55-59	864	918	1,516	2,266	1,317	2,516	1,956	1,035	12,388
60-64	425	638	1,049	1,624	1,048	1,478	1,216	1,560	9,038
65-69	140	300	506	795	492	627	344	562	3,766
70-74	19	65	145	257	156	191	91	146	1,070
75-79	4	7	35	60	53	47	23	39	268
80-84	-	-	7	16	17	9	4	27	80
85 & Over	-	1	3	2	1	3	2	8	20
Total Count	22,843	13,391	16,036	17,116	8,459	10,547	5,234	3,523	97,149

This excludes 62 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	30	16	-	-	-	-	-	-	46
30-34	107	207	26	1	-	-	-	-	341
35-39	187	418	154	16	1	-	-	-	776
40-44	242	550	245	82	7	-	-	-	1,126
45-49	194	554	438	191	53	16	2	-	1,448
50-54	169	389	599	239	117	55	9	-	1,577
55-59	112	246	453	215	93	72	32	10	1,233
60-64	66	186	430	154	69	68	30	49	1,052
65-69	38	99	247	80	16	12	9	15	516
70-74	10	15	75	34	10	2	-	2	148
75-79	3	2	11	5	3	1	1	1	27
80-84	4	1	2	-	-	1	-	-	8
85 & Over	-	1	-	-	-	-	-	-	1
Total Count	1,165	2,684	2,680	1,017	369	227	83	77	8,302

Retirement program data includes 5,901 non vested terminated members.
 This excludes 37 vested terminated pension members who are receiving retiree healthcare benefits.
 This also excludes 2 records of members who died before 7/1/2017.



Exhibit C-6: Age and Service Distributions of Retired Members in Medical Plans

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	4	3	1	14	23
35-39	-	-	-	-	-	-	-	10	10
40-44	-	-	-	-	-	2	2	41	45
45-49	-	-	4	4	8	6	2	137	161
50-54	-	-	21	18	53	109	43	335	579
55-59	-	1	45	61	125	496	585	672	1,985
60-64	2	1	127	174	309	1,046	1,766	867	4,292
65-69	2	17	340	511	655	1,734	4,622	1,148	9,029
70-74	5	24	474	667	869	1,908	4,495	1,502	9,944
75-79	7	14	422	566	717	1,751	2,925	1,163	7,565
80-84	6	21	316	481	663	1,366	1,754	823	5,430
85-89	5	21	249	379	537	861	1,034	520	3,606
90-94	-	11	150	246	286	375	559	215	1,842
95-99	-	-	65	82	57	89	156	51	500
100 & Over	1	-	14	8	14	17	13	4	71
Total Count	28	110	2,227	3,198	4,297	9,763	17,957	7,502	45,082

**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	2	8	13
55-59	-	-	-	5	4	28	63	161	261
60-64	-	-	1	2	2	37	53	236	331
65-69	-	-	1	-	2	17	43	189	252
70-74	-	-	1	-	1	12	47	261	322
75-79	-	-	-	-	1	9	23	184	217
80-84	-	-	-	-	3	13	18	152	186
85-89	-	-	-	-	1	18	22	94	135
90-94	-	-	-	1	-	12	22	30	65
95-99	-	-	1	-	-	-	2	2	5
100 & Over	-	-	-	-	-	1	-	-	1
Total Count	-	-	5	8	15	149	295	1,325	1,797



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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							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	2	3
50-54	-	-	2	3	4	5	-	7	21
55-59	-	-	5	7	16	23	20	16	87
60-64	-	1	10	17	20	73	121	34	276
65-69	1	2	26	32	44	99	229	37	470
70-74	-	1	29	44	57	97	199	35	462
75-79	-	4	26	22	35	81	119	31	318
80-84	-	3	18	24	41	52	73	28	239
85-89	-	-	15	27	31	39	56	7	175
90-94	-	1	6	13	19	17	30	4	90
95-99	-	1	5	5	5	8	6	2	32
100 & Over	-	-	-	2	2	1	2	-	7
Total Count	1	13	142	196	274	495	856	205	2,182

**SCAQMD
 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	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-
65-69	1	-	-	-	-	1	2	-	4
70-74	1	1	-	-	-	-	1	1	4
75-79	-	-	1	-	-	1	4	1	7
80-84	1	-	-	1	2	1	5	2	12
85-89	-	-	-	2	3	1	7	-	13
90-94	-	-	2	-	2	2	-	-	6
95-99	-	-	-	1	1	-	-	-	2
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	3	1	3	4	8	6	19	4	48



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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	-	-	-	1	4	3	1	15	24
35-39	-	-	-	-	-	-	-	10	10
40-44	-	-	-	-	-	2	2	45	49
45-49	-	-	4	4	8	7	3	144	170
50-54	-	-	24	21	58	115	45	350	613
55-59	-	1	50	73	145	547	668	849	2,333
60-64	2	2	138	193	331	1,156	1,940	1,137	4,899
65-69	4	19	367	543	701	1,851	4,896	1,374	9,755
70-74	6	26	504	711	927	2,017	4,742	1,799	10,732
75-79	7	18	449	588	753	1,842	3,071	1,379	8,107
80-84	7	24	334	506	709	1,432	1,850	1,005	5,867
85-89	5	21	264	408	572	919	1,119	621	3,929
90-94	-	12	158	260	307	406	611	249	2,003
95-99	-	1	71	88	63	97	164	55	539
100 & Over	1	-	14	10	16	19	15	4	79
Total Count	32	124	2,377	3,406	4,594	10,413	19,127	9,036	49,109



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Exhibit C-7: Age and Service Distributions of Spouses and Dependents of Retired Members in Medical Plans

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	-	-	98	131	256	1,004	1,442	1,359	4,290
35-39	-	1	2	1	8	18	32	30	92
40-44	-	-	2	6	19	26	34	47	134
45-49	-	-	9	11	22	63	121	132	358
50-54	-	-	18	23	48	229	317	286	921
55-59	-	-	32	43	100	447	727	480	1,829
60-64	1	7	61	93	178	696	1,333	551	2,920
65-69	3	9	140	201	285	863	2,056	652	4,209
70-74	4	6	164	272	346	752	1,763	641	3,948
75-79	1	4	146	208	295	647	1,109	373	2,783
80-84	-	6	72	123	184	372	500	184	1,441
85-89	-	2	25	57	80	184	243	82	673
90-94	-	1	20	30	29	65	73	20	238
95-99	1	-	6	7	6	9	7	1	37
100 & Over	-	-	-	-	1	-	-	-	1
Total Count	10	36	795	1,206	1,857	5,375	9,757	4,838	23,874

**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	4	2	33	68	213	321
35-39	-	-	-	-	-	-	-	1	1
40-44	-	-	-	-	-	-	-	3	3
45-49	-	-	1	-	-	2	1	4	8
50-54	-	-	-	3	5	17	47	99	171
55-59	-	-	1	3	-	31	55	228	318
60-64	-	-	1	-	-	13	37	157	208
65-69	-	-	1	-	2	12	33	190	238
70-74	-	-	-	-	-	11	23	151	185
75-79	-	-	-	-	2	7	8	82	99
80-84	-	-	-	-	2	7	7	55	71
85-89	-	-	-	-	-	5	8	14	27
90-94	-	-	-	-	-	-	4	-	4
95-99	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	-	5	10	13	138	291	1,197	1,654



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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								Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above	Disableds	
Under 35	-	1	10	6	15	34	47	23	136
35-39	-	-	1	-	-	-	2	2	5
40-44	-	-	-	-	1	1	1	-	3
45-49	-	-	-	2	1	4	3	1	11
50-54	-	-	-	2	2	7	5	1	17
55-59	-	-	5	4	8	13	20	5	55
60-64	-	1	2	10	11	44	47	8	123
65-69	-	-	10	10	17	51	81	14	183
70-74	-	1	11	12	22	32	62	14	154
75-79	-	2	7	4	17	29	45	6	110
80-84	-	-	5	4	6	17	26	5	63
85-89	-	-	4	2	5	6	11	1	29
90-94	-	-	1	3	3	2	6	-	15
95-99	-	-	-	2	1	-	-	-	3
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	5	56	61	109	240	356	80	907

**SCAQMD
 Spouses and Dependents 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	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	1	1
50-54	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	1	-	1
60-64	-	-	-	-	-	-	-	-	-
65-69	1	1	-	-	-	-	-	1	3
70-74	-	-	-	1	-	-	4	1	6
75-79	-	-	-	-	-	2	2	1	5
80-84	-	-	-	-	1	-	2	-	3
85-89	-	-	2	-	-	-	1	-	3
90-94	-	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	1	-	1
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	1	1	2	1	1	2	11	5	24



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	109	141	273	1,071	1,557	1,596	4,748
35-39	-	1	3	1	8	18	34	33	98
40-44	-	-	2	6	20	27	35	50	140
45-49	-	-	10	13	23	69	125	138	378
50-54	-	-	18	28	55	253	369	386	1,109
55-59	-	-	38	50	108	491	803	713	2,203
60-64	1	8	64	103	189	753	1,417	716	3,251
65-69	4	10	151	211	304	926	2,170	857	4,633
70-74	4	7	175	285	368	795	1,852	807	4,293
75-79	1	6	153	212	314	685	1,164	462	2,997
80-84	-	6	77	127	193	396	535	244	1,578
85-89	-	2	31	59	85	195	263	97	732
90-94	-	1	21	33	32	67	83	20	257
95-99	1	-	6	9	7	9	8	1	41
100 & Over	-	-	-	-	1	-	-	-	1
Total Count	11	42	858	1,278	1,980	5,755	10,415	6,120	26,459



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Exhibit C-8: Age and Service Distributions of Retired Members in Dental/Vision Plans

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	4	3	1	17	26
35-39	-	-	-	-	-	-	-	14	14
40-44	-	-	1	-	-	2	2	59	64
45-49	-	-	5	4	9	6	2	158	184
50-54	-	1	20	22	54	110	43	386	636
55-59	2	2	70	76	136	496	584	726	2,092
60-64	3	6	157	214	322	1,047	1,760	936	4,445
65-69	2	28	377	557	675	1,741	4,620	1,210	9,210
70-74	9	35	522	683	903	1,923	4,508	1,578	10,161
75-79	9	22	430	592	750	1,761	2,938	1,204	7,706
80-84	4	30	300	504	679	1,378	1,765	833	5,493
85-89	7	17	268	380	553	866	1,047	535	3,673
90-94	3	13	161	252	291	383	559	207	1,869
95-99	1	1	77	79	60	88	153	45	504
100 & Over	-	-	9	5	16	17	13	5	65
Total Count	40	155	2,397	3,369	4,452	9,821	17,995	7,913	46,142

**Local 1014
 Retirees and Survivors with Dental/Vision 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	-	-	-	-	-	-	-	2	2
45-49	-	-	-	-	-	1	-	3	4
50-54	-	-	1	-	1	1	2	8	13
55-59	-	-	-	4	4	27	62	159	256
60-64	-	-	1	2	2	37	53	231	326
65-69	-	-	1	-	3	16	42	188	250
70-74	-	-	1	-	1	12	47	258	319
75-79	-	-	-	-	1	9	22	180	212
80-84	-	-	-	-	3	12	18	149	182
85-89	-	-	-	-	1	17	22	86	126
90-94	-	-	-	-	-	12	21	25	58
95-99	-	-	-	-	-	-	2	2	4
100 & Over	-	-	-	-	-	1	-	-	1
Total Count	-	-	4	6	16	145	291	1,291	1,753



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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	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	2	2
45-49	-	-	-	-	-	-	1	2	3
50-54	-	-	1	2	4	6	-	9	22
55-59	-	1	7	8	17	23	19	17	92
60-64	-	4	12	18	20	71	118	36	279
65-69	-	1	27	31	45	99	228	39	470
70-74	-	3	28	47	56	97	198	37	466
75-79	-	3	27	24	36	81	120	32	323
80-84	-	5	22	21	36	54	73	30	241
85-89	-	2	17	26	28	39	55	6	173
90-94	-	1	9	14	18	18	31	3	94
95-99	-	-	4	5	6	8	6	2	31
100 & Over	-	-	-	2	2	1	2	-	7
Total Count	-	20	154	198	268	497	851	215	2,203

**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	1	3
75-79	-	-	-	-	-	1	4	1	6
80-84	-	-	-	1	1	1	5	2	10
85-89	-	-	-	1	3	1	7	-	12
90-94	-	-	2	-	1	2	-	-	5
95-99	-	-	-	2	1	-	-	-	3
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	1	1	2	4	6	6	19	4	43



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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	-	-	-	1	4	3	1	17	26
35-39	-	-	-	-	-	-	-	14	14
40-44	-	-	1	-	-	2	2	63	68
45-49	-	-	5	4	9	7	3	163	191
50-54	-	1	22	24	59	117	45	403	671
55-59	2	3	77	88	157	546	665	902	2,440
60-64	3	10	170	234	344	1,155	1,931	1,203	5,050
65-69	3	29	405	588	723	1,857	4,892	1,437	9,934
70-74	9	39	551	730	960	2,032	4,754	1,874	10,949
75-79	9	25	457	616	787	1,852	3,084	1,417	8,247
80-84	4	35	322	526	719	1,445	1,861	1,014	5,926
85-89	7	19	285	407	585	923	1,131	627	3,984
90-94	3	14	172	266	310	415	611	235	2,026
95-99	1	1	81	86	67	96	161	49	542
100 & Over	-	-	9	7	18	19	15	5	73
Total Count	41	176	2,557	3,577	4,742	10,469	19,156	9,423	50,141



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Exhibit C-9: Age and Service Distributions of Spouses and Dependents of Retired Members in Dental/Vision Plans

Age	Retirees' Years of Service							Disableds	Total Count
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Above		
Under 35	3	3	139	159	274	1,008	1,464	1,618	4,668
35-39	-	2	1	1	8	19	35	36	102
40-44	-	1	3	7	18	28	41	58	156
45-49	-	1	14	14	23	66	121	156	395
50-54	-	-	20	25	55	228	315	338	981
55-59	2	1	41	59	96	454	719	516	1,888
60-64	2	7	79	110	197	694	1,327	588	3,004
65-69	3	9	155	234	312	907	2,124	707	4,451
70-74	2	12	190	294	369	803	1,861	678	4,209
75-79	-	4	150	223	321	694	1,160	397	2,949
80-84	3	5	81	153	210	408	539	203	1,602
85-89	2	3	35	77	92	197	256	87	749
90-94	-	1	21	34	40	64	78	22	260
95-99	-	-	5	8	8	11	10	-	42
100 & Over	-	-	-	-	1	1	-	-	2
Total Count	17	49	934	1,398	2,024	5,582	10,050	5,404	25,458

**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	-	-	2	7	8	55	105	303	480
35-39	-	-	-	-	-	-	-	3	3
40-44	-	-	-	-	-	-	2	6	8
45-49	-	-	-	1	-	2	2	23	28
50-54	-	-	1	2	-	9	31	65	108
55-59	-	-	2	1	1	24	47	155	230
60-64	-	-	1	-	1	21	44	196	263
65-69	-	-	-	1	1	11	32	166	211
70-74	-	-	-	-	-	14	22	168	204
75-79	-	-	-	-	2	8	9	92	111
80-84	-	-	-	-	2	7	12	56	77
85-89	-	-	-	-	-	6	9	22	37
90-94	-	-	-	-	-	2	3	2	7
95-99	-	-	-	-	-	-	1	-	1
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	-	6	12	15	159	319	1,257	1,768



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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	-	4	9	4	13	37	44	30	141
35-39	-	-	1	-	-	-	2	2	5
40-44	-	-	-	-	1	1	1	-	3
45-49	-	-	-	2	-	4	3	1	10
50-54	-	-	-	1	2	7	6	4	20
55-59	-	1	5	3	7	14	19	6	55
60-64	-	1	1	10	16	44	46	8	126
65-69	-	-	12	13	20	55	87	16	203
70-74	-	1	14	17	23	35	67	17	174
75-79	-	-	9	6	16	31	50	7	119
80-84	-	1	7	4	8	19	27	7	73
85-89	-	-	5	4	5	7	12	2	35
90-94	-	-	1	3	3	2	6	-	15
95-99	-	-	2	2	1	-	-	-	5
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	-	8	66	69	115	256	370	100	984

**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	3
70-74	-	-	-	1	-	-	4	1	6
75-79	-	-	-	-	-	2	2	1	5
80-84	-	-	-	-	1	-	2	-	3
85-89	-	-	2	-	-	-	1	-	3
90-94	-	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	1	-	1
100 & Over	-	-	-	-	-	-	-	-	-
Total Count	1	1	2	1	1	2	11	5	24



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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	3	7	150	170	295	1,100	1,613	1,952	5,290
35-39	-	2	2	1	8	19	37	41	110
40-44	-	1	3	7	19	29	44	64	167
45-49	-	1	14	17	23	72	126	181	434
50-54	-	-	21	28	57	244	352	407	1,109
55-59	2	2	48	63	104	492	786	677	2,174
60-64	2	8	81	120	214	759	1,417	792	3,393
65-69	4	10	167	248	333	973	2,243	890	4,868
70-74	2	13	204	312	392	852	1,954	864	4,593
75-79	-	4	159	229	339	735	1,221	497	3,184
80-84	3	6	88	157	221	434	580	266	1,755
85-89	2	3	42	81	97	210	278	111	824
90-94	-	1	22	37	43	68	87	24	282
95-99	-	-	7	10	9	11	12	-	49
100 & Over	-	-	-	-	1	1	-	-	2
Total Count	18	58	1,008	1,480	2,155	5,999	10,750	6,766	28,234



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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	179	1,104	1,283	252	243	495	431	1,347	1,778
Blue Cross II	1,988	2,774	4,762	2,664	1,011	3,675	4,652	3,785	8,437
Blue Cross III	248	11,170	11,418	1,067	4,158	5,225	1,315	15,328	16,643
Blue Cross Prudent Buyer Plan	366	866	1,232	480	252	732	846	1,118	1,964
CIGNA Healthcare for Seniors	2	56	58	14	19	33	16	75	91
CIGNA Network Model Plan	109	445	554	135	115	250	244	560	804
Kaiser (Other)	45	329	374	37	102	139	82	431	513
Kaiser (CA)	3,953	19,279	23,232	5,067	6,473	11,540	9,020	25,752	34,772
United Healthcare	1,262	2,734	3,996	1,617	994	2,611	2,879	3,728	6,607
SCAN Health Plan	1	401	402	2	103	105	3	504	507
Firefighters' Local 1014	637	1,160	1,797	1,053	601	1,654	1,690	1,761	3,451
Total Medical	8,790	40,318	49,108	12,388	14,071	26,459	21,178	54,389	75,567
<u>Medicare Part B Coverage</u>									
LA County									
Receiving Reimbursement	325	30,079	30,404	341	9,824	10,165	666	39,903	40,569
Not Receiving Reimbursement	7,410	7,267	14,677	10,625	3,084	13,709	18,035	10,351	28,386
Total	7,735	37,346	45,081	10,966	12,908	23,874	18,701	50,254	68,955
Firefighters' Local 1014									
Receiving Reimbursement	33	1,131	1,164	64	520	584	97	1,651	1,748
Not Receiving Reimbursement	604	29	633	989	81	1,070	1,593	110	1,703
Total	637	1,160	1,797	1,053	601	1,654	1,690	1,761	3,451
Superior Court									
Receiving Reimbursement	21	1,427	1,448	12	418	430	33	1,845	1,878
Not Receiving Reimbursement	397	337	734	356	121	477	753	458	1,211
Total	418	1,764	2,182	368	539	907	786	2,303	3,089
SCAQMD									
Receiving Reimbursement	-	35	35	-	16	16	-	51	51
Not Receiving Reimbursement	-	13	13	3	5	8	3	18	21
Total	-	48	48	3	21	24	3	69	72
All Members									
Receiving Reimbursement	379	32,672	33,051	417	10,778	11,195	796	43,450	44,246
Not Receiving Reimbursement	8,411	7,646	16,057	11,973	3,291	15,264	20,384	10,937	31,321
Grand Total Medicare Part B	8,790	40,318	49,108	12,390	14,069	26,459	21,180	54,387	75,567
<u>Dental/Vision Plans</u>									
LA County									
Cigna Indemnity Dental/Vision	6,782	34,083	40,865	9,877	12,691	22,568	16,659	46,774	63,433
Cigna Dental HMO/Vision	1,332	3,943	5,275	1,751	1,137	2,888	3,083	5,080	8,163
Total	8,114	38,026	46,140	11,628	13,828	25,456	19,742	51,854	71,596
Firefighters' Local 1014									
Cigna Indemnity Dental/Vision	612	1,101	1,713	1,132	598	1,730	1,744	1,699	3,443
Cigna Dental HMO/Vision	12	28	40	21	17	38	33	45	78
Total	624	1,129	1,753	1,153	615	1,768	1,777	1,744	3,521
Superior Court									
Cigna Indemnity Dental/Vision	361	1,603	1,964	332	554	886	693	2,157	2,850
Cigna Dental HMO/Vision	65	174	239	47	51	98	112	225	337
Total	426	1,777	2,203	379	605	984	805	2,382	3,187
SCAQMD									
Cigna Indemnity Dental/Vision	-	43	43	3	21	24	3	64	67
Cigna Dental HMO/Vision	-	-	-	-	-	-	-	-	-
Total	-	43	43	3	21	24	3	64	67
All Members									
Cigna Indemnity Dental/Vision	7,755	36,830	44,585	11,344	13,864	25,208	19,099	50,694	69,793
Cigna Dental HMO/Vision	1,409	4,145	5,554	1,819	1,205	3,024	3,228	5,350	8,578
Grand Total Dental/Vision	9,164	40,975	50,139	13,163	15,069	28,232	22,327	56,044	78,371



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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		
	<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	10,391	39,656	50,047	NA	NA	NA	10,391	39,656	50,047
Firefighters' Local 1014	602	936	1,538	NA	NA	NA	602	936	1,538
Superior Court	649	2,003	2,652	NA	NA	NA	649	2,003	2,652
SCAQMD	<u>1</u>	<u>40</u>	<u>41</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>1</u>	<u>40</u>	<u>41</u>
Grand Total Death Benefit	11,643	42,635	54,278	NA	NA	NA	11,643	42,635	54,278

* Totals do not include 395 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	-	1	1	-	-	-	-	1	1
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	-	1	1	-	-	-	-	1	1
<u>Medicare Part B Coverage</u>									
LA County									
Receiving Reimbursement	-	-	-	-	-	-	-	-	-
Not Receiving Reimbursement	-	1	1	-	-	-	-	1	1
Total	-	1	1	-	-	-	-	1	1
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	-	1	1	-	-	-	-	1	1
Grand Total Medicare Part B	-	1	1	-	-	-	-	1	1
<u>Dental/Vision Plans</u>									
LA County									
Cigna Indemnity Dental/Vision	-	1	1	-	-	-	-	1	1
Cigna Dental HMO/Vision	1	-	1	2	-	2	3	-	3
Total	1	1	2	2	-	2	3	1	4
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	-	1	1	-	-	-	-	1	1
Cigna Dental HMO/Vision	1	-	1	2	-	2	3	-	3
Grand Total Dental/Vision	1	1	2	2	-	2	3	1	4

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	1	-	1	NA	NA	NA	1	-	1
Firefighters' Local 1014	-	-	-	NA	NA	NA	-	-	-
Superior Court	-	-	-	NA	NA	NA	-	-	-
SCAQMD	-	-	-	NA	NA	NA	-	-	-
Grand Total Death Benefit	1	-	1	NA	NA	NA	1	-	1

Exhibit C-12: Treatment of Incomplete Data

ID	Size	Situation	Assumption and Resolution
1	0 medical 1 dental	Dependent did not have a valid gender.	Dependent was given gender opposite of the retiree.
2	396 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 18 years old since the average age of LACERA children under 26 is 18; half were listed as male and half as female. Children were not added for Kaiser plans, based on previous discussions with LACERA.
3	1,448 medical 336 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.
4	128 medical 129 dental 10 death benefit only 2 vested terminated	Members were deceased before 7/1/2017.	Removed records from data.
5	2 medical 2 dental	Dependent Type listed as "S", but had Dependent age of less than 18.	Dependent Type changed to "C".

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 74	The statement that establishes financial reporting standards for postemployment benefit <u>plans</u> other than retirement programs.
GASB 75	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_oa.pdf

http://www.lacera.com/healthcare/pdf/healthcare_charts/plan_comparison_medicare.pdf

COMPARISON OF MEDICAL PLANS

Effective July 1, 2017

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 annual benefit maximum per calendar year. Limited to one hearing aid (including repair and replacement) per hearing impaired ear every three 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

Effective July 1, 2017

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

For those enrolled in Medicare Parts A and B

Effective July 1, 2017

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; 90 days per benefit period. 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	\$600 allowance, every 24 months	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 (!) 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/Local%201014_2017%20SPD.pdf

Medical Benefits at a Glance

The “*Benefits at a Glance*” chart below is an outline of what the [Plan](#) covers and how costs are shared for covered services. Coverage for services by an [out-of-network](#) provider is limited to [Reasonable and Customary charges](#) as determined by Local 1014. For more detailed information about what the [Plan](#) does and does not cover, refer to the sections of this SPD: [What the Medical Plan Covers](#) and [What the Medical Plan Does Not Cover](#).

Covered Expense	In-Network	Out-of-Network
Lifetime plan maximum	Unlimited	
Annual deductible	First \$200 of allowable expenses per person; \$600 maximum per family	
Coinsurance	Once you meet the annual deductible, the Plan pays 90% and you pay 10% of most allowable expenses , up to the annual out-of-pocket limit. Once the annual out-of-pocket limit is reached, the Plan generally pays 100% of allowable expenses .	Once you meet the annual deductible, the Plan pays 70% and you pay 30% of most allowable expenses , up to the annual out-of-pocket limit. Once the annual out-of-pocket limit is reached, the Plan generally pays 100% of allowable expenses . You also remain responsible for all amounts that exceed Reasonable and Customary charges .
Annual Out-of-Pocket Limit The combined In-Network and Out-of-Network limit is \$1,500. (Does not include annual deductibles, prescription drug or other copayments , non-covered expenses and amounts that exceed Reasonable and Customary)	\$1,000 per person or family per year (after you pay the deductible)	\$1,500 per person or family per year ¹ (after you pay the deductible). You remain responsible for all amounts that exceed Reasonable and Customary charges after the out-of-pocket limit is met.

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.

(Continued) ➔

Covered Expense	In-Network	Out-of-Network
Well-baby care (up to age 2, including immunizations)	100%; deductible does not apply	100%; deductible does not apply ¹
Immunizations (age 2 and older)	100%; deductible does not apply	100%; deductible does not apply ¹
Wellness benefit (age 2 and older)	100%; annual preventive exam and screenings, including "fit for life" exam, and immunizations; deductible does not apply	100%; annual preventive exam and screenings, including "fit for life" exam, and immunizations; deductible does not apply ¹
Cancer screenings	100% for Pap smear, mammogram, PSA test and colonoscopy covered according to American Cancer Society guidelines; deductible does not apply	100% for Pap smear, mammogram, PSA test and colonoscopy covered according to American Cancer Society guidelines; deductible does not apply ¹
Accidents	100% of the first \$5,000 incurred within 180 days of the accident ¹ (deductible and emergency room copay do not apply)	
Ambulance	90% after deductible ¹	
Doctor's office visits	90% after deductible	70% after deductible ¹
Emergency room	90% after deductible and \$50 copay per visit (copay waived in certain circumstances)	70% after deductible ¹ and \$50 copay per visit (copay waived in certain circumstances)
Hospital care (Providers must request pre-authorization from Anthem Blue Cross)	90% after deductible	70% after deductible ¹
Maternity (No pre-authorization required for uncomplicated obstetrical care)	90% after deductible	70% after deductible ¹

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.

(Continued) ➡

Covered Expense	In-Network	Out-of-Network
Surgery [Providers must request pre-authorization 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 weight loss surgery are covered only when performed at an Anthem Blue Cross Center of Expertise (COE)].	90% after deductible	70% after deductible ¹
X-rays and lab tests (excludes periodic preventive exams)	90% after deductible	70% after deductible ¹
Mental health /substance abuse care <ul style="list-style-type: none"> • Outpatient care • Inpatient care (All inpatient care requires pre-authorization from Anthem Blue Cross) 	90% after deductible	70% after deductible ¹
Acupuncture	90% after deductible (up to 30 visits per year; combined with chiropractic)	70% after deductible (up to 30 visits per year; combined with chiropractic) ¹
Chiropractic care	90% after deductible (up to 30 visits per year; combined with acupuncture)	70% after deductible (up to 30 visits per year; combined with acupuncture) ¹
Physical therapy (Requires referral by a physician ; additional visits require prior approval by Local 1014's Patient Care Coordinator)	90% after deductible (up to 30 visits per year)	70% after deductible (up to 30 visits per year) ¹

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.

(Continued) ➡

Covered Expense	In-Network	Out-of-Network
Occupational therapy (Requires referral by a physician ; additional visits require prior approval by Local 1014's Patient Care Coordinator)	90% after deductible (up to 6 visits per year)	70% after deductible (up to 6 visits per year) ¹
Home health care (Requires pre-authorization by Local 1014's Patient Care Coordinator)	90% after deductible (up to 100 visits per year) ¹	
Hospice care (Requires pre-authorization by Local 1014's Patient Care Coordinator)	90% after deductible (benefit limited to \$20,000 per lifetime) ¹	
Extended care facility (Providers must request pre-authorization from Anthem Blue Cross)	90% after deductible (up to 70 days per occurrence) ¹	
Transitional nursing benefit (Requires pre-authorization by Local 1014's Patient Care Coordinator)	90% after deductible (up to 400 hours per lifetime)	70% after deductible (up to \$100 per hour; up to 400 hours per lifetime) ¹
Diabetes self care	90% after deductible (benefit limited to \$250 per lifetime)	70% after deductible (benefit limited to \$250 per lifetime) ¹
Hearing aids (for children through age 19)	90% after deductible (benefit limited to \$1,000 maximum per ear every three years)	70% after deductible ¹ (benefit limited to \$1,000 maximum per ear every three years)
Infertility (includes only diagnostic tests and office visits to determine the existence and underlying cause of infertility)	100% (benefit limited to \$3,000 per lifetime); deductible does not apply	100% (benefit limited to \$3,000 per lifetime) ¹ ; deductible does not apply

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.

(Continued) 

Covered Expense	In-Network	Out-of-Network
Temporomandibular Joint (TMJ) Disorders	90% after deductible (benefit for non-surgical treatment limited to \$2,000 per lifetime; this limit does not apply to surgical treatment)	70% after deductible ¹ (benefit for non-surgical treatment limited to \$2,000 per lifetime; this limit does not apply to surgical treatment)
Refractive eye surgery (e.g., radial keratotomy, LASIK)	90% after deductible (benefit limited to \$1,500 per eye, \$3,000 per lifetime)	70% after deductible ¹ (benefit limited to \$1,500 per eye, \$3,000 per lifetime)
Medical weight loss program	90% after deductible (benefit limited to \$5,000 per lifetime)	70% after deductible ¹ (benefit limited to \$5,000 per lifetime)
Shoe orthotics	90% after deductible (benefit limited to \$3,000 per lifetime)	70% after deductible ¹ (benefit limited to \$3,000 per lifetime)
LiveHealth Online [®]	100% after \$15 copayment	Not covered
Preventive Body Scan	100% for one scan of the torso region by BSI Scan (not affiliated with Anthem Blue Cross). Repeat preventive body scans are covered no more frequently than once every two years; deductible does not apply	Not covered

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.

Prescription Drug Benefits at a Glance

Prescription Drug Type ¹	In-Network Retail Pharmacy or Mail-Order		Out-of-Network Retail Pharmacy
	Up to a 30-Day Supply – All Drugs	90-Day Supply – Maintenance Drugs ² Only	
Generic	\$10 copay	\$25 copay	You pay the entire cost of your prescription. Then, you submit a claim for reimbursement to Express Scripts. You will be reimbursed for the amount the medication would have cost at an in-network pharmacy, minus your copayment . Out-of-network copays are the same as in-network copays.
Brand name (when generic substitute is NOT available)	\$20 copay	\$50 copay	
Brand name (when generic substitute IS available)	\$30 copay PLUS the cost difference between the brand-name drug and the generic drug	\$75 copay PLUS the cost difference between the brand-name drug and the generic drug	

¹ The **Plan** will cover **ONLY** medications that have been approved by the Food and Drug Administration (FDA) for the treatment of the condition for which the medication is being prescribed.

² As classified by Express Scripts.

Save on Maintenance Prescriptions!

When you buy up to a 90-day supply of maintenance prescription drugs (as classified by Express Scripts) at an in-network retail pharmacy **OR** through **Express Scripts Home Delivery Service**, you have only one copay! The copay for a 90-day supply of maintenance prescription drugs is equal to two and one-half (2½) times the cost of a 30-day supply.

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 copy 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



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HEALTHCARE

Medicare Parts A & B Eligibility

Medicare Part B Reimbursement ALERT - Medicare Part D

The Value of Medicare Part B

[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 2018, the Medicare Part A premium amount increased to \$422.00 per month (\$413.00 in 2017) 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 January 16, 2018, the Board of Supervisors approved continuing the Medicare Part B Premium Reimbursement Program for 2018 for LACERA-administered Medicare Plan enrollees.

[Read more about Part B.](#)

You Might Find This Helpful!

MEDICARE PART B



[County Reimbursements](#)

STOP MEDICARE FRAUD

[Get valuable tips](#) on preventing Medicare fraud.



[Retiree Healthcare Brochures & Forms Page](#)
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Appendix I: Tier 2 Employees





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 on the next page 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.

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. 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.

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HEALTHCARE

RHC Eligibility

RHC Costs and Enrollment

Subsidy and Benchmark

RHC: Tier 2

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RETIREE WELLNESS PROGRAM

[RHC: Tier 2 Video](#)




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[LACERA - Healthcare Home](#) > [RHC: Tier 2](#)

RHC: TIER 2

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

County Retiree Healthcare Subsidy Chart ([Click to view.](#))

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.](#))

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.](#))

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.](#))

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.

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12/9/15

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Los Angeles County Other Post Employment Benefits Program July 1, 2017 Actuarial Funding Valuation Results

Robert Schmidt, FSA, EA, MAAA
Board of Retirement Meeting
August 9, 2018

Agenda

- Timeline
- Process
- Assumptions
- Milliman July 1, 2017 Funding Valuation Results
- Questions and Comments

TIMELINE

Timeline

Project Milestones	Schedule
Annual Valuation Discussions	July 2017 – November 2017
Census Data Received	August 2017 – November 2017
Other Valuation Items Requested	December 2017
Stakeholder Entrance Meeting	January 2018
Census Data Work	December 2017 – January 2018
July 1, 2017 Valuation	February 2018 – May 2018
Assumptions – Stakeholder Email	February 2018
Received July 1, 2018 Premiums	April 2018
Final Report Issued	June 2018
Stakeholder Exit Meeting	July 2018
Board of Retirement Meeting	August 2018

PROCESS

Process Summary

- July 1, 2016 Last OPEB Valuation
- July 1, 2016 Last OPEB Experience Study
- July 1, 2017 Current OPEB Valuation
- Upcoming: July 1, 2018 Next OPEB Valuation and July 1, 2018 Experience Study

Process Summary (continued)

- Similar to the July 1, 2016 valuation process
- Collaborative process
 - LA County
 - LACERA
 - SEIU
 - SCAQMD
 - Consultants
 - Segal
 - Actuaries
 - Cheiron
 - Rael & Letson
 - Cavanaugh Macdonald
 - Milliman

Process Summary (continued)

- Valuation completed based on
 - June 30, 2017 census data
 - July 1, 2017 and July 1, 2018 health plan premiums
- Projected Unit Credit (PUC) cost allocation method
- Sections one and two exclude Excise Tax and section three includes Excise Tax

ASSUMPTIONS

OPEB Assumptions

- Plan sponsor investment earnings rate
- Medical and Dental/Vision claim costs
- Health cost trend rates with adjustments for July 1, 2018 premiums and calendar year 2019 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 37% cash, 63% short-term U.S. bonds
 - Expected return of 3.54%
2. Estimate return on LACERA administered OPEB trust
 - Based on Meketa's Allocation C assumptions
 - Expected return of 6.30%
3. Blend steps 1 and 2
 - Based on proportion of actual Trust contribution compared to the Annual Required Contribution (ARC) for FY 2017
 - Contributions were 32.84% of ARC
 - Blended rate of 4.50% (4.45% rounded to nearest quarter percent) same as 2016

Medical Trend

- Based on a model published by the Society of Actuaries (SOA) in August 2017
- Incorporates the following:
 - Actual July 1, 2018 premium renewals and near term expectations
 - Calendar year 2019 moratorium on ACA Health Insurer Fee
 - Projections of 2027 health costs as a percentage of GDP (20.4%)
 - CPI Inflation (2.75% per year, the same as in 2016)
 - Real per-capita GDP growth (1.6% per year, the same as in 2016)
 - Excess Medical Cost Growth (taste, technology, etc.) (1.3% 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
 - 0.44% in 2017, 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

MILLIMAN JULY 1, 2017 VALUATION RESULTS

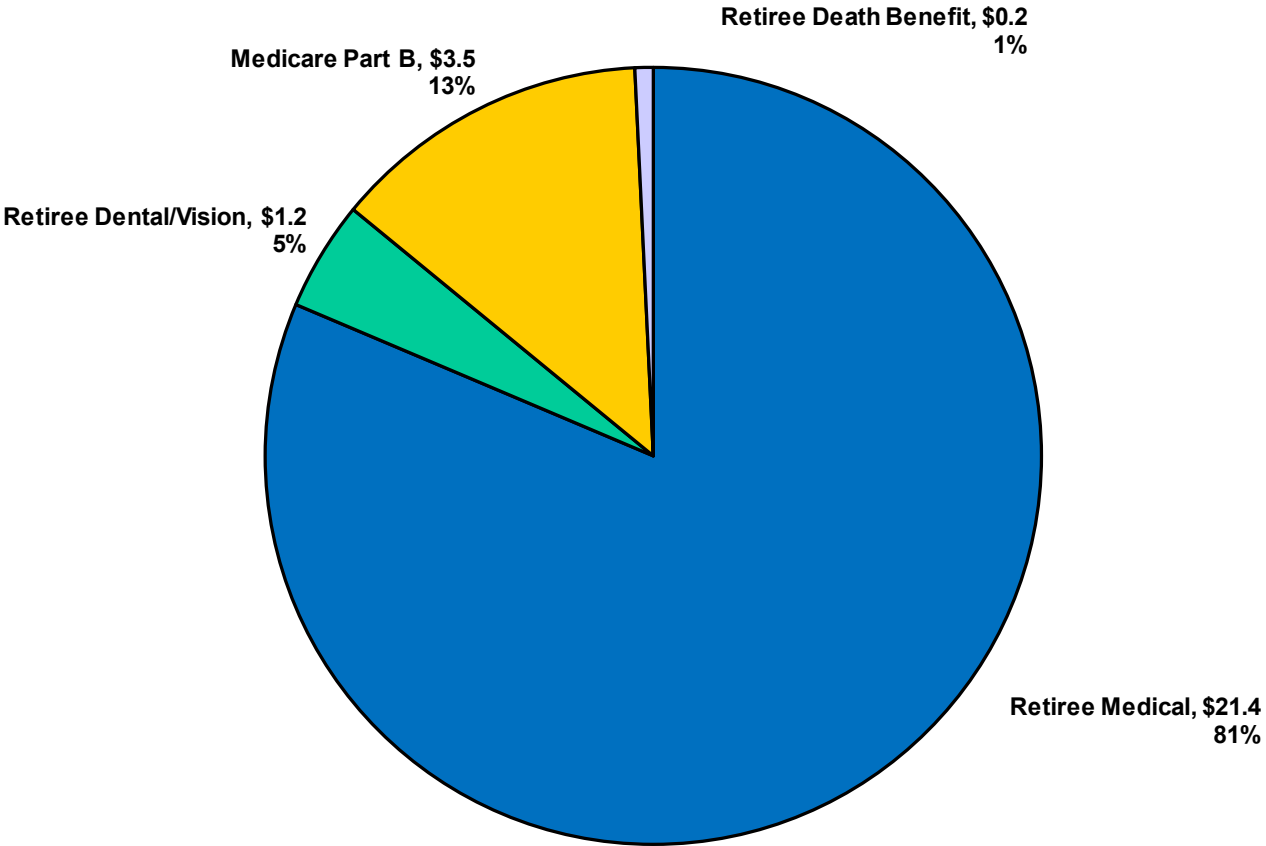
Analysis of Changes – Valuation

Sources of Change	Actuarial Accrued Liability	(Assets)	Unfunded Actuarial Accrued Liability	County Normal Cost Rate	County ARC Percentage
A. July 1, 2016 Valuation	\$ 25.91	\$ (0.56)	\$ 25.35	13.26%	27.03%
Expected One-year Change	<u>1.59</u>	<u>(0.13)</u>	<u>1.46</u>	<u>0.14%</u>	<u>0.47%</u>
B. July 1, 2017 Valuation Expected	\$ 27.50	\$ (0.69)	\$ 26.81	13.40%	27.50%
Claim Cost Experience	(0.74)	-	(0.74)	(0.24%)	(0.62%)
Trend Assumption (Gain)/Loss ¹	(0.47)	-	(0.47)	(0.26%)	(0.50%)
Other Experience (Gain)/Loss	0.01	-	0.01	(0.36%)	(0.78%)
Asset (Gain)/Loss	<u>-</u>	<u>(0.05)</u>	<u>(0.05)</u>	<u>0.00%</u>	<u>(0.03%)</u>
C. July 1, 2017 Valuation	\$ 26.30	\$ (0.74)	\$ 25.56	12.54%	25.57%

¹ Includes impact of July 1, 2018 renewals and the Health Insurer Fee

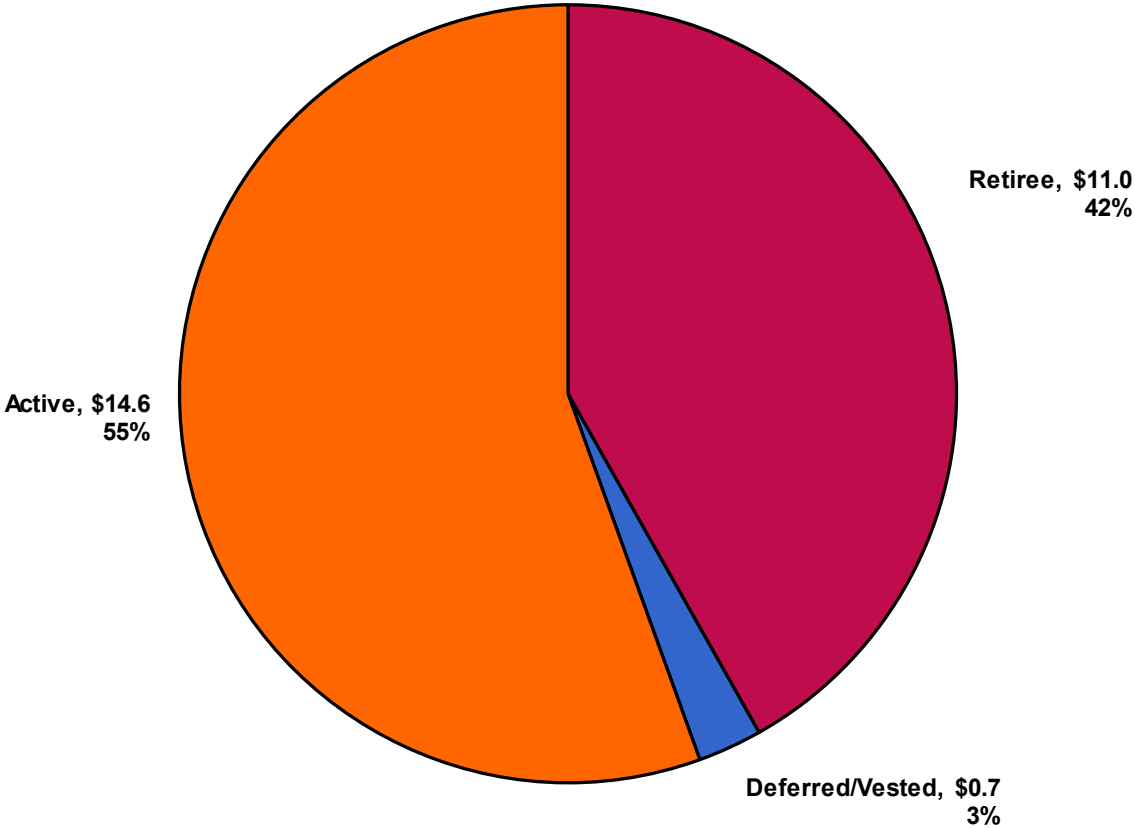
All dollar amounts are expressed in billions of dollars.

Actuarial Accrued Liability by Benefit Type



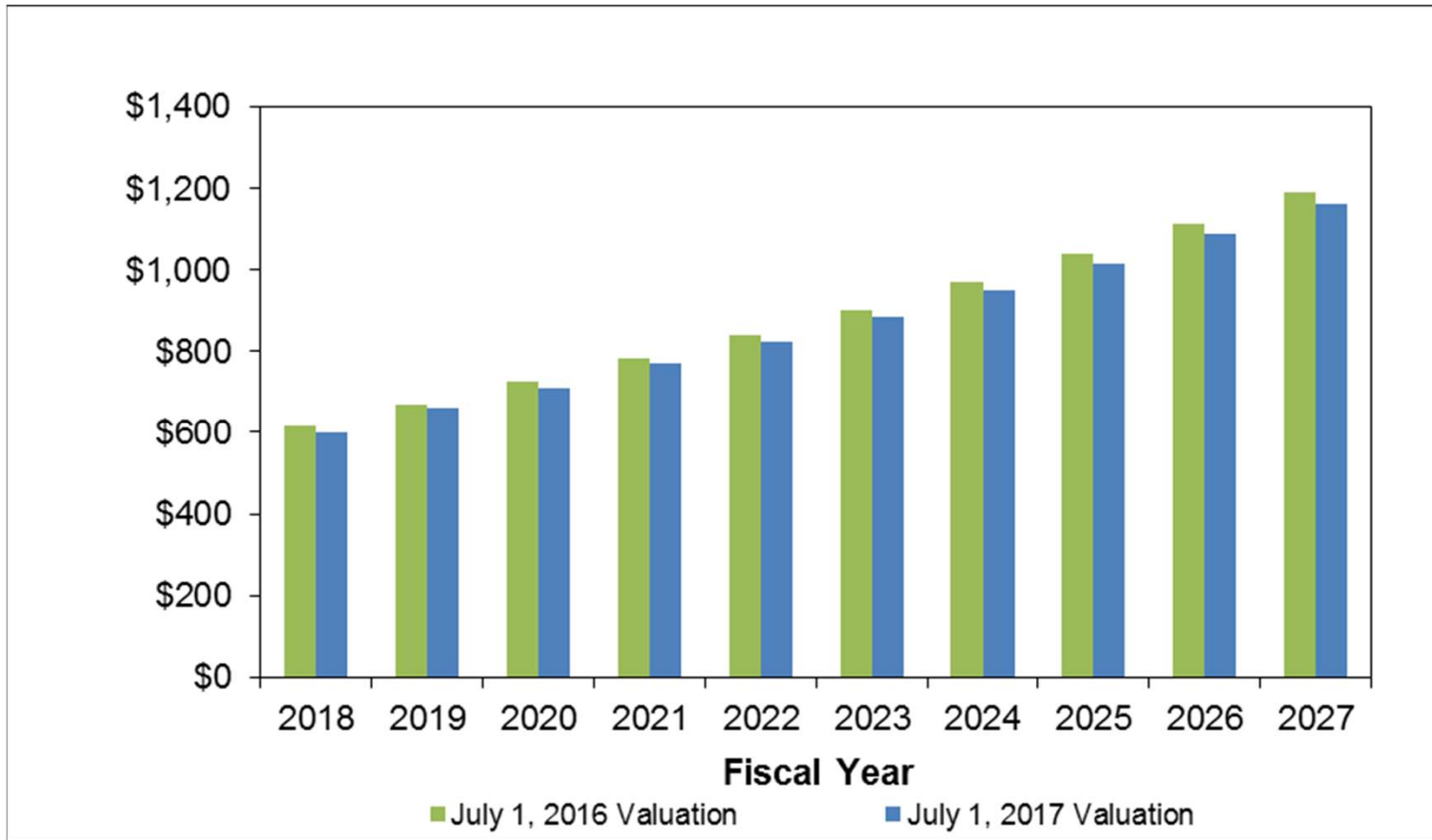
All dollar amounts are expressed in billions of dollars.

Actuarial Accrued Liability by Member Status



All dollar amounts are expressed in billions of dollars.

Projected Paid Benefits



All amounts are expressed in millions of dollars

QUESTIONS AND COMMENTS



APPENDIX

Medical Trend – Excise Tax Adjustments

- “Cadillac” Excise Tax on high cost health plans applies beginning in 2022
- A discussion of the Excise Tax impacts is included in section three 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, 2017 with Excise Tax	July 1, 2017 without Excise Tax
Actuarial Accrued Liability (\$ billions)	\$ 27.71	\$ 26.30
Less Assets	0.74	0.74
Unfunded Actuarial Accrued Liability	\$ 26.97	\$ 25.56
County Normal Cost Rate	13.68%	12.54%
County ARC as a Percentage of Payroll	27.42%	25.57%

- 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, 2017 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)	First Year Excise Tax Applies (as of 7/1/2017)
Blue Cross I	2018	2020	2022
Blue Cross II	2018	2020	2022
Blue Cross III	2037	2041	2040
Blue Cross Prudent Buyer	2018	2020	2022
Cigna Network Model	2018	2020	2022
Cigna Healthcare for Seniors	2045	2047	2046
Firefighters' Local 1014	2018	2020	2022
Kaiser Basic	2019	2021	2022
Kaiser Over 65	2046	2050	2048
UnitedHealthcare	2018	2020	2022
UnitedHealthcare Medicare Advantage	2049	2049	2048
SCAN	2046	2057	2057

Limitations and Reliances

This presentation is subject to the same data, methods, assumptions, and plan provisions as our July 1, 2017 OPEB valuation report. All caveats, limitations, and certifications from this report apply to this presentation.



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



Thank you

Robert Schmidt, FSA, EA, MAAA

August 9, 2018

**“SUNSHINE IS THE
BEST ANTISEPTIC”**

**THE RALPH M.
BROWN ACT**

Board of Retirement
Los Angeles County
Employees Retirement
Association

August 9, 2018

Harvey L. Leiderman
Reed **Smith** LLP



“BUT IT’S SO MESSY!”

“Many elected officials find the Brown Act inconsistent with their private business experiences. Closed meetings can be more efficient; they eliminate grandstanding and promote candor. The techniques that serve well in business – the working lunch, the sharing of information through a series of phone calls or emails, the backroom conversations and compromises – are often not possible under the Brown Act.”

- League of Cities’ Guide to the Brown Act

Reed**Smith**

TWO FUNDAMENTAL PUBLIC POLICIES

- The public is entitled to meaningful access to elected officials and decision-makers.
- All governing bodies and standing committees of local public agencies must conduct their business in noticed, open meetings, giving the public the right to attend, observe and comment.

3

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WHAT ARE “MEETINGS”?

1. Face-to-face or by teleconference

Any gathering of a quorum of the board, *except* discussions of general interest at conferences and social gatherings (*if no discussion about board business*)

4

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WHAT ARE “MEETINGS”?

2. Serial communications

- Chains of communications designed to “hear, discuss, deliberate or take action” on any item within the board’s jurisdiction
- “Daisy chains”
- “Hubs and spokes”
- Actual concurrence unnecessary
- *Exception: Staff answering questions or providing information one-way to board members*

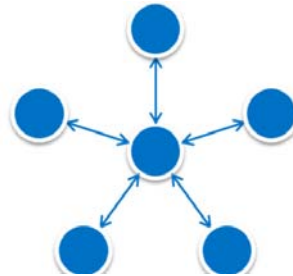
5

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SERIAL MEETINGS



Chain



Hub & Spoke

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WHAT ARE “MEETINGS”?

3. Writings

- Any medium can be a “meeting” – letters, emails, texts
- 2001 AG opinion – email exchanges are not sanitized by sending to staff, posting on websites or reporting on later
- SB 1732 (2008) – all writings circulated to board members are disclosable public records. Must be available at relevant meeting
 - *Except confidential communications with your attorney*
- Warning: Board business you conduct on your private device or server is not private – it’s a system public record

7

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AGENDA REQUIREMENTS

- Regular meetings – Set per bylaws or resolution. Minimum 72 hours advance notice and posting; must include a brief general description of each item
- “Posting” must include on the Board website
- Special meetings – Minimum 24 hours advance notice and posting; called by Chair or majority of board; no other business may be conducted. Not to be used for executive compensation decisions.
- Non-agendized matters may not be discussed, unless a need for immediate action arose since agenda posting. Requires 2/3 vote of board present, or unanimous vote if 2/3 not present, to consider the matter.

8

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NON-AGENDIZED COMMUNICATIONS

- Board may not take action on non-agendized matters, but:
- Public, Board members, staff and advisors may comment briefly on non-agendized matters
- Public has right to comment briefly on anything within Board's jurisdiction
- Board may comment briefly to respond to public comment, direct staff to respond or later agendize, and provide information to public
- In all circumstances, avoid protracted discussion on non-agendized matters

9

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CLOSED SESSIONS

- Permissible closed sessions are highly limited
 - Personnel – hiring, firing, complaints, evaluation of performance, labor negotiations – *but not final action on compensation*
 - Legal – pending or threatened litigation, significant exposure to litigation or board considering initiating litigation
 - Purchase or sale of specific investments
 - Real property negotiations
 - Security consultation
- Confidentiality must be maintained

10

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CONFIDENTIALITY OF CLOSED SESSIONS

- Confidentiality requires non-disclosure of subject matter, contents (whether oral or written), statements made, attribution of positions, strategies
- Ironically, the Brown Act does not require confidentiality of investment materials discussed in closed session under Section 54956.81 – *but see the Public Records Act*
- Later reporting out of actions taken in closed session must not compromise confidentiality
- Confidentiality may only be waived by the entire Board, not by an individual member
- Penalties can include disciplinary action and referral to grand jury

11

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MOTIONS OR DIRECTION?

- Use a *motion* to have the Board take action on matters within the subject matter jurisdiction of LACERA that affect the public interest (*e.g.*, selecting CEO, leasing property, setting contribution rates, making actuarial assumptions, hiring investment managers, adopting asset allocations)
- Use *direction* when Board requests ministerial acts (*e.g.*, putting a topic on the agenda for a future meeting), or to ask staff to review a matter, change a practice, provide additional information, or report to the Board at a future date

12

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DISCLOSURE OF PUBLIC RECORDS

- Writings circulated to Board for meetings are disclosable upon request, unless non-disclosable under Public Records Act, or attorney-client privileged material (even if discussed generally in open session)
- Especially impacts investment deliberations – not all investment-related material is confidential
- Best practice is to shift responsibility to source of material (vendors, managers) to identify, segregate, defend confidential, proprietary information

13

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VOTING

- SB 751 (2013) – Requires that all actions be taken by recorded vote equivalent to a roll call – unless unanimous, the vote of each Board member must be identified publicly at the meeting
- Chair can call for oral vote, but if not unanimous, must orally announce ayes, nays and abstentions by name
- Abstentions should be avoided – trustees have an affirmative duty to administer the plan; strong public policy that you be present and prepared, and vote
- No need to abstain from approving minutes, even if absent from the meeting

14

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ACTION ON COMPENSATION

- AB 1344 (2011) – No special meetings (*e.g.*, on short notice) may be called to discuss or adopt executive compensation (the “City of Bell Amendment”)
- SB 1436 (2016) – Recommended executive compensation must be announced orally before final action is taken at the same meeting
- Board may meet in closed session to discuss employee performance, but not compensation (except a reduction due to discipline)

15



PENALTIES AND REMEDIES

- Criminal – misdemeanor for knowing actions in violation of the Act
- Civil – injunction/declaratory relief; voiding actions
 - Anyone can seek – D.A., member of public, by “cease and desist” letter
 - 30 & 90 day opportunities to cure before suit may be filed
 - Attorneys fees and costs against agency (*not* against board member)
- Insurance coverage?

16



FOR GUIDANCE

Good sources:

- “Open and Public V: A Guide to the Ralph M. Brown Act,” found at <http://www.cacities.org/Resources/Open-Government>
- Your counsel

17

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CONCLUSION

- Yes, it’s messy!
- The Brown Act strikes a balance between the public’s Constitutional rights and yours (CA Const. art. 1 sec. 3; Prop. 59, 2004)
- The rules are interpreted liberally and the exceptions are interpreted narrowly – so be conservative
- Compliance is a fiduciary duty

18

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Ralph Milton Brown (1908–1966) was a member of the California State Assembly representing the 30th State Assembly district from 1943 to 1961. Born in Kentucky and a resident of Modesto, California, he was Speaker of the Assembly from January 1959 until he resigned in September 1961 to accept appointment to the California Courts of Appeal, Fifth Appellate District Court. He is best known for writing the Brown Act, California's first sunshine law, providing for increased public access to government meetings, which was enacted in 1953.

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HYPOTHETICAL #1

During a large SACRS reception, the Chair and three other system trustees are chatting and agree their hardworking CEO deserves a pay raise. Later that evening, the Chair runs into another trustee and floats out the pay raise idea; she readily agrees it's a swell idea!

The Chair calls a special meeting and the Board votes to give the CEO a pay raise.

Any concerns?

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HYPOTHETICAL #2

During closed session to consider candidate resumes for the CEO position, the search firm informs the Board that one candidate has been accused of workplace harassment in a former position. After the meeting, a board member calls the candidate and suggests that during his forthcoming interview, he should address any allegations of improper behavior ever made against him. The candidate thanks her for the suggestion.

Concerns?

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21

HYPOTHETICAL #3

During a contentious Board meeting, the members seem deadlocked over a pending motion. The Chair calls a 5 minute recess to cool off. During the recess, 5 of the 9 members confer behind the dais on reaching a compromise. When the session resumes, the maker and seconder of the pending motion withdraw it and replace it with a compromise motion, which then passes without further comment.

Concerns?

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22

HYPOTHETICAL #4

The CIO emails an article to all the board members that praises the skills of a manager then under consideration for a private equity mandate. He asks, "let me know what *you* think." Six of the board members carefully reply to the CIO alone and say that they agree and intend to vote for the manager at the next meeting.

At the meeting, the CIO announces that he has had favorable replies from most of the Board. The Chair calls for the vote, without further discussion.

Concerns?

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23

HYPOTHETICAL #5

One at a time, the Chair of the Board of Supervisors calls into her office each of the four appointed members of the Board, and instructs them to vote to set the assumed rate of return at 8% , or she will replace them. Each privately pledges to do so. One trustee later button-holes the Treasurer, and says, "please vote for 8% or I'll be thrown off the Board!" The Treasurer agrees. At the Board meeting, there is no discussion and the Board adopts 8%.

Concerns?

ReedSmith

24

← Back to Original Article

D.A. investigates Brown Act violations

April 10, 2009 | Jack Leonard

Dozens of local government agencies across Los Angeles County have silenced critics at public meetings, held secret conferences to hash out important business or taken other actions that violated the state's open meetings law, according to a Times review of the district attorney's records.

Responding to complaints from the public, prosecutors have sent more than 50 letters since 2001 warning government officials that they acted illegally. District attorney's officials frequently threatened civil court action or criminal charges if the violations continued.

Though no one has been prosecuted, some agencies have been required to publicly reverse decisions made in secret. Several elected bodies, including the city councils of El Segundo and, more recently, Lancaster, have received repeated warnings to clean up their act.

Among the actions prosecutors have faulted are the shutting off of a critic's microphone during a meeting and the hiring of a "facilitator" to poll council members about an issue so that they would not have to formally meet on it.

Some city attorneys say they feel they have been unfairly treated like criminals and complain that prosecutors sometimes see violations where none exist. But activists for open government say the warnings help improve compliance and will show that too many local agencies embrace a culture of secrecy.

"It's arrogance and a feeling that they know best and they can do whatever they want," said Richard McKee, an advocate for open government who has filed more than a dozen lawsuits against government agencies. The suits allege violations of the state's open meetings law.

Agencies that act in secret deprive the public of the opportunity to weigh in on important issues, such as development proposals and officials' salaries. Prosecutors say it also prevents the sort of scrutiny that deters officials from benefiting themselves or their friends and supporters at public expense.

For more than 50 years, California's open meetings law, the Brown Act, has required members of city councils, school boards and a host of other local government agencies to conduct business in public. Every state gives the public the right to attend government meetings and limits what officials can decide in secret, experts said. But California's law goes further than some, giving the public the right to speak at agency meetings, they added.

Introduced by the late Assemblyman Ralph M. Brown, a Modesto Democrat, the legislation, enacted in 1953, was inspired by a 10-part series written by San Francisco Chronicle reporter Mike Harris that exposed many local agencies making decisions in secret. Brown then led a legislative committee investigation that confirmed the practice.

The Los Angeles County district attorney's warning letters offer a unique window into local compliance with the state's open meetings law. Activists for open government said few prosecutors, if any, are as thorough or consistent as L.A. County's in following up on complaints from the public about secrecy or censorship.

Juli Potter, an El Segundo resident, was addressing her City Council in 2003 when she was interrupted as she began to question why then-Mayor Mike Gordon was not spending his campaign funds on events in the city.

Gordon, who was running for a seat on the state Assembly, accused Potter of campaigning and told her to stop, according to district attorney's records.

"We'll take you out every time," he warned her.

But Potter continued. Gordon interrupted her again.

"We're done," he finally told her. "Microphone's off."

A videotape of the meeting showed a uniformed officer escorting Potter out of the council chamber, according to district attorney's records.

Susan Chasworth, a Los Angeles County prosecutor, sent a letter telling the council that state law protects the public from censorship of criticism during meetings.

"El Segundo public officials are servants of the people -- all of the people -- whether they hold conflicting opinions or not," Chasworth wrote.

The prosecutor's scolding drew cheers from some regulars at the council's meetings. But Mark Hensley, El Segundo's city attorney, said he believed the district attorney's office was wrong.

The law, he said, protects only comments involving issues that the council has authority over. That would not include how a state Assembly candidate spends his campaign cash, Hensley said. He faulted prosecutors for sometimes reacting too quickly to complaints, adding that they could fix minor problems with a phone call.

"They send that letter and . . . it means they're going to embarrass you," Hensley said. "You feel like they're treating you like a criminal."

Los Angeles County prosecutors began scrutinizing complaints about Brown Act violations soon after Steve Cooley took office as district attorney in December 2000.

Within a month, prosecutors concluded that the Los Angeles Unified School District's board had violated the law by voting in secret to allow the superintendent to explore whether to sell or finish construction of the controversial Belmont Learning Complex. The board's attorneys denied wrongdoing. But the board later rescinded the vote, marking a victory for the district attorney's office.

"One of the best ways to deter public corruption is to have transparency in government," Cooley said recently. "That injects honesty."

Some elected officials said they support open government but believe the law sometimes imposes limits that stifle free discussion among officials.

"They're so afraid of stepping on the Brown Act that no one talks to each other," said Lancaster Mayor R. Rex Parris.

Last year, prosecutors faulted Parris and two other council members for attending a barbecue at the newly elected mayor's home, where they hobnobbed with prospective city commissioners. The law prohibits a majority of a government body from meeting privately to discuss issues within its jurisdiction.

Parris said no city business was discussed and called the event "purely social." But the district attorney's office disagreed and described the event as an illegal meeting. A prosecutor noted in a letter to council members that the city had been warned five months earlier, before Parris was elected to the council as mayor, that it had already violated the law.

At that time, a prosecutor complained that the council appeared to have hired a "facilitator" to meet with each member and develop a plan to remove the city manager. The law prohibits public officials from using intermediaries to help a majority come to an agreement outside of public view.

Parris said he disagreed with the findings about his barbecue but has sought to make the city as open as possible.

"Maybe it's because my first action was to have a barbecue and I got my hand slapped, I'm hypersensitive to it," Parris said. "I certainly don't fault the D.A."

Some complainants, however, fault the district attorney for not doing more. Genevieve Clavreul, a nurse and regular critic of the Board of Supervisors, said some elected officials deserve prosecution for violating the Brown Act.

"I'm glad there has been progress, but I don't think they are aggressive enough," she said.

But criminal charges are nearly impossible to bring, said Terry Francke, a lawyer and author of a guide to the state's open meetings law. Prosecutors must show that an official intentionally violated the law, a difficult standard to meet in court, he said.

"The idea of a letter, firing a shot across the offender's bow, is a very good one," Francke said.

From her office on the seventh floor of the downtown Hall of Records, Jennifer Lentz Snyder pores over meeting agendas, watches videos and reviews other documents to investigate complaints. Snyder, a 20-year veteran prosecutor who has tried more than two dozen gang murders, receives roughly 40 complaints a year.

The number of complaints involving serious violations has decreased in recent years, she said. Snyder attributed the change to the office's written legal warnings -- or "knock-it-off letters," as she calls them -- which she said educate public officials about the law. The goal, she said, is compliance.

"I don't think that most of these people go out there trying to subvert the law," said Snyder, the assistant head of the office's Public Integrity Division. "But the road to hell is paved with good intentions."

Among recent warnings was one Snyder sent to the city of Avalon. The council, she said, violated the law by creating a citizens' advisory board that was not complying with the Brown Act. In response, the council disbanded the board.

In other cases, Snyder has raised the threat of legal action.

In August, Walnut City Council members held a meeting behind closed doors during which Mayor Joaquin Lim was said to have led a council discussion and polled his colleagues about opposing construction of an NFL stadium in the neighboring city of Industry.

Lim said the council did nothing wrong and heeded the advice of the city's attorney during the meeting.

But in her letter to the council in September, Snyder said she was prepared to take agencies to court if they flout the law.

"Such closed door 'secret meetings,' " she wrote, "are precisely the kind of backdoor politics that the Brown Act prohibits."

--

jack.leonard@latimes.com

FOR INFORMATION ONLY - REVISED

July 30, 2018

TO: Each Member
Board of Investments
Board of Retirement

FROM: Jonathan Grabel
Chief Investment Officer

FOR: Board of Investments Meeting of August 8, 2018
Board of Retirement Meeting of August 9, 2018

SUBJECT: STATE STREET INCIDENT REPORT – UPDATE #2

At the June 13, 2018 Board of Investments meeting, a memo was provided to inform the Board of two data security incidents that occurred at State Street Bank, as well as to provide an update on wire fraud charges related to former State Street executives (attached). This memo is to notify the Board of a third data incident that occurred at State Street as well as provide a second update on the wire fraud charges.

Data Incident

The most recent data security incident involved the unauthorized permission of a third party to access LACERA's data. State Street initially contacted LACERA's CEO and CIO on July 2, 2018 (with a letter dated June 22, 2018) regarding the data breach. Members of LACERA's Executive, Legal, and Systems divisions then met for further discussion. A breakdown of the incident is as follows:

Incident #3: A U.S. based investment firm not affiliated with LACERA was granted unauthorized access to LACERA's holdings and trade information.

- A State Street employee received a request from a fixed income investment manager not affiliated with LACERA to access LACERA's data via State Street's client portal. The State Street employee granted access to the outside firm who then viewed the position and trade activity of one of LACERA's fixed income managers. The user contacted State Street on June 7th, 2018 and at that point, State Street revoked the user's access.
- In response to this incident, State Street reminded employees regarding client information safeguards and user access request procedures. In addition, user access requests now require a secondary review by a member of State Street management.

Because the data included sensitive trade information, LACERA views this incident as more serious than the two that occurred earlier this year. To date, there is no evidence that the information has been misused. Nevertheless, LACERA will ask State Street to notify the manager whose data was accessed so that all relevant parties are aware of the data breach. It is notable that there have been three separate incidents since February originating from different departments within State Street. As a result, LACERA will send a letter to State Street's senior management team (email to State Street's CEO attached) requesting an in-person meeting to directly address the security lapses that have occurred this year.

Fraud Charges Update

On June 26, 2018, the former global head of State Street's portfolio solutions group was found guilty of charges including conspiracy, securities fraud and wire fraud. To date, four former State Street executives have been charged with adding secret commissions to transition management clients. In addition to the personnel charges, State Street has paid \$102.6 million in civil and criminal settlements in the United States and the United Kingdom over the claims.

It is worth repeating that as LACERA's custodial book of record, State Street is contractually obligated to act as a fiduciary for many of its services and must maintain the confidentiality of LACERA information. LACERA will continue to convey the seriousness of these issues to State Street executive management and will revert back to both Boards, as necessary, with significant updates.

Attachments

JG:redb

c: Rob Hill
James Brekk
Steven Rice
Richard Bendall
John Popowich
Bernie Buenaflor
Roxana Castillo

FOR INFORMATION ONLY**ATTACHMENT**

May 18, 2018

TO: Each Member
Board of Investments

FROM: Jon Grabel 
Chief Investment Officer

FOR: June 13, 2018 Board of Investments Meeting

SUBJECT: **STATE STREET INCIDENT REPORT**

This memo is to inform the Board of two data security incidents that occurred at State Street Bank in the first quarter of 2018, as well as to provide an update on wire fraud charges related to former State Street executives.

Data Incidents

The two data security incidents involved the unauthorized disclosure of LACERA's information to external email addresses. In both cases, State Street initially contacted the Investment Office who then met with LACERA's Executive, Internal Audit, Legal, and Systems divisions for further discussion. A breakdown of each incident is as follows:

Incident 1: Disclosure of LACERA's market value and performance information to a U.S.-based non-financial investment consultant not affiliated with LACERA.

- This incident was reportedly caused by human error on January 19, 2018. A State Street employee within the Performance and Analytics team was working with a third party consultant and sent that party LACERA performance data. This information is considered public; however, the data should not have been disseminated.
- Upon State Street's request, the consultant provided an attestation letter stating that all information not relating to their client was deleted from their network server. State Street notified LACERA of this incident on February 16, 2018, 28 days after it occurred, and was documented internally.
- In response to this incident, State Street reported that it enhanced its data transmission controls and procedures.

Incident 2: *Disclosure of LACERA's demand deposit account numbers and client contact information was emailed to an external email address.*

- This incident was reportedly caused by human error on March 1, 2018. A State Street employee working within the Client Onboarding team in Banking Services sent a file of client information intended for internal use, to one external email address. Upon State Street's request, the recipient confirmed that the emailed files had been deleted and not transferred, recorded or used in any manner. State Street notified LACERA of this incident on May 10, 2018, 69 days after it occurred.
- State Street's response to this incident is still pending.

While there is no indication that the information disseminated in the aforementioned data incidents has been or will be misused, staff informs the Board for two reasons: First, the two incidents happened in different parts of the bank within five weeks of each other; and second, State Street provided delayed notification to LACERA in both cases as noted above. Both of these points have been addressed with State Street, and our expectation is that the bank's controls and client communication should improve. LACERA has requested additional information from State Street on both incidents and specific information as to its process changes to reduce the risk of such incidents in the future and ensure timely client communication when incidents do occur. LACERA will follow up on these issues with the bank to ensure that additional information is provided, and will take other steps as appropriate to monitor the bank's processes.

Fraud Charges

State Street has been in the news over on-going indictments related to a secret fee scheme within its transition management business. A former State Street executive was arrested on May 4, 2018 and was charged with conspiring to commit wire fraud. To date, four former State Street executives have been charged for defrauding clients by charging secret fees and commissions on trades between 2010 and 2011. Additionally, State Street has paid \$102.6 million in civil and criminal settlements in the United States and the United Kingdom over claims that State Street collected extra fees on certain transactions by six institutional clients.

Staff contacted State Street regarding the charges, and as the case is currently an active investigation with the Department of Justice and U.S. Attorney's Office, limited information was provided.

The most recently charged individual is a current employee of BlackRock in its transition management team. However, BlackRock informed LACERA that the individual did not work on any of LACERA's mandates and has been placed on administrative leave (**Attachment**). In addition, State Street noted in an email that the former employee did not work on LACERA business.

As LACERA's book of record, State Street is held to a high standard. Furthermore, as LACERA's pension grows in breadth and complexity, LACERA must be confident that its custodian can service the pension in its current state - and well into the future. To that point, State Street must prevent and detect any circumstance that would cause LACERA to believe that there are serious systemic issues at the Bank.

Each Member, Board of Investments

May 18, 2018

Page 3 of 3

Under its agreement with LACERA, State Street is a fiduciary with respect to many of its services and otherwise is required to perform its services with the highest degree of due care, prudence, and skill. State Street is contractually obligated to maintain the confidentiality of LACERA information. State Street is required to notify LACERA promptly when information is disclosed or compromised and when it or its employees are subject to civil or criminal complaints in matters relating to the services it provides to LACERA or its ability to perform the services. LACERA has access and the right to inspect State Street documents, premises, and operations.

LACERA staff will continue to monitor State Street in regard to these issues and revert back to the Board with updates.

Attachment

JG:redb

c: Rob Hill
James Brekk
Steven Rice
Richard Bendall
John Popowich
Bernie Buenaflor
Roxana Castillo

55 East 52nd Street
Park Avenue Plaza
New York, NY 10055

Mr. Jude Perez
Los Angeles County Employees' Retirement Association
Via Email

On Friday, May 4, 2018, BlackRock learned via press reports that Kevin Walker, a Director on our Transition Management Team in Boston, was arrested in connection with activities that relate solely to his prior employment at State Street.

Prior to Mr. Walker's arrest, BlackRock had not been aware that he was being investigated in connection with his prior work at State Street, where the alleged misconduct took place.

Mr. Walker joined BlackRock in our Boston office in April 2015. He has now been placed on administrative leave.

There is no indication that Mr. Walker engaged in any wrongful activity at BlackRock and Mr. Walker was not assigned to and did not complete work on behalf of LACERA transitions. While the alleged misconduct took place prior to his joining our firm, we are taking this matter seriously.

We're confident in our systems and processes, and while we have no reason to believe there has been any inappropriate activity in client portfolios, we are going to perform a review of Mr. Walker's activities at BlackRock. We will communicate with you throughout this process and provide LACERA the outcome of the review of Mr. Walker's activities at BlackRock when completed.

Please don't hesitate to contact us with any questions.

Kind regards,



Rajeev Ghia
Director
415-670-2634

ATTACHMENT 3

Jonathan Grabel

From: Jonathan Grabel

Sent: Friday, July 27, 2018 8:19 AM

To: jhooley

Cc: aerickson; Dulger-Sheikin, Brenda; Robert Hill

Subject: LACERA

Dear Mr. Hooley:

State Street is a critical business partner for the Los Angeles County Employees Retirement Association (LACERA). Our 165,000 current and retired members are dependent upon our ability to pay approximately \$3 billion in annual retirement benefits while prudently growing our \$56 billion trust fund to meet future obligations. We have worked with State Street as our global custodian for over five years.

Over the term of the relationship, State Street has attended to LACERA's needs including those from our evolving treasury, custody, accounting, performance, risk, systems and compliance perspectives. Since the beginning of 2018, however, there have been a series of significant data security incidents that create concerns for the management team at LACERA as to the adequacy of State Street's security processes. The issues began in January 2018 with State Street sending our performance and market value data to an investment consultant not affiliated with LACERA. The breaches continued in March with our demand deposit account numbers and client contact information being emailed to a party not affiliated with LACERA. Most recently, an investment firm with whom LACERA does not do business was granted access to LACERA holdings and trade information.

Such incidents are unacceptable and raise a variety of concerns. First, State Street was extremely slow in reporting these matters to LACERA. The initial notice often took over a month. Moreover, LACERA's requests for details surrounding these issues were tardy and incomplete. Secondly, the quick succession of data security short-falls in various areas of our multi-dimensional relationship with State Street raises questions about our systemic dependence on State Street. LACERA cannot miss a benefit payment. Nor can we misplace an asset held for our members or tolerate information about our fund's holdings to be accessed by others without LACERA's advance knowledge and consent. The gravity associated with our fiduciary duty is of paramount importance to us. We expect the same standard of care from our global custodian. Thirdly, are these incidents indicative of three random and unrelated events or are they representative of fundamental flaws in State Street's data security or a declining risk management culture?

The coverage team assigned to the LACERA account has tried to mitigate relationship damages and has worked to maintain the partnership with LACERA. We have not found these efforts to be entirely satisfactory, as noted above. Notwithstanding these outreach measures, the management team at LACERA would like to meet with senior executive management at State Street to discuss our business partnership. Our assets under management and benefit payments continue to rise, our OPEB trust is evolving and our investment strategies are growing in complexity. Our manifold responsibilities to our members requires that we re-underwrite the commitment and capabilities from our global custodian. We have shared these issues with our Boards (see attached). We expect a comprehensive response and the necessary attention from State Street.

I look forward to our discussions.

Regards.

Jon

Jonathan Grabel
Chief Investment Officer
LACERA

July 25, 2018

FOR INFORMATION ONLY

TO: Each Member
Board of Retirement

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: August 9, 2018 Board of Retirement Meeting

SUBJECT: **AB 2076—Effective Date of Disability Retirement**

On July 13, 2017, the Board of Retirement approved sponsorship of legislation by LACERA to provide statutory authority to the Board to correct its decisions made between 2013 and 2015 in the determination of the effective date of disability retirement that were based upon an error of law existing at the time of the decision.

Staff and LACERA's legislative advocate, Joe Ackler of Ackler & Associates, successfully located an author (Assemblyman Freddie Rodriguez, Chair of the Assembly Committee on Public Employees, Retirement, and Social Security) to carry the bill. AB 2076 was introduced on February 7, 2018 and signed into law on July 16, 2018.

As the bill progressed through the legislative process, a cross-functional team of staff from Benefits, Member Services, Disability Retirement, Legal Office, and Communications was convened to create letters informing the affected members (with copies to their attorneys) of LACERA's pursuit of legislation to correct the error regarding their effective date of retirement. The letters also included an informational insert that provides instructions on how to register on the California Legislative Information website in order to track the progress of AB 2076 and receive email notifications of status changes on the bill. The letters were sent to the members prior to the scheduled hearings in the policy committees that had subject-matter jurisdiction on AB 2076.

Now that AB 2076 has been enacted, staff from the various divisions involved in this matter have already begun planning implementation to provide further communication with the members about the passage of the bill and create the process by which they can apply to correct their effective date of disability retirement. Staff anticipates providing such a process for consideration at the Disability Procedures and Services Committee meeting in September and at the Board of Retirement meeting in October. The effective date of AB 2076 is January 1, 2019, and the proposed schedule will allow time for a process to be in place and for member communication about the process before the effective date.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachment

AB 2076 (Stats. 2018, Ch. 97, Sec. 1, Effective January 1, 2019)

cc: Robert Hill Vanessa Gonzalez
 James Brekk Ricki Contreras
 JJ Popowich Frank Boyd
 Bernie Buenaflor Cynthia Martinez
 Steven P. Rice Amanda Aguayo
 Johanna Fontenot David Muir
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Assembly Bill No. 2076

CHAPTER 97

An act to add Section 31541.1 to the Government Code, relating to county employees' retirement.

[Approved by Governor July 16, 2018. Filed with Secretary of State July 16, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2076, Rodriguez. County employees' retirement: disability: date of retirement.

The County Employees Retirement Law of 1937 provides a comprehensive set of benefits for county and district employees who are members of a retirement system subject to that law and establishes county retirement boards for the administration of benefits authorized under that law. That law authorizes a county retirement system in Los Angeles County to adjust retirement payments due to errors or omissions, as specified. That law also permits a member permanently incapacitated for duty to retire for disability only if specified criteria are met and requires the board to determine the effective date of retirement in those cases, as specified.

This bill would authorize a county retirement system in Los Angeles County to correct a prior board decision determining the effective date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision, as specified. The bill would authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provisions become operative.

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

SECTION 1. Section 31541.1 is added to the Government Code, to read:
31541.1. (a) Subject to subdivisions (c), (d), and (e) of Section 31541, the board, upon any terms it deems just, may correct prior board decisions made between January 1, 2013, and December 31, 2015, that were based upon an error of law existing at the time of the decision in the determination of the effective date of disability retirement pursuant to Section 31724. A member seeking correction of errors and omissions pursuant to this section may file an application for correction to the board no later than one year from the date this section becomes operative.

(b) This section shall apply to a county of the first class as described in Section 28020 and 28022.

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Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



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