

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M.,* WEDNESDAY, AUGUST 7, 2019

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

*Although the meeting is scheduled for 9:00 a.m., the meeting will start at the conclusion of the Audit Committee meeting scheduled prior to this meeting.

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of July 11, 2019
- IV. OTHER COMMUNICATIONS
 - A. For Information
 - 1. June 2019 All Stars
 - 2. Service Awards
 - 3. Chief Counsel's Report
(Memo dated July 31, 2019)
- V. PUBLIC COMMENT
- VI. CONSENT ITEMS
 - A. Ratification of Service Retirement and Survivor Benefit Application Approvals. (Memo dated July 30, 2019)

VI. CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board adopt the revised Legislative Policy. (Memo dated July 23, 2019)
- C. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board 1) Approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform regarding service retirements with pending civil service appeals; or 2) Alternatively, if the legislative proposal is not approved by the SACRS membership for inclusion in the SACRS 2020 Legislative Platform, sponsor legislation regarding service retirements with pending civil service appeals. (Memo dated July 22, 2019)
- D. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board adopt a “Support” position on Assembly Bill 199, which would enact the California Online Notary Act of 2019. (Memo dated July 22, 2019)
- E. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board adopt a “Watch” position on Assembly Bill 1400, which relates to expanding the cancer presumption under workers’ compensation for civilian employees in firefighting operations. (Memo dated July 11, 2019) (Supplemental Memo dated July 24, 2019)
- F. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board adopt no position on Senate Bill 343, which relates to healthcare data disclosure. (Memo dated July 22, 2019)

VII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Beulah S. Auten, Chief Financial Officer: That the Board approve the July 1, 2018 Los Angeles County Other Postemployment Benefits Program (OPEB) Actuarial Valuation prepared by LACERA’s consulting actuary, Milliman. (Memo dated July 29, 2019)

Milliman - July 1, 2018 OPEB Program Actuarial Valuation

Robert L. Schmidt, FSA, EA, MAAA - Principal and Consulting Actuary
Janet O. Jennings, ASA, MAAA - Associate Actuary

Cavanaugh Macdonald Consulting- Actuarial Review of the July 1, 2018 OPEB Program Actuarial Valuation

Brent A. Banister, PH.D., FSA, EA, MAAA, FCA - Chief Actuary

VII. NON-CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board consider whether to 1) Approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform relating to board self-evaluations held in closed session; or 2) Alternatively, if the legislative proposal is submitted to but not approved by the SACRS membership for inclusion in the SACRS 2020 Legislative Platform, sponsor legislation relating to board self-evaluations held in closed session. (Memo dated July 24, 2019)
- C. Recommendation as submitted by Alan Bernstein, Chair, Joint Organization Governance Committee: That the Board approve the revised Education and Travel Policy. (Memo dated July 31, 2019)
- D. Discussion and possible action regarding the processing, ordinance, budgeting, and hiring of the outstanding previously Board approved positions including the Deputy Chief Investment Officer, Deputy Chief Executive Officer, Principal Staff Counsel, Information Technology Items, and any other pending classifications. (Memo dated July 31, 2019)
(Request by Mr. Kehoe)
- E. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board consider potential legislation regarding responsibilities of Board of Retirement. (Memo dated July 31, 2019)
- F. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board provide direction in connection with a grant of authority to staff, through the Chief Counsel, to issue a Request for Proposals for an external consultant to review LACERA's education and travel expenses, the Education and Travel Policy, and policy implementation practices during Fiscal Years (FY) 2016, 2017, 2018, and 2019, evaluate proposals, select a vendor, enter into a contract, and manage the vendor's review to completion and presentation of results and findings within 60 days, provided that notice of the selection of the vendor and key contract terms will be provided to the Board at its next meeting. (Memo dated July 31, 2019)

VIII. REPORTS

- A. For Information Only as submitted by Fern M. Billingsy, Senior Staff Counsel, regarding the Report of Pensionable Compensation and Compensation Earnable Items. (Memo dated July 24, 2019)

VIII. REPORTS (Continued)

- B. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding the Monthly Status Report on Legislation. (Memo dated July 29, 2019)
- C. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding an update on the Chief Executive Officer Executive Recruiter Selection. (Memo dated July 31, 2019)
- D. For Information Only as submitted by Steven P. Rice, Chief Counsel regarding Enhancing Transparency. (Memo dated July 31, 2019)
- E. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the July 2019 Fiduciary Counsel Contact and Billing Report. (Memo dated July 29, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

IX. ITEMS FOR STAFF REVIEW

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

XI. EXECUTIVE SESSION

- A. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation (Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9)
 - 1. Administrative Appeal of Victoria Hwang
 - 2. Administrative Appeal of Muoi T. Martin
 - 3. Administrative Appeal of Stanja C. Powell

XII. ADJOURNMENT

August 7, 2019

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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 the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., THURSDAY, JULY 11, 2019

PRESENT: Les Robbins, Vice Chair
Gina Zapanta-Murphy, Secretary (Arrived at 9:09 a.m.)
Vivian H. Gray
JP Harris (Alternate Retired)
Joseph Kelly
Ronald Okum
William Pryor (Alternate Safety)
Herman Santos

ABSENT: Alan Bernstein, Chair
Shawn R. Kehoe
Thomas Walsh

STAFF ADVISORS AND PARTICIPANTS

John Popowich, Assistant Executive Officer
Steven P. Rice, Chief Counsel
Fern M. Billiny, Senior Staff Counsel

July 11, 2019

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I. CALL TO ORDER

The meeting was called to order by Mr. Robbins at 9:03 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

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

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 13, 2019

Mr. Santos made a motion, Mr. Okum seconded, to approve the minutes of the regular meeting of June 13, 2019. The motion passed unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. May 2019 All Stars

Mr. Popowich announced the eight winners for the month of May: Maria Muro, James Hepker, Maritza Perez, Stephanie Ashley, Marilu Bretado, Kristina Sun, and Sarah Scott for the Employee Recognition Program. Angel Calvo, Roberta Van Nortrick, Rebecca Sun, and Cookie Jaranilla were the winners of LACERA's RideShare Program.

2. Presentation for Trustee Joseph Kelly

(Mrs. Zapanta-Murphy arrived to the Board meeting at 9:09 a.m.)

Mr. Rice recognized and thanked Mr. Kelly for his role and service as ex-officio on the Board of Retirement and Board of Investments. The Board extended their gratitude and congratulations on Mr. Kelly's service and retirement.

IV. OTHER COMMUNICATIONS

A. For Information

3. Chief Counsel's Report (Memo dated June 24, 2019)

Mr. Rice provided a brief overview of his Chief Counsel's Report and provided the Board an update pertaining to the Human Resources Director position and recent business continuity issues being discussed.

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. CONSENT ITEMS

There were no items for the Consent agenda.

VII. REPORTS

The following items were received and filed.

- A. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding the Monthly Status Report on Legislation.
(Memo dated July 2, 2019)
- B. For Information Only as submitted by Fern M. Billingsy, Senior Staff Counsel, regarding the Report of Pensionable Compensation and Compensation Earnable Items. (Memo dated July 2, 2019)
- C. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the June 2019 Fiduciary Counsel Contact and Billing Report. (Memo dated July 1, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

VIII. ITEMS FOR STAFF REVIEW

There were no items for staff review.

July 11, 2019

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

Mr. Pryor requested that staff agendaize for the next Board meeting the possibility of legislation regarding the separate responsibilities of the Board of Retirement.

Lastly, Mr. Kelly shared the work of the Los Angeles County African American Employee Association (LACAAEA) and their efforts in addressing governance issues. As a volunteer to this group, he encouraged others to participate and get involved.

IX. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:29 a.m.

GINA ZAPANTA-MURPHY, SECRETARY

ALAN BERNSTEIN, CHAIR



July 31, 2019

TO: Each Member
Board of Retirement
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

SUBJECT: **CHIEF COUNSEL'S REPORT**

I am pleased to present the Chief Counsel'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.

Update on LACERA's Approach to Recent Events

Recently, events at LACERA have received attention from our plan sponsor, the press, and members. During the last two months, we have received over 15 California Public Records Act requests for information. The media has widely covered LACERA business. Additionally, on July 30, 2019, the Board of Supervisors passed a resolution directing the County Auditor-Controller to conduct an audit of LACERA's operations and to request a state audit.

Public service organizations such as LACERA have a unique and solemn duty to work in the public's interest at all times. We have a duty to be open and transparent about our policies, procedures, and how we administer the funds we are entrusted to manage to pay the promised benefits. We also have a responsibility to respect the roles and rights of the press and our plan sponsor, as well as members and the public, to ask hard questions and review our operations. We recognize this scrutiny is for the public good, and we welcome constructive feedback that helps LACERA continue to be the premiere public pension fund we have always strived to be.

With this in mind, I have made it my goal to be open, transparent, and responsive to all press requests, within the limits of the obligations and exemptions provided in the law. In short, I believe that a cooperative approach benefits LACERA and our members and lives up to the expectations of being a public servant.

We will apply the same approach to the County's recent audit decision. LACERA's relationship with the County is solid, and we respect their right as a plan sponsor to audit our operations as described in our governing statutes. We are confident that the resulting audit will show that LACERA has internal controls and procedures that, when working as designed, identify and

address issues as they are discovered. For example, the recent questions and concerns about travel expenditures were identified as the result of a normally planned audit that has been in progress since October 2018. Other recent issues were also discovered because of routine and planned audits. There is always room for improvement. Indeed, LACERA believes in continued improvement. We learn and improve from our internal controls as well as from input from all of our stakeholders.

Our Call Center is prepared to talk to our members about the recent developments. We are using our website, lacera.com, to share updates and information with members and the public. We focus on making sure information is available to our members and that we stand ready to answer their questions. All members should know that LACERA's business is sound and that their benefits, now and into the future, are secure.

Finally, this transparency and openness applies to employees as well. On July 29, 2019, I held a meeting with the LACERA leadership team and shared a highlight of the recent events along with how we are addressing the scrutiny. We also periodically hold staff meetings, and a monthly Brown Bag, to help keep everyone at LACERA aware of these challenges and our approach to addressing them. We have held several open forums for all employees where issues are discussed and questions answered.

The above discussion highlights the positive, transparent, forward-looking point of view management has had, and will continue to have, to recent events, as well as our focus on improvement, with an emphasis above all on being good stewards in fulfilling our Mission to produce, protect, and provide the promised benefits to our members, as LACERA has very effectively done for 80 years.

Financial Accounting Services Division Recognized Again

I am pleased to announce the Financial Accounting Services Division, and their team members in Communications and Systems, were recently awarded a Certificate of Achievement in Excellence in Financial Reporting for the 2018 Comprehensive Annual Financial Report (CAFR) by the GFOA. This marks the 29th consecutive year that LACERA has received this honor. This is the highest honor a government organization can receive for financial accounting management and reporting.

In addition, the GFOA also presented LACERA an award for Outstanding Achievement in Popular Annual Financial Reports (PAFR). This will mark the 21st time LACERA has received this national award for producing a PAFR in the highest standards of popular financial reports.

This is truly a team effort that requires hours of work by FASD staff to compile and perform quality checks on facts, figures, schedules, and the associated narrative that makes up these two

reports. This is followed up by the Communications team's efforts to design the graphics and overall look of both reports. On behalf of LACERA, we salute everyone involved in this achievement.

Update on Upcoming Key Retirements

Chief Financial Officer: Beulah Auten, Chief Financial Officer, has provided a formal notification of her intent to retire by October 2019. Recruitment of her replacement will be initiated and updates will be provided to the Boards regularly.

Director of Human Resources: The search for a replacement for John Nogales, our retiring Director of Human Resources, is underway and on schedule. Working with recruiter EFL Associates, LACERA published the job announcement on July 9, 2019. The response has been positive and EFL has received at least 39 applications from interested candidates. The job bulletin is open and EFL will be evaluating all applicants to determine qualified candidates to move forward through the process. We remain focused on the recruitment of highly qualified diversified candidates, with a proven record of accomplishment of employee engagement and development of internal staff members, and someone who can help grow the culture of LACERA.

Budget

The Executive team is continuing discussions to develop a new Strategic Planning and Budgeting process for consideration by the Joint Organizational Governance Committee. Our focus is on recommending a plan that will deliver on two main pillars: (1) sound fiduciary management of budget resources that recognizes LACERA's duty under the California Constitution to "defray reasonable expenses of administering the system;" and (2) continued focus on business needs in member services and investments, and throughout the organization.

Strategic Plan & Project Updates

This is just a reminder that beginning with last month's report we have moved the updates provided regarding the Strategic Plan and other workgroup initiatives to the LACERA Operations Briefing Report submitted to the Operations Oversight Committee.

Striving for Excellence in Service



Outreach Attendance
2,835

40,426 Year-to-Date



Outreach Events
38

442 Year-to-Date



Outreach Satisfaction
95.0%

0.2% Change Since Last Mo



Member Service Center
100.0%

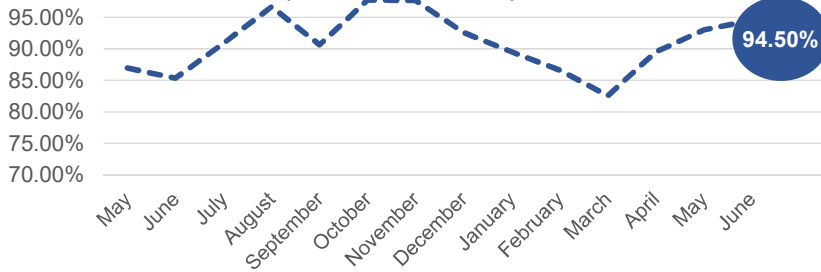
-0.2% Change Since Last Mo



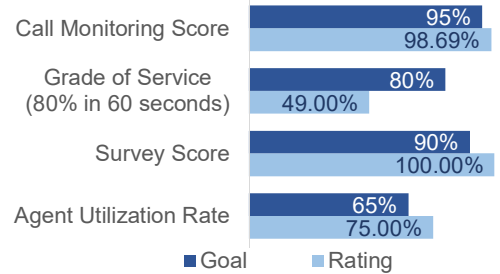
Member Services Calls
10,031

11,643 3 Mo. Avg.

Key Performance Indicator (Overall Performance)



Key Performance Indicator (Components)



Member Services



■ Calls Answered ■ Calls Abandoned

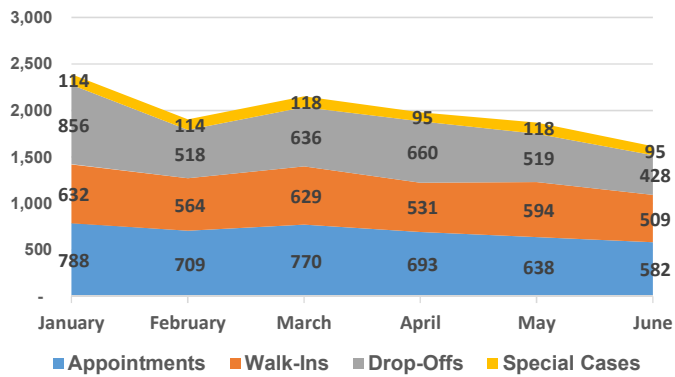
Top Calls

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

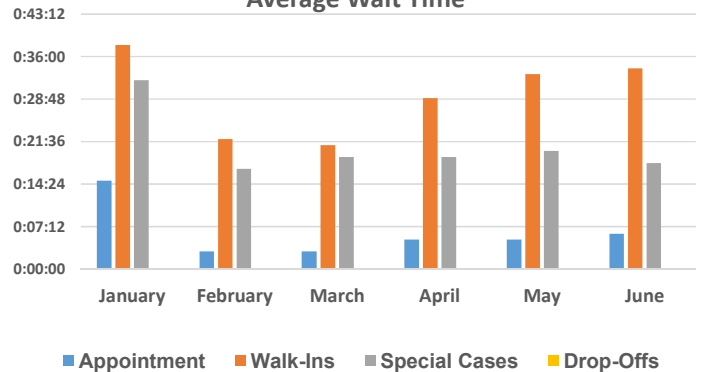


Emails **390**
4:48 hours
Avg. Response Time (ART)
Secure Messages **177**

Member Service Center Visits



Member Service Center Average Wait Time

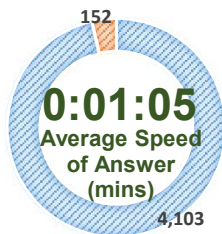


*Drop Off Wait Time: No Waiting



Total RHC Calls: **4,255**

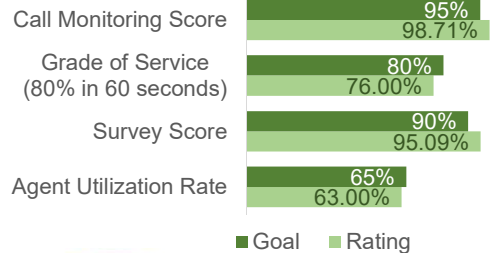
Retiree Healthcare



■ Calls Answered ■ Calls Abandoned

Top Calls

1. Med. Benefits - General Inquiries (RHC)
2. Medical-New Enrollment/Change/Cancel
3. General Inquiries (RHC)



Emails **1**
250 Day
Avg. Response Time
Secure Messages **n/a**

Striving for Excellence in Service (Continued)

Applications

591

On Hand

- 41 Received
- 514 Year-to-Date
- 0 Re-opened
- 0 Year-to-Date
- 63 To Board - Initial
- 556 Year-to-Date
- 11 Closed
- 51 Year-to-Date
- 558 In Process
- 558 Year-to-Date

Appeals

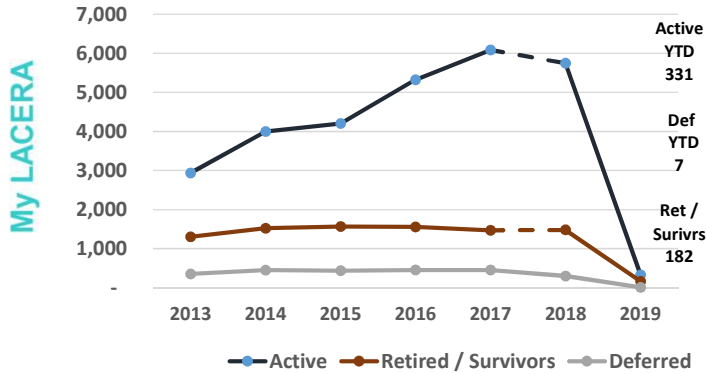
94

On Hand

- 1 Received
- 26 Year-to-Date
- 5 Admin Closed/Rule 32
- 23 Year-to-Date
- 0 Referee Recommended
- 9 Year-to-Date
- 0 Revised/Reconsidered for Granting
- 4 Year-to-Date
- 94 In Process
- 95 Year-to-Date

Disability

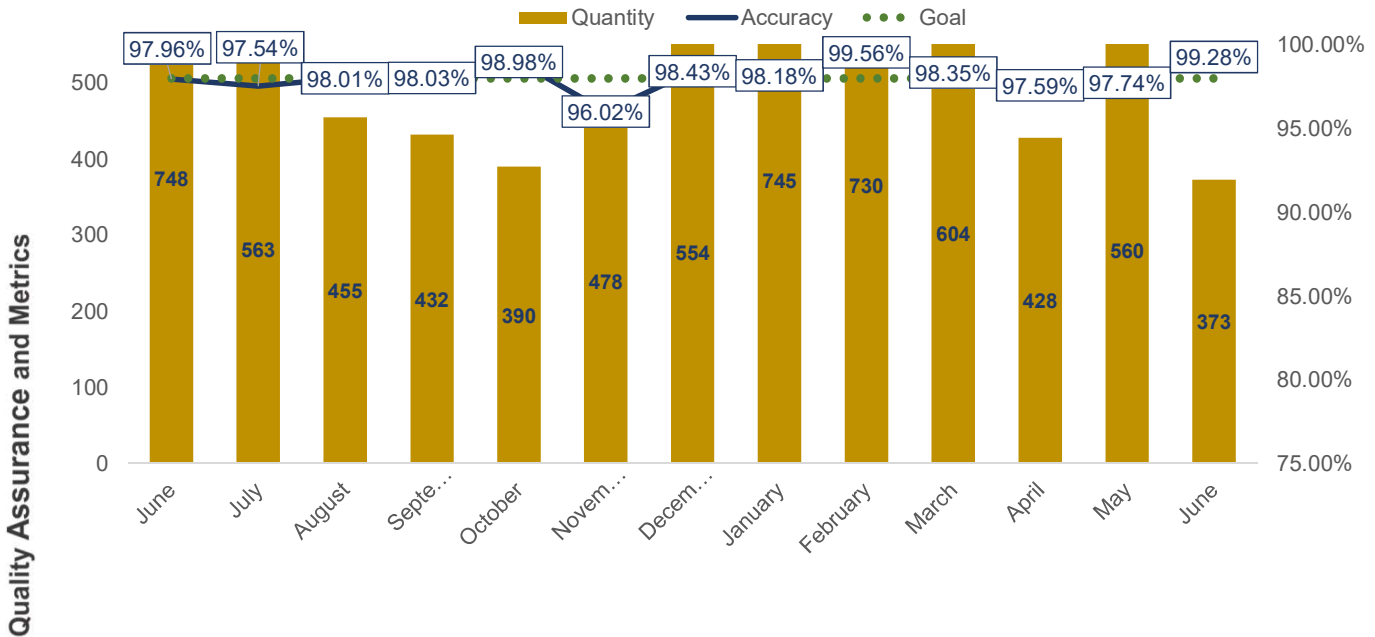
My LACERA Registrations



MORE COMING SOON!

Striving for Excellence in Quality

Audits of Retirement Elections, Payment Contracts, and Data Entry



Quality Assurance and Metrics

June 2019



99.28%

Retirement Elections

116 Samples
99.74% Accuracy

Payment Contracts

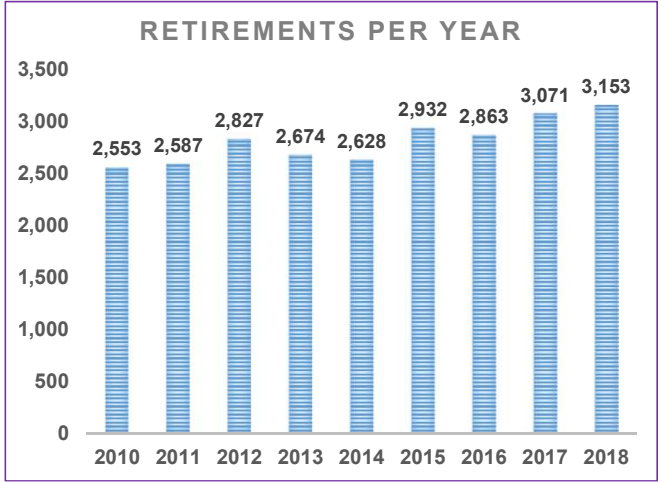
167 Samples
98.09% Accuracy

Data Entry

90 Samples
100.00% Accuracy

Member Snapshot

| | | Members as of 07/15/19 | | | | |
|----------------------|----------------------|------------------------|---------------|---------------|---------------|----------------|
| | | Plan | Active | Retired | Survivors | Total |
| General | Plan A | | 105 | 16,781 | 4,468 | 21,354 |
| | Plan B | | 34 | 677 | 68 | 779 |
| | Plan C | | 42 | 431 | 67 | 540 |
| | Plan D | | 41,745 | 15,584 | 1,434 | 58,763 |
| | Plan E | | 17,354 | 13,043 | 1,174 | 31,571 |
| | Plan G | | 26,944 | 28 | 2 | 26,974 |
| | Total General | | | 86,224 | 46,544 | 7,213 |
| Safety | Plan A | | 5 | 5,261 | 1,593 | 6,859 |
| | Plan B | | 9,733 | 5,880 | 289 | 15,902 |
| | Plan C | | 3,064 | 8 | 0 | 3,072 |
| | Total Safety | | | 12,802 | 11,149 | 1,882 |
| TOTAL MEMBERS | | | 99,026 | 57,693 | 9,095 | 165,814 |
| % by Category | | | 60% | 35% | 5% | 100% |

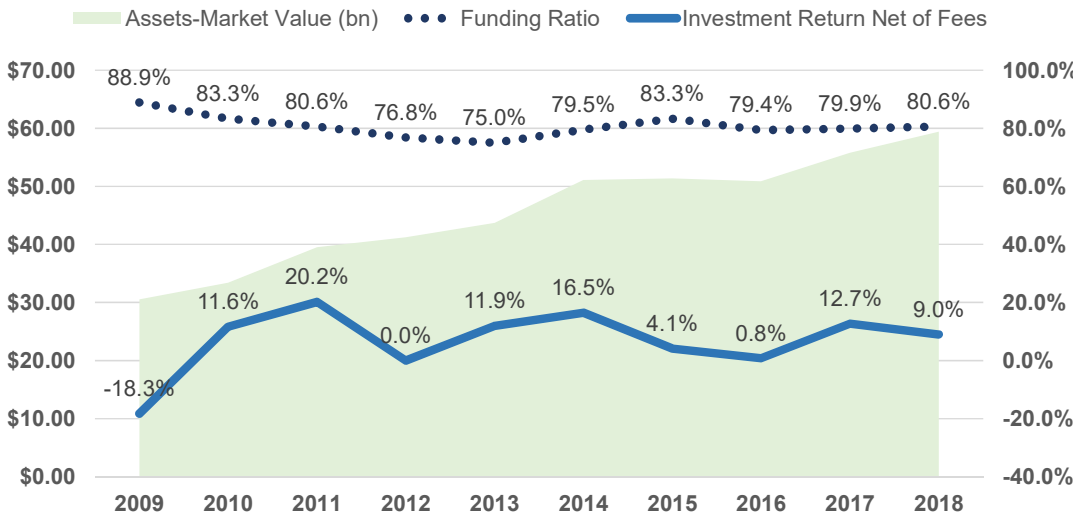


Average Monthly Benefit Allowance

| | General | Safety | Total | % |
|----------------------|---------------|---------------|---------------|-------------|
| \$0 to \$3,999 | 29,753 | 2,039 | 31,792 | 55.41% |
| \$4,000 to \$7,999 | 12,284 | 3,561 | 15,845 | 27.62% |
| \$8,000 to \$11,999 | 3,090 | 3,931 | 7,021 | 12.24% |
| \$12,000 to \$15,999 | 839 | 1,215 | 2,054 | 3.58% |
| \$16,000 to \$19,999 | 243 | 232 | 475 | 0.83% |
| \$20,000 to \$23,999 | 72 | 71 | 143 | 0.25% |
| \$24,000 to \$27,999 | 25 | 12 | 37 | 0.06% |
| > \$28,000 | 7 | 2 | 9 | 0.02% |
| Totals | 46,313 | 11,063 | 57,376 | 100% |

| Healthcare Program (YTD) | | Healthcare Enrollments (Monthly) | |
|--------------------------|-----------------|----------------------------------|----------------------|
| | Employer | Member | |
| Medical | \$513.4m | \$42.8m | Medical 51,144 |
| Dental | \$43.9m | \$4.4m | Dental 52,467 |
| Part B | \$64.3m | xxxx | Part B 34,409 |
| Total | \$621.6m | \$47.2m | Total 138,659 |

Key Financial Metrics



Funding Metrics (as of 6/30/18)

| | |
|--------------|---------|
| Employer NC | 9.92% |
| UAAL | 10.99% |
| Assumed Rate | 7.25% |
| Star Reserve | \$614m |
| Total Assets | \$56.3b |

Contributions (as of 6/30/18)

| | Employer | Member |
|--------------|------------|----------|
| Annual Add | \$1,524.8m | \$591.3m |
| % of Payroll | 20.91% | 6.88% |

TOTAL FUND RETURN (Net of Fees)

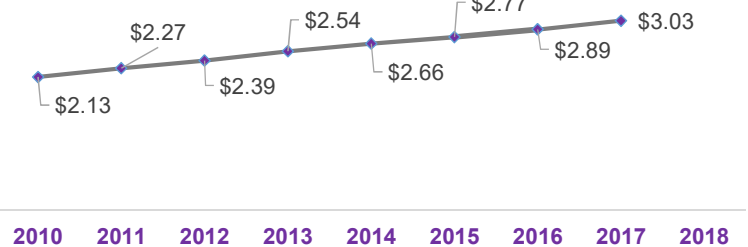
5 YR: 8.5% 10 YR: 6.3%

Retired Members Payroll

| | |
|---------------------------|--------|
| Monthly Payroll | \$299m |
| Payroll YTD | 3.4b |
| New Retired Payees Added | 255 |
| Seamless % | 98.04% |
| New Seamless Payees Added | 4,290 |
| Seamless YTD | 98.58% |
| By Check % | 4.00% |
| By Direct Deposit % | 96.00% |

Billions

Retiree Payroll by Year



| Date | Conference |
|------------------------|---|
| September, 2019 | |
| 2-3 | African Pension and Sovereign Wealth Fund Leaders' Summit and AI CEO Infrastructure Project Developers Summit Cape Town, South Africa |
| 10-12 | United Nations Principals of Responsible Investing (UNPRI) PRI in Person 2019 Paris, France |
| 16-18 | Council of Institutional Investors (CII) Fall Conference Minneapolis, MN |
| 19-20 | Milken 2019 Asia Summit Singapore |
| 20 | CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Hilton Oakland Airport |
| 21-24 | National Association of Corporate Directors (NACD) Global Board Leaders' Summit Washington D.C. |
| 22-26 | AHIP (America's Health Insurance Plans) National Conference on Medicare, Medicaid & Duals Washington D.C. |
| October, 2019 | |
| 16-17 | INCA Investments Latin American Investment Conference Buenos Aires, Argentina |
| 16-18 | PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C. |
| 20-23 | IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference San Diego, CA |
| 21-25 | Investment Strategies & Portfolio Management (<i>prev. Pension Fund & Investment Mgmt.</i>) Wharton School, University of Pennsylvania |
| 25 | CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Hilton Oakland Airport |
| 27-30 | NCPERS (National Conference on Public Employee Retirement Systems) Public Safety Conference New Orleans, LA |
| November, 2019 | |
| 6-7 | Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY |



July 30, 2019

TO: Each Member
Board of Retirement

FOR: BOR Meeting on August 7, 2019

SUBJECT: Ratification of Service Retirement and Survivor Benefit Application Approvals

The attached report reflects service retirements and survivor benefit applications received as of the date of this memo, along with any retirement rescissions and/or changes approved at last month's Board meeting. Any retirement rescissions or changes received after the date of this memo up to the date of the Board's approval, will be reflected in next month's report.

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|----------------------------------|----------------|----------------|
| ROBERT H. ALDRETE | SHERIFF Dept.#SH | 08-31-2019 | 24 YRS 05½ MOS |
| MARK A. BATSFORD | DISTRICT ATTORNEY Dept.#DA | 07-31-2019 | 34 YRS 09½ MOS |
| BRADLEY A. BRODY | SHERIFF Dept.#SH | 07-15-2019 | 29 YRS 03½ MOS |
| WILLIAM A. BROWN | DISTRICT ATTORNEY Dept.#DA | 07-13-2019 | 35 YRS 02½ MOS |
| ALBERTO CARRILLO | SHERIFF Dept.#SH | 08-31-2019 | 28 YRS 06½ MOS |
| STEVE P. DI FONZO | SHERIFF Dept.#SH | 07-05-2019 | 30 YRS 03½ MOS |
| ROBERT S. DOLLAR | DISTRICT ATTORNEY Dept.#DA | 07-27-2019 | 11 YRS 07 MOS |
| SCOTT A. GRAHAM | SHERIFF Dept.#SH | 07-31-2019 | 31 YRS 01½ MOS |
| ROBERT GUTIERREZ JR | L A COUNTY FIRE DEPT Dept.#FR | 08-10-2019 | 27 YRS 04½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|----------------------------------|----------------|----------------|
| PETER LAVIN | SHERIFF Dept.#SH | 08-01-2019 | 31 YRS 02½ MOS |
| LARRY A. MEAD | SHERIFF Dept.#SH | 06-29-2019 | 36 YRS 00 MOS |
| STEVEN R. PULLEY | SHERIFF Dept.#SH | 07-31-2019 | 27 YRS 02½ MOS |
| HENRY T. WALLER III | L A COUNTY FIRE DEPT Dept.#FR | 06-28-2019 | 25 YRS 02 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| LORRAINE M. AGUIRRE | SHERIFF Dept.#SH | 07-27-2019 | 27 YRS 04 MOS |
| ALMA R. AMIEL | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-31-2019 | 19 YRS 09½ MOS |
| CORAZON ANDAL | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-01-2019 | 30 YRS 09½ MOS |
| ROSEMARY ASHCRAFT | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 06-29-2019 | 25 YRS 09½ MOS |
| FERNANDO T. AVINA | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-13-2019 | 22 YRS 05½ MOS |
| LOIDA BACARRO | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 06-17-2019 | 10 YRS 01½ MOS |
| LYNN D. BAKER | CHILD SUPPORT SERVICES Dept.#CD | 07-31-2019 | 20 YRS ½ MOS |
| ADONIS BALDWIN | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 33 YRS 06½ MOS |
| HOPE BARRASA | CHILDREN & FAMILY SERVICES Dept.#CH | 07-27-2019 | 34 YRS 11 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|----------------------|--|----------------|----------------|
| JATONDALYN BLACK | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-15-2019 | 38 YRS 10½ MOS |
| MERLITA A. CABEBE | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 27 YRS 02½ MOS |
| DOROTHY A. CASTANEDA | SHERIFF Dept.#SH | 07-31-2019 | 41 YRS 02½ MOS |
| PHILOMEN R. CLARK | L A COUNTY FIRE DEPT Dept.#FR | 08-31-2019 | 23 YRS ½ MOS |
| TOM S. CLEARY | CORRECTIONAL HEALTH Dept.#HC | 07-10-2019 | 23 YRS 03½ MOS |
| NADINE COLEMAN | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 06-29-2019 | 45 YRS 08 MOS |
| RICHARD M. CREAMER | LACERA Dept.#NL | 08-31-2019 | 25 YRS ½ MOS |
| ELEANOR Q. DACIO | CORRECTIONAL HEALTH Dept.#HC | 07-31-2019 | 25 YRS 09½ MOS |
| IRENE C. DOLAN | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 28 YRS 05½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| JOHN R. DORADO | SHERIFF Dept.#SH | 07-31-2019 | 25 YRS ½ MOS |
| HEIDI A. DREW | CORRECTIONAL HEALTH Dept.#HC | 06-15-2019 | 13 YRS 10½ MOS |
| TERESA K. DUNCAN | PUBLIC DEFENDER Dept.#PD | 08-01-2019 | 20 YRS 06½ MOS |
| JOE DURAN | INTERNAL SERVICES Dept.#IS | 06-13-2019 | 47 YRS 03½ MOS |
| MICHAEL R. ENGER | PUBLIC DEFENDER Dept.#PD | 07-06-2019 | 29 YRS 07½ MOS |
| BARBARA M. ENRIQUEZ | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 06-30-2019 | 12 YRS 07 MOS |
| CAROLYN J. ESSEX | PUBLIC HEALTH PROGRAM Dept.#PH | 07-27-2019 | 40 YRS 00 MOS |
| YOLANDA FERNANDEZ | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 28 YRS 09½ MOS |
| TERRY FINEGAN | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-01-2019 | 35 YRS 03½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| MELANIE FIRESTONE | SUPERIOR COURT/COUNTY CLERK Dept.#SC | 07-31-2019 | 20 YRS 03 MOS |
| STEVEN FLORES | PARKS AND RECREATION Dept.#PK | 08-31-2019 | 35 YRS 03½ MOS |
| NESTOR M. FULGENCIO | CORRECTIONAL HEALTH Dept.#HC | 07-31-2019 | 27 YRS ½ MOS |
| RALPH GARCIA | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-03-2019 | 27 YRS 09½ MOS |
| M LUPE GARCIA | ASSESSOR Dept.#AS | 05-31-2019 | 31 YRS 11 MOS |
| JULIA A. GARIBAY | PARKS AND RECREATION Dept.#PK | 07-31-2019 | 36 YRS 01½ MOS |
| SERENA S. GILLIAM | HEALTH SERVICES ADMINISTRATION Dept.#HS | 07-10-2019 | 23 YRS 08½ MOS |
| LUIS GOMEZ | HEALTH SERVICES ADMINISTRATION Dept.#HS | 07-31-2019 | 44 YRS 08½ MOS |
| SAM GOMEZ | DISTRICT ATTORNEY Dept.#DA | 07-31-2019 | 35 YRS 01½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|--------------------|--|----------------|----------------|
| DEBORA L. GOODRICH | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 07-31-2019 | 22 YRS 02½ MOS |
| CYNTHIA C. HARRIS | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 38 YRS 06½ MOS |
| DEBORAH K. HEATH | CHILDREN & FAMILY SERVICES Dept.#CH | 06-26-2019 | 22 YRS 07 MOS |
| AUDELINA HERRERA | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-23-2019 | 25 YRS 11 MOS |
| MARIA HOLGUIN | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 08-01-2019 | 19 YRS ½ MOS |
| HENRY C. HUANG | RANCHO LOS AMIGOS HOSPITAL Dept.#HR | 07-31-2019 | 15 YRS 07½ MOS |
| JOEL HUSCHLE | MENTAL HEALTH Dept.#MH | 07-11-2019 | 24 YRS 02½ MOS |
| DAVID A. JACOBS | DISTRICT ATTORNEY Dept.#DA | 06-22-2019 | 20 YRS 05 MOS |
| STANLEY G. JACOCKS | PROBATION DEPARTMENT Dept.#PB | 07-19-2019 | 36 YRS 01 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| ZACHERY I. JENKINS | CHILDREN & FAMILY SERVICES Dept.#CH | 06-29-2019 | 34 YRS 09½ MOS |
| LAWRENCE JOHNSON | PROBATION DEPARTMENT Dept.#PB | 07-31-2019 | 25 YRS 01½ MOS |
| JULIO T. JUNCO | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-31-2019 | 27 YRS 08½ MOS |
| JEFFERY KAGENO | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-30-2019 | 37 YRS 06 MOS |
| CATHY L. KING | DISTRICT ATTORNEY Dept.#DA | 07-31-2019 | 38 YRS 08½ MOS |
| RHONDA E. KING | SHERIFF Dept.#SH | 07-20-2019 | 38 YRS 02 MOS |
| FRANKIE L. KNOX | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-05-2019 | 12 YRS 03 MOS |
| GRACE LA MOUNTAIN | PUBLIC HEALTH PROGRAM Dept.#PH | 08-01-2019 | 35 YRS 04½ MOS |
| BRENDA LEE-RICHARDS | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 36 YRS 04½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|-----------------------|--|----------------|----------------|
| BERTRAND F. LEVESQUE | MENTAL HEALTH Dept.#MH | 07-31-2019 | 18 YRS ½ MOS |
| MARTHA E. MADRIGAL | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-27-2019 | 42 YRS 04 MOS |
| ANAHIT MARYANYAN | COUNTY COUNSEL Dept.#CC | 07-31-2019 | 12 YRS 04½ MOS |
| ELIZABETH MATA | JUVENILE COURT HEALTH SERVICES Dept.#HJ | 06-29-2019 | 21 YRS 03 MOS |
| ANGELA MENDEZ | PROBATION DEPARTMENT Dept.#PB | 07-31-2019 | 21 YRS 04½ MOS |
| MARIA T. MERCENE GERV | CHILDREN & FAMILY SERVICES Dept.#CH | 07-26-2019 | 19 YRS 01 MOS |
| DANNY MIRANDA | PARKS AND RECREATION Dept.#PK | 07-31-2019 | 10 YRS ½ MOS |
| IDA MORIEL | MEDICAL EXAMINER-CORONER Dept.#ME | 07-31-2019 | 44 YRS 04½ MOS |
| ROSALIA B. MUNIZ | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-31-2019 | 29 YRS 01½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|----------------------|--|----------------|----------------|
| JOSEPHINE C. NICOLAS | AUDITOR - CONTROLLER Dept.#AU | 07-16-2019 | 32 YRS 03 MOS |
| ROBERT N. NISHIMURA | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 07-31-2019 | 16 YRS 11½ MOS |
| MARTHA B. OCHOA | ASSESSOR Dept.#AS | 07-31-2019 | 45 YRS 09½ MOS |
| GEORGE A. PACCERELLI | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-26-2019 | 28 YRS 11 MOS |
| KAY PARKS | PUBLIC HEALTH PROGRAM Dept.#PH | 07-31-2019 | 45 YRS 10½ MOS |
| ELAINE PEREZ | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 43 YRS 07½ MOS |
| VUONG V. PHAM | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 08-01-2019 | 20 YRS 02½ MOS |
| TINA T. PHAM | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-31-2019 | 30 YRS 02½ MOS |
| OLIVIA A. PIZANA | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-31-2019 | 27 YRS 11½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|--------------------|--|----------------|----------------|
| RALPH G. PLACENCIA | DEPARTMENT OF HUMAN RESOURCES Dept.#HM | 08-03-2019 | 22 YRS ½ MOS |
| LETICIA PRIETO | CHILDREN & FAMILY SERVICES Dept.#CH | 06-20-2019 | 24 YRS 10½ MOS |
| CAROLYN L. PYLES | CHILDREN & FAMILY SERVICES Dept.#CH | 08-31-2019 | 37 YRS 02½ MOS |
| LANA C. RADLE | PUBLIC WORKS Dept.#PW | 07-31-2019 | 39 YRS 11½ MOS |
| ROBERT RAUCK | MENTAL HEALTH Dept.#MH | 06-04-2019 | 43 YRS 11½ MOS |
| STUART S. RISKIN | CHILDREN & FAMILY SERVICES Dept.#CH | 08-31-2019 | 25 YRS ½ MOS |
| XAVIER ROSALES | CHILDREN & FAMILY SERVICES Dept.#CH | 07-31-2019 | 27 YRS 05½ MOS |
| DEBRA ROSS-SCOTT | REG-RECORDER/COUNTY CLERK Dept.#RR | 07-13-2019 | 27 YRS 02½ MOS |
| ANNA L. SALAS | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-27-2019 | 06 YRS 02½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| CARLOS R. SANCHEZ | ASSESSOR Dept.#AS | 08-01-2019 | 28 YRS 04½ MOS |
| FRANCISCO SANCHEZ | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-26-2019 | 34 YRS 00 MOS |
| RENEE D. SAULNEY | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-31-2019 | 44 YRS 01½ MOS |
| ESTHER SAWYER | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-31-2019 | 42 YRS 01½ MOS |
| STANLEY W. SCATES | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 06-03-2019 | 05 YRS 03 MOS |
| LINDA SHIMANE | PUBLIC LIBRARY Dept.#PL | 07-03-2019 | 46 YRS 09½ MOS |
| ELIZABETH M. SINGER | BOARD OF SUPERVISORS Dept.#BS | 07-23-2019 | 13 YRS 10 MOS |
| CAROL J. STEPHENS | PROBATION DEPARTMENT Dept.#PB | 07-08-2019 | 29 YRS 08½ MOS |
| MARIA L. TAFALLA | PUBLIC HEALTH PROGRAM Dept.#PH | 08-31-2019 | 32 YRS 05½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|-----------------------|--|----------------|----------------|
| JAMES S. TENG | PUBLIC HEALTH PROGRAM Dept.#PH | 08-01-2019 | 11 YRS ½ MOS |
| DEBRA TERRELL | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-31-2019 | 20 YRS 04½ MOS |
| MARIA TORRES | HEALTH SERVICES ADMINISTRATION Dept.#HS | 07-31-2019 | 40 YRS 10½ MOS |
| NICANOR TORRES J R | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 08-01-2019 | 35 YRS 01½ MOS |
| HOANG P. TRAN | L A COUNTY FIRE DEPT Dept.#FR | 08-15-2019 | 20 YRS 05½ MOS |
| LUU B. TRUONG | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-31-2019 | 36 YRS 09½ MOS |
| ELSA C. VILLEGAS | INTERNAL SERVICES Dept.#IS | 07-31-2019 | 46 YRS 07½ MOS |
| ETHEL M. WEATHERSPOON | PROBATION DEPARTMENT Dept.#PB | 06-25-2019 | 30 YRS 05½ MOS |
| SUSAN H. WEN | CHILDREN & FAMILY SERVICES Dept.#CH | 07-31-2019 | 17 YRS 09½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|------------------------|--|----------------|----------------|
| MARSHALL E. WEST | CHILDREN & FAMILY SERVICES Dept.#CH | 07-26-2019 | 31 YRS 11 MOS |
| SCOTT A. WILES | PUBLIC DEFENDER Dept.#PD | 07-31-2019 | 10 YRS 09½ MOS |
| JACQUELYN D. WILLIAMS | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-25-2019 | 42 YRS 10 MOS |
| LINDA K. WILLIAMS | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 07-31-2019 | 22 YRS ½ MOS |
| NANCY L. WOOD | ALTERNATE PUBLIC DEFENDER Dept.#AD | 07-31-2019 | 29 YRS 08½ MOS |
| JOAN M. YU | REG-RECORDER/COUNTY CLERK Dept.#RR | 06-29-2019 | 12 YRS 00 MOS |
| SAMSON W. YU | INTERNAL SERVICES Dept.#IS | 07-31-2019 | 39 YRS 01½ MOS |
| ELVIRA E. ZAMORA-GOSIM | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 07-31-2019 | 36 YRS 07½ MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

SAFETY SURVIVOR APPLICATIONS

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---|---------------------|----------------|----------------|
| DARLENE BEAMON | SHERIFF Dept.#SH | 05-30-2019 | 36 YRS 06 MOS |
| WIFE of JAMES E BEAMON dec'd on 05-29-2019, Sect. #31781.1 | | | |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL SURVIVOR APPLICATIONS

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---|-------------------------------|----------------|----------------|
| LATANIA YOUNG HOWARD | INTERNAL SERVICES Dept.#IS | 06-19-2019 | 25 YRS 06 MOS |
| WIFE of WENDELL HOWARD dec'd on 06-18-2019, Sect. #31781.3 | | | |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|------------------------|---------------------|----------------|----------------|
| CHARLES B. CUMMINS | SHERIFF Dept.#SH | 06-30-2019 | 03 YRS 00 MOS |
| DAVID L. ECKSTROM | SHERIFF Dept.#SH | 05-11-2019 | 18 YRS 09 MOS |
| ANTHONY C. FAGGIANO JR | SHERIFF Dept.#SH | 06-28-2019 | 05 YRS 11 MOS |
| SCOTT A. SCHERER | SHERIFF Dept.#SH | 06-10-2019 | 05 YRS 01 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|------------------------|--|----------------|----------------|
| RAYMOND L. ANCIAUX | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 07-29-2019 | 10 YRS 00 MOS |
| TERELUI ANTONI | MENTAL HEALTH Dept.#MH | 07-03-2019 | 07 YRS 10 MOS |
| CAROLYN J. BELL | PUBLIC WORKS Dept.#PW | 06-04-2019 | 02 YRS 08 MOS |
| PATRICIA D. BOLIVAR | PUBLIC HEALTH PROGRAM Dept.#PH | 05-25-2019 | 08 YRS 06½ MOS |
| NENITA BULANDUS | CHILDREN & FAMILY SERVICES Dept.#CH | 06-01-2019 | 30 YRS 05 MOS |
| ANTHONY R. CAVUOTI | CHILDREN & FAMILY SERVICES Dept.#CH | 06-12-2019 | 13 YRS 09 MOS |
| ALEJANDRA M. CERVANTES | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 06-23-2019 | 10 YRS 06 MOS |
| GREGORY CHIDLEY | HEALTH SERVICES ADMINISTRATION Dept.#HS | 07-10-2019 | 09 YRS 11 MOS |
| LINDA DOUGLAS | SHERIFF Dept.#SH | 06-09-2019 | 11 YRS 11 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| PAUL C. FU JR | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-07-2019 | 25 YRS 08½ MOS |
| ROSA K. FUQUAY | BOARD OF SUPERVISORS Dept.#BS | 06-11-2019 | 17 YRS 08 MOS |
| ROBERTA GOLDMAN | PUBLIC HEALTH PROGRAM Dept.#PH | 07-01-2019 | 17 YRS 08 MOS |
| PAUL A. GRAHAM | CHILDREN & FAMILY SERVICES Dept.#CH | 06-03-2019 | 10 YRS 00 MOS |
| LORENA GUARDADO | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 04-01-2019 | 01 YRS 03 MOS |
| EDWARD F. HERNANDEZ | PUBLIC WORKS Dept.#PW | 07-03-2019 | 21 YRS 09 MOS |
| JULIA M. HICKS | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 06-21-2019 | 12 YRS 05½ MOS |
| ELAINE M. HOOKER | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 06-08-2019 | 06 YRS 07½ MOS |
| MARISSA M. JOHNSON | RANCHO LOS AMIGOS HOSPITAL Dept.#HR | 07-07-2019 | 21 YRS 05 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| ANDREW JOHNSON J.R. | | 05-16-2019 | 12 YRS 09 MOS |
| DOLORES JONES | DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS | 06-27-2019 | 39 YRS 04 MOS |
| LINDA L. KIMBELL | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 06-14-2019 | 31 YRS 10½ MOS |
| SUSAN KLEIN | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 06-24-2019 | 10 YRS 10½ MOS |
| SHANG-JEN LO | LACERA Dept.#NL | 07-01-2019 | 05 YRS 06 MOS |
| DARRELL S. MAVIS | SUPERIOR COURT/COUNTY CLERK Dept.#SC | 06-17-2019 | 14 YRS 00 MOS |
| CARMEN MONTES | PUBLIC HEALTH PROGRAM Dept.#PH | 06-29-2019 | 06 YRS 02½ MOS |
| TAMARA J. MORELAND | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 06-23-2019 | 28 YRS 02 MOS |
| ROSALINA MORINGLANE | PARKS AND RECREATION Dept.#PK | 06-07-2019 | 11 YRS 07 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|----------------------|---|----------------|----------------|
| LORRAINE R. MUNOZ | PUBLIC WORKS Dept.#PW | 07-13-2019 | 17 YRS 01 MOS |
| MARAL NAJARIAN | SUPERIOR COURT/COUNTY CLERK Dept.#SC | 06-11-2019 | 14 YRS 03 MOS |
| GODWIN F. NWUFO | CHILDREN & FAMILY SERVICES Dept.#CH | 07-16-2019 | 38 YRS 04 MOS |
| CHRISTA G. O'DONNELL | L A COUNTY FIRE DEPT Dept.#FR | 05-28-2019 | 14 YRS 05 MOS |
| LEONOR OLAIS-COTWRI | SHERIFF Dept.#SH | 07-07-2019 | 23 YRS 00 MOS |
| ZENAIDA S. PADILLA | SUPERIOR COURT/COUNTY CLERK Dept.#SC | 07-17-2019 | 23 YRS 11 MOS |
| JANINE L. PHILLIPS | CHILDREN & FAMILY SERVICES Dept.#CH | 06-07-2019 | 15 YRS 07½ MOS |
| EVELYN B. ROSS | COUNTY COUNSEL Dept.#CC | 06-10-2019 | 22 YRS ½ MOS |
| WINNIE K. SAW | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 06-05-2019 | 29 YRS 03 MOS |

BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

| <u>NAME</u> | <u>DEPARTMENT</u> | <u>RETIRED</u> | <u>SERVICE</u> |
|---------------------|--|----------------|----------------|
| MARTIN M. SCHARFF | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 07-15-2019 | 32 YRS ½ MOS |
| THERESA A. SEIBERT | SHERIFF Dept.#SH | 07-11-2019 | 05 YRS 06 MOS |
| LORI A. STUERZER | SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO | 06-13-2019 | 21 YRS 01 MOS |
| TROY SYED | COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH | 07-03-2019 | 23 YRS 02½ MOS |
| MARTIN TIEN | CORRECTIONAL HEALTH Dept.#HC | 06-27-2019 | 19 YRS 11 MOS |
| RICKEY D. WALLER | PARKS AND RECREATION Dept.#PK | 06-17-2019 | 10 YRS ½ MOS |
| MICHELLE M. WARRICK | CHILD SUPPORT SERVICES Dept.#CD | 06-29-2019 | 14 YRS 07 MOS |
| VEA VANESSA ZELAYA | NORTHEAST CLUSTER (LAC+USC) Dept.#HG | 06-07-2019 | 09 YRS 02½ MOS |

**BOARD OF RETIREMENT MEETING OF AUGUST 7, 2019
RESCISSIONS/CHANGES FROM BENEFIT APPROVAL LIST
APPROVED ON JULY 3, 2019**

GENERAL MEMBER APPLICATIONS FOR SERVICE RETIREMENT

| NAME | DEPARTMENT | UPDATE |
|-------------------|-----------------------------------|--------------------------------------|
| JEFFERSON DE ROUX | DEPT OF PUBLIC SOCIAL SERVICES | CHANGE OF DATE TO AUGUST 19, 2019 |
| VELDA LOLLIS | RANCHO LOS AMIGOS HOSPITAL | RESCINDED RETIREMENT |

July 23, 2019

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Vivian H. Gray
Ronald A. Okum
J.P. Harris, Alternate

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: **Adoption of Revised Legislative Policy**

RECOMMENDATION

That the Board of Retirement adopt the revised Legislative Policy.

LEGAL AUTHORITY

The Legislative Policy provides that “[it] shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.”

DISCUSSION

State Association of County Retirement Systems

Each year, SACRS solicits legislative proposals from retirement systems operating under the County Employees Retirement Law of 1937 (CERL). These proposals are typically voted on at the Business Meeting of the SACRS Fall Conferences. Each retirement system is entitled to one voting delegate for SACRS-related business matters, including legislative proposals.

Legislative proposals submitted to SACRS are typically administrative in nature. However, there were two proposals submitted to SACRS in 2018 that were investment-related (which were ultimately withdrawn and not voted on at the SACRS 2018 Fall Conference). LACERA is the only CERL retirement system that has an investment board. The proposed revised Legislative Policy includes a section clarifying how the Board of Retirement and Board of Investments may provide instructions to LACERA’s SACRS voting delegate.

Evaluation of Legislative Advocates

The Legislative Policy was most recently revised by the Board of Retirement on January 10, 2019 and the Board of Investments on January 9, 2019. After approving the revised Legislative Policy, the Boards requested that staff include a section in the Legislative Policy to provide for evaluation of LACERA's legislative advocates.

SUMMARY OF PROPOSED REVISIONS

Page 14: Legislative proposals submitted for sponsorship by SACRS are considered by the SACRS membership generally at the SACRS Fall Conference. The proposed revision describes the process by which the Board of Retirement or Board of Investments considers the legislative proposals and how voting instructions from each board are provided to LACERA's SACRS voting delegate. The voting delegate is LACERA's Chief Executive Officer with alternate delegates being members of the Board of Retirement. Staff recommends that a summary of voting instructions from both boards be provided to LACERA's voting delegate and alternate delegates to ensure that those who are attending the SACRS conference and potentially will be voting on legislative proposals have the necessary instructions from each board.

Page 17: The Legislative Policy currently does not provide for the evaluation of LACERA's legislative advocates. The proposed revision provides for staff to provide an annual evaluation of the legislative advocates for review by the Board of Retirement. The evaluation will enable the Board of Retirement to determine whether the legislative advocates are performing the agreed-upon work and to provide feedback regarding their performance and outcomes.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt the revised Legislative Policy.

Attachments

Attachment A—Legislative Policy (redlined)
Attachment B—Legislative Policy (clean)

cc: JJ Popowich
Steven P. Rice
Jon Gabel
Cassandra Smith
Anthony J. Roda, Williams & Jensen
Joe Ackler, Ackler & Associates

ATTACHMENT A

LACERA LEGISLATIVE POLICY

Revised:

Board of Retirement: ~~January 10, 2019~~ _____

Board of Investments: ~~January 9, 2019~~ _____

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Statement of Mission and Purpose

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937 (CERL) and administers retirement benefits provided by CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA). LACERA is governed by the Board of Retirement and the Board of Investments. The Boards have plenary authority and fiduciary responsibility for the system as provided by Section 17 of Article XVI of the California Constitution and in CERL. The Boards have the sole and exclusive fiduciary responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to its members and beneficiaries.

The existence of LACERA and the fiduciary responsibility of its governing Boards are embodied in the organizational mission to *produce, protect, and provide the promised benefits*.

Each element of our mission informs the foundation of this Legislative Policy:

- *Produce* the highest quality of service for our members and sponsors.
- *Protect* the promised benefits through prudent investment and conservation of plan assets.
- *Provide* the promised benefits.

LACERA's retirement plan benefits are provided by CERL, PEPRA, and other provisions under the California Government Code. As a tax-qualified defined benefit plan, LACERA is also subject to federal law under the Internal Revenue Code. The value to our members of the benefits administered by LACERA may also be affected by other provisions of state and federal law. Changes to provisions that affect LACERA are achieved through the state and federal legislative process and through forms of direct democracy by California voters, which include ballot initiatives and referenda. It is also intended that this policy cover state and federal rulemaking, although such action takes place within the Executive branch of government rather than the Legislative. These various proposals, whether submitted through the state or federal legislative process or through rulemaking, may enhance or detract from LACERA's administrative capability and mission; they may also further or infringe upon the Boards' fiduciary responsibilities, member rights and benefits, or LACERA's mission. As such, the Boards will proactively monitor such proposals and voice its position regarding proposals as described in this policy.

LACERA may identify issues that it determines to pursue through sponsorship of legislative proposals. The scope of such issues may vary in applicability to LACERA only or also to other public retirement systems. The diversity of public retirement plans within California implies a diversity of issues that may overlap with or have impact upon other public retirement systems. Consequently, the Boards may directly sponsor legislation or they may co-sponsor legislation with other public retirement systems, through the State

Association of County Retirement Systems, or with other parties that may have an alignment of interest with LACERA with respect to an issue or proposal.

The purpose of this Legislative Policy is to:

- Establish legislative policy standards to guide staff in making recommendations regarding legislative proposals to the Boards.
- Define the range of positions that the Boards may take with respect to legislative proposals.
- Establish a standard memorandum format to provide legislative analysis and recommendations to the Boards.
- Define circumstances in which the Board may need to communicate a position regarding a legislative proposal before the proposal is considered at a regularly scheduled Board meeting.
- Establish guidelines for staff and Board actions related to ballot measures.
- Provide for status reports of LACERA's legislative advocacy efforts.

The overall goal of this policy is to provide the Boards with flexibility to pursue legislative action on any and all issues that the Boards may view as affecting LACERA's mission.

This policy shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.

Legislative Policy Standards

The legislative policy standards are categorized for the Board of Retirement, the Board of Investments, and both Boards. Legislative action items of interest to the Board of Retirement are first brought before the Board of Retirement's Insurance, Benefits and Legislative Committee for consideration before being recommended to the Board of Retirement. However, items may go directly to the Board of Retirement for consideration with the agreement of both the Chair of the Board of Retirement and the Chair of the Insurance, Benefits and Legislative Committee.

Legislative action items of interest to the Board of Investments are brought directly to the Board of Investments.

Legislative action items of interest to both the Board of Retirement and Board of Investments are brought separately to both Boards. However, such items to be considered by the Board of Retirement will first be considered by the Board of Retirement's Insurance, Benefits, and Legislative Committee before being recommended to the Board of Retirement.

The legislative policy standards conceptually relate to LACERA's mission to produce, protect, and provide the promised benefits; the legislative policy standards also embody the themes of quality of service, prudent investment, conservation of plan assets, and prompt delivery of benefits and services within each element of LACERA's mission.

Legislative proposals or rulemaking that are enacted into law ultimately require implementation by LACERA. The approach staff will take in formulating positions and recommendations is to foster collaboration with divisions within LACERA and resources outside of LACERA, including other public pension systems, LACERA's legislative advocate, and others whose interests align with LACERA's or who may have relevant information, to fully assess the impact of proposals.

Although the legislative policy standards are intended to guide staff in formulating positions and recommendations to the Boards on legislative proposals or rulemaking, the Boards may in their discretion adopt any position on specific proposals. This policy is not intended to limit the flexibility of the Boards to take a position or other action on any legislative matter or rulemaking that may impact LACERA or its stakeholders, whether or not the specific subject matter is listed in this policy.

Board of Retirement

- Support proposals that provide the Board of Retirement with increased flexibility in its administration of retirement plans and operations or enable more efficient and effective service to members and stakeholders.
- Support proposals that correct structural deficiencies in plan design.

- Support proposals that provide clarification, technical updates, or conforming changes to the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems.
- Support proposals that protect vested benefits or have a positive impact upon LACERA's members.
- Support proposals that seek to prevent fraud in connection with retirement benefits and applications.
- Oppose proposals that infringe on the Board of Retirement's plenary authority or fiduciary responsibility.
- Oppose proposals that deprive members of vested benefits.
- Oppose proposals that mandate the release of confidential information of members and beneficiaries.
- Oppose proposals that jeopardize the tax-exempt status of LACERA's qualified retirement plan under the Internal Revenue Code and the California Revenue and Taxation Code or the deferred treatment of income tax on employer and employee contributions and related earnings.
- Oppose proposals that create unreasonable costs or complexity in the administration of retirement benefits.
- Oppose proposals that are contrary to or interfere with the Board of Retirement's adopted policies or decisions.

Board of Investments

- Support proposals that give increased flexibility to the Board of Investments in its investment policy and administration.
- Support proposals that preserve the assets and minimize the liabilities of trust funds administered by LACERA.
- Support proposals that are consistent with the Board of Investments' Corporate Governance Principles.
- Support proposals that are consistent with the Board of Investments' Statement of Investment Beliefs.
- Support proposals that promote transparent financial reporting.

- Oppose proposals that infringe on the Board of Investments' authority over the actuarial valuation process.
- Oppose proposals that infringe on the Board of Investments' plenary authority or fiduciary responsibility, including but not limited to investment mandates or restrictions.
- Oppose proposals that create unreasonable costs or complexity in the administration of investments.
- Oppose proposals that are contrary to or interfere with the Board of Investment's adopted policies or decisions.

Board of Retirement & Board of Investments

- Support proposals that harmonize the powers and functions of the Board of Retirement and Board of Investments but do not encroach on each Board's respective separate jurisdiction.
- Support proposals that enhance board member education and ethics.
- Address proposals related to the administrative budget.
- Address proposals related to the appointment of personnel.
- Address proposals related to administrative or organizational matters that affect both Boards.

Definitions of Board Positions

SPONSOR OR CO-SPONSOR

- Indicates that the proposal was initiated by the Board or that the proposal was initiated by one or more organizations with which LACERA shares sponsorship.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

SUPPORT

- Indicates that the Board believes the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

SUPPORT IF AMENDED

- Indicates that the Board conditionally supports the proposal in becoming law and that amendments are necessary to facilitate implementation and administration.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive¹ amendments to the proposal not requested by LACERA that may cause the Board not to support the proposal, staff will resubmit the proposal to the Board for consideration.

NEUTRAL

- Indicates that the proposal affects LACERA and its stakeholders, but the Board neither supports nor opposes it.
- Does not require engagement with LACERA's legislative advocate to achieve passage or defeat of the proposal.

¹ The term "substantive" as used in this Legislative Policy is defined as a change in the proposal that does not merely provide clarification but creates and defines rights and duties or, conversely, removes rights and duties.

OPPOSE

- Indicates that the Board does not believe the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to defeat the proposal.

OPPOSE UNLESS AMENDED

- Indicates that the Board conditionally opposes the proposal in becoming law and that amendments are necessary to remove the Board's opposition.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, the Board's position will be Neutral or Watch without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive amendments to the proposal not requested by LACERA that may cause the Board not to remove its opposition, staff will resubmit the proposal to the Board for consideration.

WATCH

- Indicates that the proposal does not affect LACERA and its stakeholders but would be enacted under a law that covers LACERA such as CERL or PEPRA.
- Indicates that although the proposal is not based on a law that covers LACERA such as CERL or PEPRA, the proposal may be of interest or concern to the Board and its stakeholders and that the Board in the future may take a substantive position on the matter.
- Indicates that proposal will be resubmitted to the Board for consideration if amendments cause the proposal to affect LACERA and its stakeholders.

Once the Board has acted, these positions will typically be communicated by means of a letter from the Chief Executive Officer to the appropriate legislative officers. Staff coordinates with LACERA's legislative advocate in preparing this letter and developing a communication and distribution strategy for the letter, which may include verbal communications by the legislative advocate with relevant legislators and/or legislative staff. In the rulemaking context, LACERA's positions will typically be communicated to the enacting state or federal agency by means of a comment letter where the agency has provided an opportunity for public comment on a proposed rule before it is finalized and becomes effective.

Legislative Analysis Memorandum Format

The following is an outline of the format of the legislative analysis memorandum provided by staff. In general, the memorandum will follow this format but may be modified for specific cases.

Date

TO:

FROM:

FOR:

SUBJECT: **Bill Number**

Author:

Sponsor:

Introduced:

Amended:

Status:

Board Position:

Committee Recommendation:

Staff Recommendation:

[If the memo addresses rulemaking, the Subject section will provide similar relevant information.]

RECOMMENDATION

[This section states staff's or the Committee's recommendation to the Board.]

LEGISLATIVE POLICY STANDARD

[This section discusses the application of LACERA's legislative policy standards to the proposal and the justification for the recommendation to the Board.]

SUMMARY

[This section describes the provisions of the proposal and the key additions or updates the proposal makes to existing law.]

ANALYSIS

[This section provides an analysis of the effects and implications of the proposal on LACERA.]

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD

[This section restates staff's or the Committee's recommendation and summary or concluding comments.]

Attachments

Attachment 1—Board Positions Adopted On Related Legislation

[This attachment states the positions the Board has previously taken on the subject matter of the bill.]

Attachment 2—Support And Opposition

[This attachment identifies those entities that have already taken a position on the bill.]

Bill Text

Action between Board Meetings

The Board of Retirement generally meets twice a month, including a disability meeting on the first Wednesday and an administrative meeting on the Thursday following the second Wednesday; the Board of Investments meets once a month on the second Wednesday. Since the meeting schedules of the Boards do not necessarily accord with the hearing schedules and deadlines of the state Legislature and Congress. In the event a time-sensitive matter arises, action by staff may be required before the matter is considered by the Board at the next regularly scheduled Board meeting.

I. Legislation on Which the Board Previously Adopted a Position

Staff may engage with LACERA's legislative advocate to communicate a position on amendments to a bill before formal consideration by the Board of Retirement or Board of Investments if all the following conditions are met:

1. The Board had adopted a Support or Oppose position on the bill *before* it was amended.
2. Substantive amendments that may justify a change in the Board's position to other than Neutral or Watch have occurred in the bill *after* the Board adopted a position and *before* the next regularly scheduled board meeting.
3. Consideration of the amended bill by a legislative committee or by the Assembly or Senate floor will occur *before* the amended bill can be considered at the next regularly scheduled board meeting.

Staff will take the following actions:

1. Prepare a legislative analysis of the amended bill for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate for input regarding the amended bill to determine if the new position should be communicated to the Legislature.
3. If the new position should be communicated to the Legislature, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter of the amended bill and obtain approval that the new position be communicated.
4. At the next regularly scheduled Board meeting, present a report to the Board regarding the position communicated in Step 3 and a summary of actions taken.

II. Formally Affiliated Organizations

1. Staff may participate in joint written communications that are organized or requested by formal organizations to which LACERA has formally affiliated and that are consistent with the Board's legislative policy standards.
2. In the event a matter has been addressed in written communications by a formal organization to which LACERA has formally affiliated, staff may, consistent with the Board's legislative policy standards, write letters of support or opposition or engage in advocacy on the matter.

Staff will take the following actions:

1. Prepare a legislative analysis of the matter for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate to determine whether staff should engage in the written communications described in II.1 and II.2.
3. If staff should engage in the written communications described in II.1 and II.2, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter and obtain approval to engage in such written communications.
4. At the next regularly scheduled Board meeting, present a report to the Board of actions taken and copies of the written communications.

SACRS Voting Delegate

BACKGROUND

The Bylaws of the State Association of County Retirement Systems (SACRS) provide that all duly elected or appointed members of the County Retirement and Investment Boards operating under the County Employees Retirement Law of 1937 (CERL) are regular members of SACRS; the administrator of a County Retirement System is also a regular member. Each County Retirement System is entitled to one voting delegate (who must be a regular member) for business meetings of the SACRS membership. The delegate and any alternate delegates are designated in writing and provided to SACRS by the County Retirement Board. The voting delegates serve as proxies for their retirement systems and vote as directed by their systems.

Legislative proposals submitted to SACRS are generally voted on at its Fall Conference, although it is also possible for them to be voted on at its Spring Conference. In 2002, the Board of Retirement (BOR) adopted a policy that provides for the LACERA Chief Executive Officer to be LACERA's SACRS voting delegate. Alternate delegates are the BOR officers and the remaining BOR members in order of board seat.

PROCESS

1. The Executive Office provides a list of LACERA's voting delegate and alternate delegates as requested by SACRS prior to the SACRS Business Meetings. This list will constitute the credentials for the delegates who are voting participants at the SACRS Business Meetings.
2. The SACRS Legislative Committee forwards the legislative proposals it has received and reviewed to the CERL retirement systems with its recommendations on inclusion in the SACRS legislative platform.
3. Staff presents the legislative proposals received from the SACRS Legislative Committee to the Board of Retirement or the Board of Investments for consideration based on the respective board's jurisdiction on the proposal's subject matter.
 - a. Proposals for the Board of Retirement are first presented for consideration to its Insurance, Benefits and Legislative Committee.
 - b. Proposals with subject matters under both boards' jurisdictions are first presented for consideration to the Joint Operations Governance Committee, unless scheduling issues dictate otherwise.
4. Voting instructions from each board are summarized by staff and forwarded to the secretaries of the Executive Office and Board of Retirement to be provided to those who will be attending the SACRS conference. The LACERA voting delegate at the SACRS Business Meeting will vote as directed by the instructions.

Ballot Measures

California law provides for citizens to use ballot measures to initiate a state statute or a constitutional amendment or to repeal legislation through a veto referendum. The California State Legislature may also use ballot measures to offer legislatively referred state statutes or constitutional amendments.

In general, a government agency may not spend *public funds* for a partisan *campaign* advocating the passage or defeat of a ballot measure. It is, however, permissible for a government agency to engage in *informational* activities. What distinguishes *informational* activities from *campaign* activities depends on the style, tenor, and timing of the activity.

From time to time, ballot measures may be offered that are related to public retirement plans. The following guidelines are intended to provide guidance on actions that may be taken with respect to ballot measures on public retirement plans:

- Providing informational staff reports and analysis on the ballot measure's effect in a meeting open to the public.
- Providing a recommendation for the Board to take a position on the ballot measure in a meeting open to the public where all perspectives can be shared. (The Board may or may not take a position on any ballot measure. The Board may take a position when it determines it is necessary to publicly express its opinion for or against a matter on which it feels strongly with respect to its impact on LACERA.)
- Providing the Board's position and views on the ballot measure's merits and effects to interested stakeholders and organizations.
- Responding to inquiries from stakeholders and the public regarding the Board's position and views on the ballot measure.

The Fair Political Practices Commission (FPPC) was created by the Political Reform Act and requires government agencies to report expenses used to advocate or unambiguously urge the passage or defeat of a measure in an election. The FPPC also prohibits government agencies from paying for communication materials that advocate or unambiguously urge the passage or defeat of a measure in an election. LACERA must be cautious in not engaging in activities that can be characterized as *campaign* activities, which are prohibited and would be subject to campaign expenditure reporting requirements. Therefore, all activities related to ballot measures are subject to review by Chief Counsel.

Status Reports

For bills on which the Boards have taken a position or that staff is monitoring, staff will provide a monthly status report listing each bill, its current status in the legislative process, and copies of communications used for lobbying the California State Legislature, United States Congress, the Governor of California, the President of the United States, or any regulatory agencies. The status report will be provided as monthly reports to the Board of Retirement and Board of Investments.

At the end of each legislative session, staff will provide a year-end report of all the bills on which the Boards had taken a position and their final disposition.

Evaluation of Legislative Advocates

The Board of Retirement has retained federal and state legislative advocates to assist in fulfilling the Mission and Purpose of the LACERA Legislative Policy. Staff will provide an annual evaluation of the legislative advocates to the Board of Retirement for review. The evaluation will assess the performance of the legislative advocates with respect to their services that were agreed upon to be performed in their contracts. The assessments will be rated according to whether the legislative advocates exceeded expectations, met expectations, or did not meet expectations.

Legislative Process

The following pages include an outline² and a flowchart³ of the California legislative process through which a bill becomes law. In general, bills in the federal legislative process move through similar stages.

² Overview of Legislative Process – Official California Legislative Information (<http://www.leginfo.ca.gov/bil2lawx.html>).

³ The Life Cycle of Legislation: From Idea into Law. California Legislature: Assembly Rules Committee.

OVERVIEW OF LEGISLATIVE PROCESS

The process of government by which bills are considered and laws enacted is commonly referred to as the Legislative Process. The California State Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature has a legislative calendar containing important dates of activities during its two-year session.

Idea

All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.

The Author

A Legislator sends the idea for the bill to the Legislative Counsel where it is drafted into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

First Reading/Introduction

A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill is read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days has passed from the date of its introduction.

Committee Hearings

The bill then goes to the Rules Committee of the house of origin where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area of the bill. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has a number of policy committees and a fiscal committee. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing the author presents the bill to the committee and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains current law, what the bill is intended to do, and some background information. Typically the analysis also lists organizations that support or oppose the bill.

Second and Third Reading

Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately, generally require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and 41 votes in the Assembly. If a

bill is defeated, the Member may seek reconsideration and another vote.

Repeat Process in other House

Once the bill has been approved by the house of origin it proceeds to the other house where the procedure is repeated.

Resolution of Differences

If a bill is amended in the second house, it must go back to the house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two house conference committee to resolve differences. Three members of the committee are from the Senate and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.

Governor

If both houses approve a bill, it then goes to the Governor. The Governor has three choices. The Governor can sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two thirds vote in both houses. Most bills go into effect on the first day of January of the next year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.

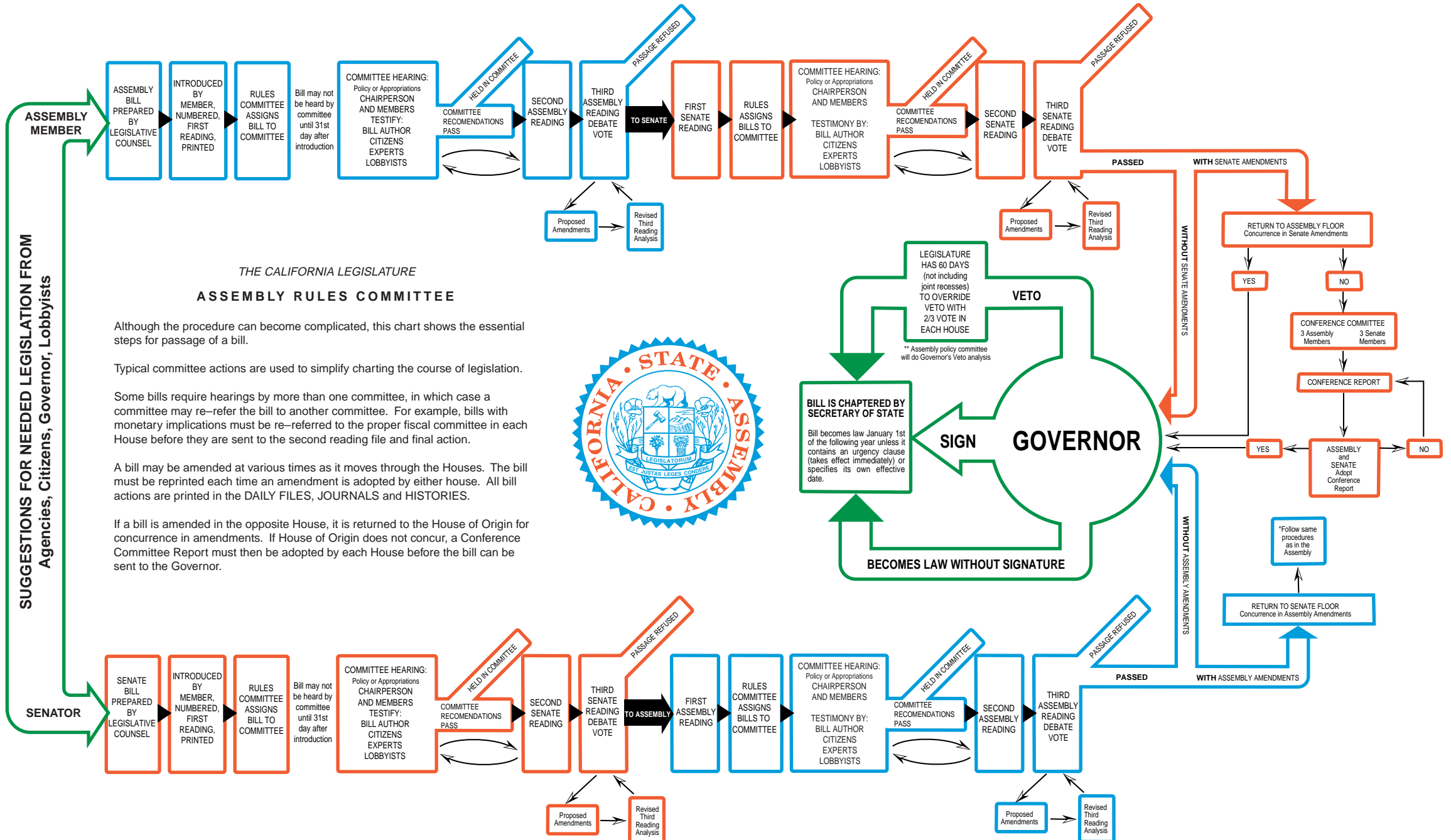
California Law

Bills that are passed by the Legislature and approved by the Governor are assigned a chapter number by the Secretary of State. These Chaptered Bills (also referred to as Statutes of the year they were enacted) then become part of the California Codes. The California Codes are a comprehensive collection of laws grouped by subject matter.

The California Constitution sets forth the fundamental laws by which the State of California is governed. All amendments to the Constitution come about as a result of constitutional amendments presented to the people for their approval.

THE LIFE CYCLE OF LEGISLATION

From Idea into Law



THE CALIFORNIA LEGISLATURE

ASSEMBLY RULES COMMITTEE

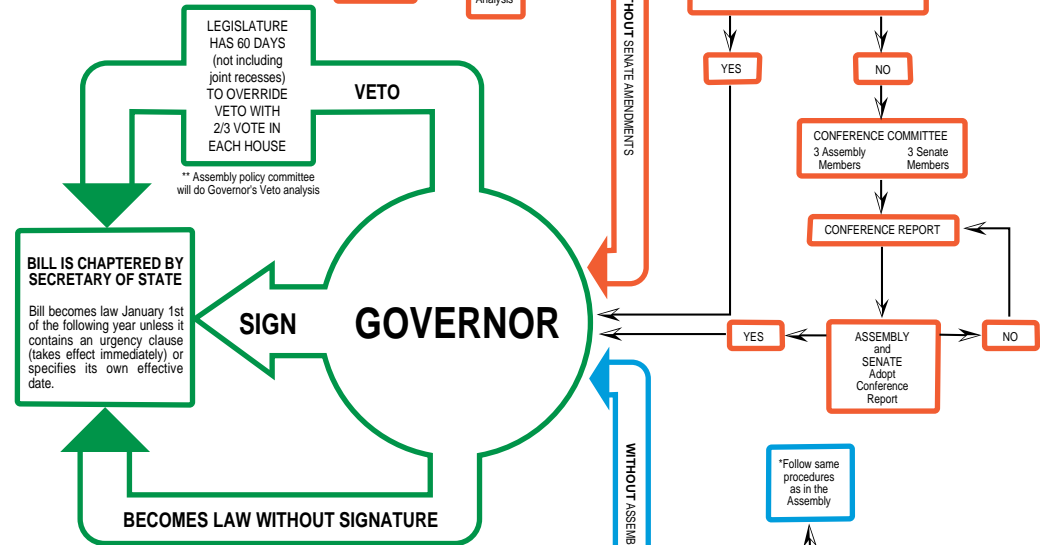
Although the procedure can become complicated, this chart shows the essential steps for passage of a bill.

Typical committee actions are used to simplify charting the course of legislation.

Some bills require hearings by more than one committee, in which case a committee may re-refer the bill to another committee. For example, bills with monetary implications must be re-referred to the proper fiscal committee in each House before they are sent to the second reading file and final action.

A bill may be amended at various times as it moves through the Houses. The bill must be reprinted each time an amendment is adopted by either house. All bill actions are printed in the DAILY FILES, JOURNALS and HISTORIES.

If a bill is amended in the opposite House, it is returned to the House of Origin for concurrence in amendments. If House of Origin does not concur, a Conference Committee Report must then be adopted by each House before the bill can be sent to the Governor.



Change Log

Revised by the Board of Retirement on January 10, 2019 and the Board of Investments on January 9, 2019.

Revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018.

Restated and approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2016.

~~Revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018.~~

ATTACHMENT B

LACERA LEGISLATIVE POLICY

Revised:

Board of Retirement: _____

Board of Investments: _____

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Statement of Mission and Purpose

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937 (CERL) and administers retirement benefits provided by CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA). LACERA is governed by the Board of Retirement and the Board of Investments. The Boards have plenary authority and fiduciary responsibility for the system as provided by Section 17 of Article XVI of the California Constitution and in CERL. The Boards have the sole and exclusive fiduciary responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to its members and beneficiaries.

The existence of LACERA and the fiduciary responsibility of its governing Boards are embodied in the organizational mission to *produce, protect, and provide the promised benefits*.

Each element of our mission informs the foundation of this Legislative Policy:

- *Produce* the highest quality of service for our members and sponsors.
- *Protect* the promised benefits through prudent investment and conservation of plan assets.
- *Provide* the promised benefits.

LACERA's retirement plan benefits are provided by CERL, PEPRA, and other provisions under the California Government Code. As a tax-qualified defined benefit plan, LACERA is also subject to federal law under the Internal Revenue Code. The value to our members of the benefits administered by LACERA may also be affected by other provisions of state and federal law. Changes to provisions that affect LACERA are achieved through the state and federal legislative process and through forms of direct democracy by California voters, which include ballot initiatives and referenda. It is also intended that this policy cover state and federal rulemaking, although such action takes place within the Executive branch of government rather than the Legislative. These various proposals, whether submitted through the state or federal legislative process or through rulemaking, may enhance or detract from LACERA's administrative capability and mission; they may also further or infringe upon the Boards' fiduciary responsibilities, member rights and benefits, or LACERA's mission. As such, the Boards will proactively monitor such proposals and voice its position regarding proposals as described in this policy.

LACERA may identify issues that it determines to pursue through sponsorship of legislative proposals. The scope of such issues may vary in applicability to LACERA only or also to other public retirement systems. The diversity of public retirement plans within California implies a diversity of issues that may overlap with or have impact upon other public retirement systems. Consequently, the Boards may directly sponsor legislation or they may co-sponsor legislation with other public retirement systems, through the State

Association of County Retirement Systems, or with other parties that may have an alignment of interest with LACERA with respect to an issue or proposal.

The purpose of this Legislative Policy is to:

- Establish legislative policy standards to guide staff in making recommendations regarding legislative proposals to the Boards.
- Define the range of positions that the Boards may take with respect to legislative proposals.
- Establish a standard memorandum format to provide legislative analysis and recommendations to the Boards.
- Define circumstances in which the Board may need to communicate a position regarding a legislative proposal before the proposal is considered at a regularly scheduled Board meeting.
- Establish guidelines for staff and Board actions related to ballot measures.
- Provide for status reports of LACERA's legislative advocacy efforts.

The overall goal of this policy is to provide the Boards with flexibility to pursue legislative action on any and all issues that the Boards may view as affecting LACERA's mission.

This policy shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.

Legislative Policy Standards

The legislative policy standards are categorized for the Board of Retirement, the Board of Investments, and both Boards. Legislative action items of interest to the Board of Retirement are first brought before the Board of Retirement's Insurance, Benefits and Legislative Committee for consideration before being recommended to the Board of Retirement. However, items may go directly to the Board of Retirement for consideration with the agreement of both the Chair of the Board of Retirement and the Chair of the Insurance, Benefits and Legislative Committee.

Legislative action items of interest to the Board of Investments are brought directly to the Board of Investments.

Legislative action items of interest to both the Board of Retirement and Board of Investments are brought separately to both Boards. However, such items to be considered by the Board of Retirement will first be considered by the Board of Retirement's Insurance, Benefits, and Legislative Committee before being recommended to the Board of Retirement.

The legislative policy standards conceptually relate to LACERA's mission to produce, protect, and provide the promised benefits; the legislative policy standards also embody the themes of quality of service, prudent investment, conservation of plan assets, and prompt delivery of benefits and services within each element of LACERA's mission.

Legislative proposals or rulemaking that are enacted into law ultimately require implementation by LACERA. The approach staff will take in formulating positions and recommendations is to foster collaboration with divisions within LACERA and resources outside of LACERA, including other public pension systems, LACERA's legislative advocate, and others whose interests align with LACERA's or who may have relevant information, to fully assess the impact of proposals.

Although the legislative policy standards are intended to guide staff in formulating positions and recommendations to the Boards on legislative proposals or rulemaking, the Boards may in their discretion adopt any position on specific proposals. This policy is not intended to limit the flexibility of the Boards to take a position or other action on any legislative matter or rulemaking that may impact LACERA or its stakeholders, whether or not the specific subject matter is listed in this policy.

Board of Retirement

- Support proposals that provide the Board of Retirement with increased flexibility in its administration of retirement plans and operations or enable more efficient and effective service to members and stakeholders.
- Support proposals that correct structural deficiencies in plan design.

- Support proposals that provide clarification, technical updates, or conforming changes to the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems.
- Support proposals that protect vested benefits or have a positive impact upon LACERA's members.
- Support proposals that seek to prevent fraud in connection with retirement benefits and applications.
- Oppose proposals that infringe on the Board of Retirement's plenary authority or fiduciary responsibility.
- Oppose proposals that deprive members of vested benefits.
- Oppose proposals that mandate the release of confidential information of members and beneficiaries.
- Oppose proposals that jeopardize the tax-exempt status of LACERA's qualified retirement plan under the Internal Revenue Code and the California Revenue and Taxation Code or the deferred treatment of income tax on employer and employee contributions and related earnings.
- Oppose proposals that create unreasonable costs or complexity in the administration of retirement benefits.
- Oppose proposals that are contrary to or interfere with the Board of Retirement's adopted policies or decisions.

Board of Investments

- Support proposals that give increased flexibility to the Board of Investments in its investment policy and administration.
- Support proposals that preserve the assets and minimize the liabilities of trust funds administered by LACERA.
- Support proposals that are consistent with the Board of Investments' Corporate Governance Principles.
- Support proposals that are consistent with the Board of Investments' Statement of Investment Beliefs.
- Support proposals that promote transparent financial reporting.

- Oppose proposals that infringe on the Board of Investments' authority over the actuarial valuation process.
- Oppose proposals that infringe on the Board of Investments' plenary authority or fiduciary responsibility, including but not limited to investment mandates or restrictions.
- Oppose proposals that create unreasonable costs or complexity in the administration of investments.
- Oppose proposals that are contrary to or interfere with the Board of Investment's adopted policies or decisions.

Board of Retirement & Board of Investments

- Support proposals that harmonize the powers and functions of the Board of Retirement and Board of Investments but do not encroach on each Board's respective separate jurisdiction.
- Support proposals that enhance board member education and ethics.
- Address proposals related to the administrative budget.
- Address proposals related to the appointment of personnel.
- Address proposals related to administrative or organizational matters that affect both Boards.

Definitions of Board Positions

SPONSOR OR CO-SPONSOR

- Indicates that the proposal was initiated by the Board or that the proposal was initiated by one or more organizations with which LACERA shares sponsorship.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

SUPPORT

- Indicates that the Board believes the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal.

SUPPORT IF AMENDED

- Indicates that the Board conditionally supports the proposal in becoming law and that amendments are necessary to facilitate implementation and administration.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, authorizes staff to engage with LACERA's legislative advocate to achieve passage of the proposal without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive¹ amendments to the proposal not requested by LACERA that may cause the Board not to support the proposal, staff will resubmit the proposal to the Board for consideration.

NEUTRAL

- Indicates that the proposal affects LACERA and its stakeholders, but the Board neither supports nor opposes it.
- Does not require engagement with LACERA's legislative advocate to achieve passage or defeat of the proposal.

¹ The term "substantive" as used in this Legislative Policy is defined as a change in the proposal that does not merely provide clarification but creates and defines rights and duties or, conversely, removes rights and duties.

OPPOSE

- Indicates that the Board does not believe the proposal should become law.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to defeat the proposal.

OPPOSE UNLESS AMENDED

- Indicates that the Board conditionally opposes the proposal in becoming law and that amendments are necessary to remove the Board's opposition.
- Authorizes staff to engage with LACERA's legislative advocate to communicate the Board's position and to incorporate amendments into the proposal.
- If amendments requested by LACERA are adopted, the Board's position will be Neutral or Watch without a resubmission of the proposal to the Board, unless the Board directs otherwise.
- If there are substantive amendments to the proposal not requested by LACERA that may cause the Board not to remove its opposition, staff will resubmit the proposal to the Board for consideration.

WATCH

- Indicates that the proposal does not affect LACERA and its stakeholders but would be enacted under a law that covers LACERA such as CERL or PEPRA.
- Indicates that although the proposal is not based on a law that covers LACERA such as CERL or PEPRA, the proposal may be of interest or concern to the Board and its stakeholders and that the Board in the future may take a substantive position on the matter.
- Indicates that proposal will be resubmitted to the Board for consideration if amendments cause the proposal to affect LACERA and its stakeholders.

Once the Board has acted, these positions will typically be communicated by means of a letter from the Chief Executive Officer to the appropriate legislative officers. Staff coordinates with LACERA's legislative advocate in preparing this letter and developing a communication and distribution strategy for the letter, which may include verbal communications by the legislative advocate with relevant legislators and/or legislative staff. In the rulemaking context, LACERA's positions will typically be communicated to the enacting state or federal agency by means of a comment letter where the agency has provided an opportunity for public comment on a proposed rule before it is finalized and becomes effective.

Legislative Analysis Memorandum Format

The following is an outline of the format of the legislative analysis memorandum provided by staff. In general, the memorandum will follow this format but may be modified for specific cases.

Date

TO:

FROM:

FOR:

SUBJECT: **Bill Number**

Author:

Sponsor:

Introduced:

Amended:

Status:

Board Position:

Committee Recommendation:

Staff Recommendation:

[If the memo addresses rulemaking, the Subject section will provide similar relevant information.]

RECOMMENDATION

[This section states staff's or the Committee's recommendation to the Board.]

LEGISLATIVE POLICY STANDARD

[This section discusses the application of LACERA's legislative policy standards to the proposal and the justification for the recommendation to the Board.]

SUMMARY

[This section describes the provisions of the proposal and the key additions or updates the proposal makes to existing law.]

ANALYSIS

[This section provides an analysis of the effects and implications of the proposal on LACERA.]

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD

[This section restates staff's or the Committee's recommendation and summary or concluding comments.]

Attachments

Attachment 1—Board Positions Adopted On Related Legislation

[This attachment states the positions the Board has previously taken on the subject matter of the bill.]

Attachment 2—Support And Opposition

[This attachment identifies those entities that have already taken a position on the bill.]

Bill Text

Action between Board Meetings

The Board of Retirement generally meets twice a month, including a disability meeting on the first Wednesday and an administrative meeting on the Thursday following the second Wednesday; the Board of Investments meets once a month on the second Wednesday. Since the meeting schedules of the Boards do not necessarily accord with the hearing schedules and deadlines of the state Legislature and Congress. In the event a time-sensitive matter arises, action by staff may be required before the matter is considered by the Board at the next regularly scheduled Board meeting.

I. Legislation on Which the Board Previously Adopted a Position

Staff may engage with LACERA's legislative advocate to communicate a position on amendments to a bill before formal consideration by the Board of Retirement or Board of Investments if all the following conditions are met:

1. The Board had adopted a Support or Oppose position on the bill *before* it was amended.
2. Substantive amendments that may justify a change in the Board's position to other than Neutral or Watch have occurred in the bill *after* the Board adopted a position and *before* the next regularly scheduled board meeting.
3. Consideration of the amended bill by a legislative committee or by the Assembly or Senate floor will occur *before* the amended bill can be considered at the next regularly scheduled board meeting.

Staff will take the following actions:

1. Prepare a legislative analysis of the amended bill for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate for input regarding the amended bill to determine if the new position should be communicated to the Legislature.
3. If the new position should be communicated to the Legislature, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter of the amended bill and obtain approval that the new position be communicated.
4. At the next regularly scheduled Board meeting, present a report to the Board regarding the position communicated in Step 3 and a summary of actions taken.

II. Formally Affiliated Organizations

1. Staff may participate in joint written communications that are organized or requested by formal organizations to which LACERA has formally affiliated and that are consistent with the Board's legislative policy standards.
2. In the event a matter has been addressed in written communications by a formal organization to which LACERA has formally affiliated, staff may, consistent with the Board's legislative policy standards, write letters of support or opposition or engage in advocacy on the matter.

Staff will take the following actions:

1. Prepare a legislative analysis of the matter for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate to determine whether staff should engage in the written communications described in II.1 and II.2.
3. If staff should engage in the written communications described in II.1 and II.2, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter and obtain approval to engage in such written communications.
4. At the next regularly scheduled Board meeting, present a report to the Board of actions taken and copies of the written communications.

SACRS Voting Delegate

BACKGROUND

The Bylaws of the State Association of County Retirement Systems (SACRS) provide that all duly elected or appointed members of the County Retirement and Investment Boards operating under the County Employees Retirement Law of 1937 (CERL) are regular members of SACRS; the administrator of a County Retirement System is also a regular member. Each County Retirement System is entitled to one voting delegate (who must be a regular member) for business meetings of the SACRS membership. The delegate and any alternate delegates are designated in writing and provided to SACRS by the County Retirement Board. The voting delegates serve as proxies for their retirement systems and vote as directed by their systems.

Legislative proposals submitted to SACRS are generally voted on at its Fall Conference, although it is also possible for them to be voted on at its Spring Conference. In 2002, the Board of Retirement (BOR) adopted a policy that provides for the LACERA Chief Executive Officer to be LACERA's SACRS voting delegate. Alternate delegates are the BOR officers and the remaining BOR members in order of board seat.

PROCESS

1. The Executive Office provides a list of LACERA's voting delegate and alternate delegates as requested by SACRS prior to the SACRS Business Meetings. This list will constitute the credentials for the delegates who are voting participants at the SACRS Business Meetings.
2. The SACRS Legislative Committee forwards the legislative proposals it has received and reviewed to the CERL retirement systems with its recommendations on inclusion in the SACRS legislative platform.
3. Staff presents the legislative proposals received from the SACRS Legislative Committee to the Board of Retirement or the Board of Investments for consideration based on the respective board's jurisdiction on the proposal's subject matter.
 - a. Proposals for the Board of Retirement are first presented for consideration to its Insurance, Benefits and Legislative Committee.
 - b. Proposals with subject matters under both boards' jurisdictions are first presented for consideration to the Joint Operations Governance Committee, unless scheduling issues dictate otherwise.
4. Voting instructions from each board are summarized by staff and forwarded to the secretaries of the Executive Office and Board of Retirement to be provided to those who will be attending the SACRS conference. The LACERA voting delegate at the SACRS Business Meeting will vote as directed by the instructions.

Ballot Measures

California law provides for citizens to use ballot measures to initiate a state statute or a constitutional amendment or to repeal legislation through a veto referendum. The California State Legislature may also use ballot measures to offer legislatively referred state statutes or constitutional amendments.

In general, a government agency may not spend *public funds* for a partisan *campaign* advocating the passage or defeat of a ballot measure. It is, however, permissible for a government agency to engage in *informational* activities. What distinguishes *informational* activities from *campaign* activities depends on the style, tenor, and timing of the activity.

From time to time, ballot measures may be offered that are related to public retirement plans. The following guidelines are intended to provide guidance on actions that may be taken with respect to ballot measures on public retirement plans:

- Providing informational staff reports and analysis on the ballot measure's effect in a meeting open to the public.
- Providing a recommendation for the Board to take a position on the ballot measure in a meeting open to the public where all perspectives can be shared. (The Board may or may not take a position on any ballot measure. The Board may take a position when it determines it is necessary to publicly express its opinion for or against a matter on which it feels strongly with respect to its impact on LACERA.)
- Providing the Board's position and views on the ballot measure's merits and effects to interested stakeholders and organizations.
- Responding to inquiries from stakeholders and the public regarding the Board's position and views on the ballot measure.

The Fair Political Practices Commission (FPPC) was created by the Political Reform Act and requires government agencies to report expenses used to advocate or unambiguously urge the passage or defeat of a measure in an election. The FPPC also prohibits government agencies from paying for communication materials that advocate or unambiguously urge the passage or defeat of a measure in an election. LACERA must be cautious in not engaging in activities that can be characterized as *campaign* activities, which are prohibited and would be subject to campaign expenditure reporting requirements. Therefore, all activities related to ballot measures are subject to review by Chief Counsel.

Status Reports

For bills on which the Boards have taken a position or that staff is monitoring, staff will provide a monthly status report listing each bill, its current status in the legislative process, and copies of communications used for lobbying the California State Legislature, United States Congress, the Governor of California, the President of the United States, or any regulatory agencies. The status report will be provided as monthly reports to the Board of Retirement and Board of Investments.

At the end of each legislative session, staff will provide a year-end report of all the bills on which the Boards had taken a position and their final disposition.

Evaluation of Legislative Advocates

The Board of Retirement has retained federal and state legislative advocates to assist in fulfilling the Mission and Purpose of the LACERA Legislative Policy. Staff will provide an annual evaluation of the legislative advocates to the Board of Retirement for review. The evaluation will assess the performance of the legislative advocates with respect to their services that were agreed upon to be performed in their contracts. The assessments will be rated according to whether the legislative advocates exceeded expectations, met expectations, or did not meet expectations.

Legislative Process

The following pages include an outline² and a flowchart³ of the California legislative process through which a bill becomes law. In general, bills in the federal legislative process move through similar stages.

² Overview of Legislative Process – Official California Legislative Information (<http://www.leginfo.ca.gov/bil2lawx.html>).

³ The Life Cycle of Legislation: From Idea into Law. California Legislature: Assembly Rules Committee.

OVERVIEW OF LEGISLATIVE PROCESS

The process of government by which bills are considered and laws enacted is commonly referred to as the Legislative Process. The California State Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature has a legislative calendar containing important dates of activities during its two-year session.

Idea

All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.

The Author

A Legislator sends the idea for the bill to the Legislative Counsel where it is drafted into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

First Reading/Introduction

A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill is read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days has passed from the date of its introduction.

Committee Hearings

The bill then goes to the Rules Committee of the house of origin where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area of the bill. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has a number of policy committees and a fiscal committee. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing the author presents the bill to the committee and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains current law, what the bill is intended to do, and some background information. Typically the analysis also lists organizations that support or oppose the bill.

Second and Third Reading

Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately, generally require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and 41 votes in the Assembly. If a

bill is defeated, the Member may seek reconsideration and another vote.

Repeat Process in other House

Once the bill has been approved by the house of origin it proceeds to the other house where the procedure is repeated.

Resolution of Differences

If a bill is amended in the second house, it must go back to the house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two house conference committee to resolve differences. Three members of the committee are from the Senate and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.

Governor

If both houses approve a bill, it then goes to the Governor. The Governor has three choices. The Governor can sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two thirds vote in both houses. Most bills go into effect on the first day of January of the next year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.

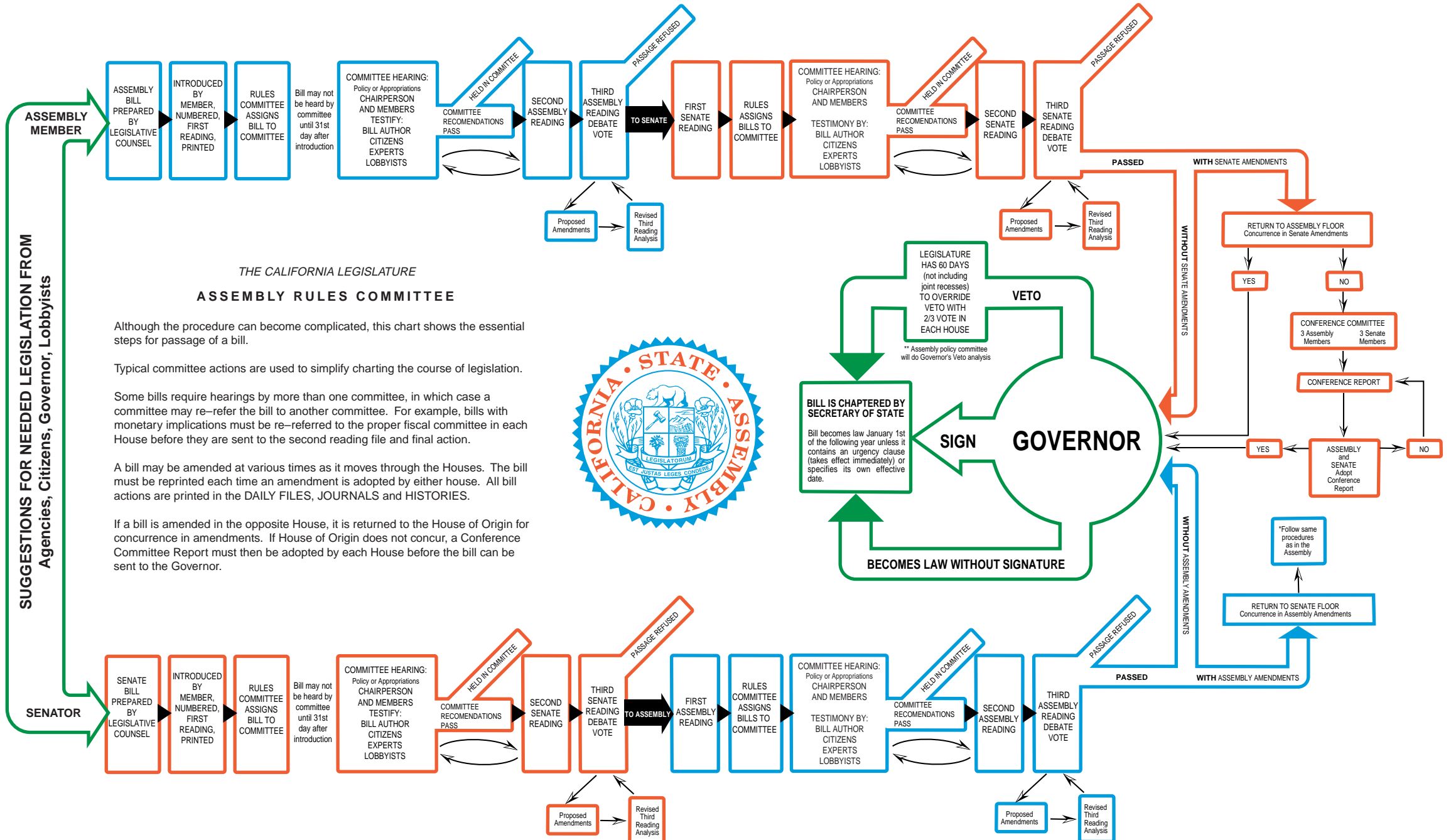
California Law

Bills that are passed by the Legislature and approved by the Governor are assigned a chapter number by the Secretary of State. These Chaptered Bills (also referred to as Statutes of the year they were enacted) then become part of the California Codes. The California Codes are a comprehensive collection of laws grouped by subject matter.

The California Constitution sets forth the fundamental laws by which the State of California is governed. All amendments to the Constitution come about as a result of constitutional amendments presented to the people for their approval.

THE LIFE CYCLE OF LEGISLATION

From Idea into Law



THE CALIFORNIA LEGISLATURE

ASSEMBLY RULES COMMITTEE

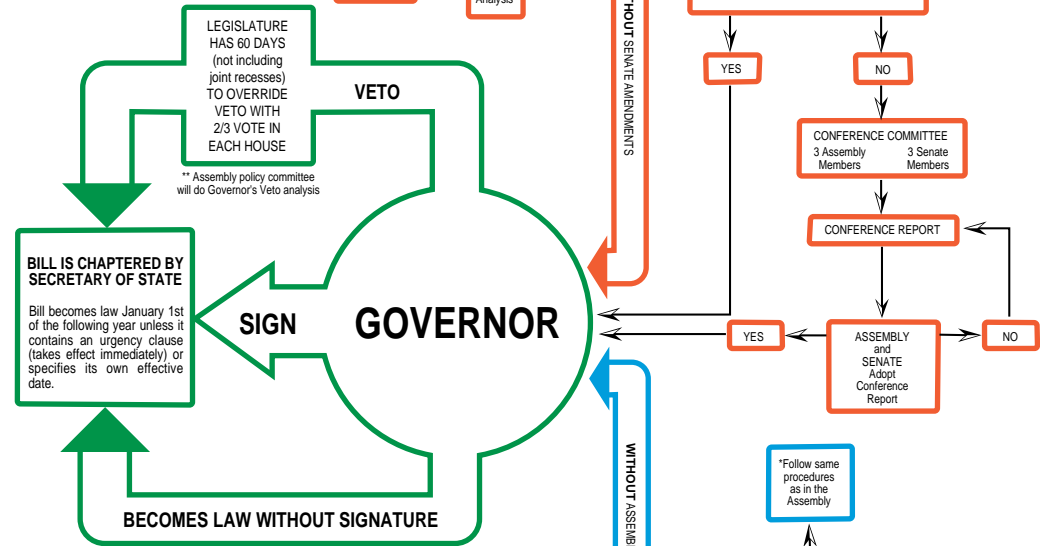
Although the procedure can become complicated, this chart shows the essential steps for passage of a bill.

Typical committee actions are used to simplify charting the course of legislation.

Some bills require hearings by more than one committee, in which case a committee may re-refer the bill to another committee. For example, bills with monetary implications must be re-referred to the proper fiscal committee in each House before they are sent to the second reading file and final action.

A bill may be amended at various times as it moves through the Houses. The bill must be reprinted each time an amendment is adopted by either house. All bill actions are printed in the DAILY FILES, JOURNALS and HISTORIES.

If a bill is amended in the opposite House, it is returned to the House of Origin for concurrence in amendments. If House of Origin does not concur, a Conference Committee Report must then be adopted by each House before the bill can be sent to the Governor.



SUGGESTIONS FOR NEEDED LEGISLATION FROM
 Agencies, Citizens, Governor, Lobbyists
ASSEMBLY MEMBER
SENATOR

Change Log

Revised by the Board of Retirement on January 10, 2019 and the Board of Investments on January 9, 2019.

Revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018.

Restated and approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2016.

July 22, 2019

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Vivian H. Gray
Ronald A. Okum
J.P. Harris, Alternate

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: **Legislative Proposal—Service Retirements with Pending Civil Service Appeals**

RECOMMENDATION

That the Board of Retirement:

1. Approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform regarding service retirements with pending civil service appeals; or
2. Alternatively, if the legislative proposal is not approved by the SACRS membership for inclusion in the SACRS 2020 Legislative Platform, sponsor legislation regarding service retirements with pending civil service appeals.

BACKGROUND

At the Insurance, Benefits and Legislative Committee meeting on January 10, 2019, trustee Shawn Kehoe outlined an issue that occurs when a member is terminated and retires for service while his civil service appeal related to the termination is pending. If the Civil Service Commission overturns the termination and the member is reinstated to his former position, he is treated as a new member and is placed in a plan established under the Public Employees' Pension Reform Act of 2013 (PEPRA), even though the member retired for service under a legacy plan. Mr. Kehoe requested staff to agendize for future discussion the possibility of LACERA or the State Association of County Retirement Systems (SACRS) sponsoring legislation that would enable the member to be placed back into his original plan.

The SACRS Legislative Committee is currently sponsoring SB 783, a clean-up bill that is carried by the Senate Committee on Labor, Public Employment & Retirement. Over the past few months, various proposals have been suggested by members of the committee for inclusion into SB 783. A committee member from the Ventura County Employees' Retirement Association has suggested a similar proposal related to service retirements with pending civil service appeals that the SACRS Legislative Committee

will consider for inclusion in the bill. SB 783 is an omnibus bill that will potentially contain more than one subject matter because it is intended for clean-up, technical, and conforming amendments. As such, there is the risk that any substantive proposal that may have any hint of controversy will not be included in the bill in order to avoid potential opposition by legislators or other stakeholders.

Since it is unclear at this point whether a proposal related to service retirements and civil service appeals will be included in SB 783, staff is developing this current proposal for consideration by the Insurance, Benefits and Legislative Committee and the Board of Retirement. If approved, the proposal will be submitted to the SACRS Legislative Committee for inclusion in its 2020 Legislative Platform, which is expected to be voted on by the SACRS membership at the SACRS 2019 Fall Conference. If the SACRS membership does not approve inclusion of the proposal, staff recommends that the Board of Retirement sponsor the legislation.

LEGISLATIVE POLICY STANDARD

The Board of Retirement's legislative policy standard is to support proposals that protect vested benefits (Legislative Policy, page 6). This proposal will protect the vested benefits of retired members who successfully appeal their involuntary terminations and make them whole by returning such members to the same status with respect to their retirement plan as if their employment had not been involuntarily terminated.

CURRENT LAW

Government Code Section 31680.4 provides that a member retired for service and subsequently reemployed by the county shall again become an active member of the retirement system upon application to the board for reinstatement, determination by the board that the member is not incapacitated for the duties of the position, and meeting specified requirements for membership. The effective date of reinstatement to active membership is the first day of the month following the date of reemployment. The member's retirement allowance shall be canceled on the effective date of reemployment and resumed upon subsequent termination of the member from employment. This section is subject to adoption by the Board of Supervisors and was adopted on July 6, 1993.

Government Code Section 31680.5 provides that a reinstated member's rate of contribution and retirement allowance upon subsequent retirement shall be determined *as if the member were first entering the system*. The member's allowance upon service or disability retirement subsequent to the reinstatement is the sum of (1) his or her retirement allowance based on credited service rendered after reinstatement plus (2) his or her retirement allowance prior to reinstatement with cost-of-living adjustments that would have applied had he or she continued in retirement. This section is subject to adoption by the Board of Supervisors and was adopted on July 6, 1993.

Government Code Section 31680.7 provides that a member retired for service and subsequently reemployed by the county shall have his or her retirement allowance discontinued. The retirement allowance may be reinstated upon discontinuance of employment. During the period of reemployment, the member shall accrue service credit *in the same tier or benefit level* applicable to the member during his or her original period of employment. The member's contribution rate shall be based on the same age at entry and formula used to calculate the member's rate during his or her original period of employment. The member's allowance upon service retirement subsequent to the reinstatement is the sum of (1) his or her retirement allowance based on credited service rendered after reinstatement calculated under the same benefit formula and tier as the member's original retirement allowance plus (2) his or her retirement allowance prior to reinstatement with cost-of-living adjustments that would have applied had the member's allowance not been discontinued. This section is subject to adoption by the Board of Supervisors but has never been adopted.

ISSUE

Although Government Code Sections 31680.4 and 31680.5 allow retired LACERA members to reinstate back into active membership, they do not address the situation of reinstating members who retired for service following an involuntary termination of employment. Currently upon reinstatement, the member is treated as if he or she were first entering the system. This results in the member being placed in a PEPRA plan rather than his or her original legacy plan and would result in the member earning retirement benefits based on a lower benefit tier. The member would not end up with the same retirement benefit that he or she would have earned had there been no involuntary termination. Moreover, the member may also be paying contributions at a higher rate since employee contributions under PEPRA for LACERA members are based on a flat rate, whereas legacy plan rates are based on entry age.

PROPOSED SOLUTION

The California Public Employees' Retirement System has a provision under Government Code Section 21198 (Attachment A) that provides a model for addressing this issue. That section provides that members retired for service following an involuntary termination of employment, who are subsequently reinstated to employment pursuant to an administrative or judicial proceeding, shall be reinstated from retirement. The member must repay amounts received during retirement and make contributions for any period for which back salary was awarded to receive service credit.

Staff proposes that a new section be added to the County Employees Retirement Law of 1937. The section would be modeled on Section 21198 and allow members who retired for service following an involuntary termination and who are subsequently reinstated to employment pursuant to an administrative or judicial proceeding to be reinstated from retirement. The public policy underlying the proposed solution is to make the member whole, who may not have otherwise retired for service had he or she not been involuntarily terminated.

Attachment B is the legislative proposal to the SACRS Legislative Committee and contains specific language for the proposed solution. Note that this language may change in the course of the legislative process due to further formulation and legislative drafting practices, including review by the Legislature's Legislative Counsel. As such, the following is a list of key elements that should be in the legislation in order to meet the objectives of this proposal.

Elements of the Proposed Solution

- Member is retired for service following an involuntary termination.
- Member is reinstated to employment pursuant to an administrative or judicial proceeding that is final and not subject to appeal.
- Member is reinstated from retirement as if there were no intervening period of retirement, contingent upon repayment of retirement benefits received.
- Member repays any retirement benefits received before reinstatement in accordance with the retirement system's repayment policy.
- Member's service credit and contributions are restored, contingent upon the award of back salary, as if member did not retire.
- "Administrative proceeding" is defined as the process for appeal related to involuntary termination established by county or district ordinance or charter.
- Applicability of provision is based on reinstatement by final action pursuant to an administrative or judicial proceeding occurring on or after the effective date of the provision.¹

If this proposal is ultimately not sponsored by SACRS and must be sponsored by LACERA, its applicability may need to be restricted accordingly.

Contingent Element of the Proposed Solution

- Applicability of provision may need to be limited to LACERA only or to CERL systems that potentially have members with this issue.

CONSIDERATIONS

Pro: Makes a member whole who successfully appeals an involuntary termination and is reinstated to employment.

Places member back into his or her original plan tier in order to continue earning the same retirement benefits as if there had been no involuntary termination.

Con: Reinstatements do not always result in the award of back salary. Thus, member may face challenges in repaying retirement benefits.

¹ If the proposal is carried in a bill that is enacted during the 2020 legislative year, its effective date would be January 1, 2021.

Absence of back salary award will also result in no contributions or service credit for the affected period.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform regarding service retirements with pending civil service appeals; or
2. Alternatively, if the legislative proposal is not approved by the SACRS membership for inclusion in the SACRS 2020 Legislative Platform, sponsor legislation regarding service retirements with pending civil service appeals.

Attachments

Attachment A—Government Code Section 21198
Attachment B—SACRS Legislative Proposal

cc: Steven P. Rice
JJ Popowich
Bernie Buenaflor
Allan Cochran
Joe Ackler, Acker & Associates

ATTACHMENT A

State of California

GOVERNMENT CODE

Section 21198

21198. A person who has been retired under this system for service following an involuntary termination of his or her employment, and who is subsequently reinstated to that employment pursuant to an administrative or judicial proceeding, shall be reinstated from retirement. The requirements of Section 21196 shall not apply to that reinstatement. Reinstatement shall be effective as of the date from which salary is awarded in the administrative or judicial proceedings, and his or her rights and obligations shall be as specified in this article. However, amounts paid to the person during retirement for any period after the date from which salary is awarded, shall be repaid by him or her to this system, and contributions shall be made for any period for which salary is awarded in the administrative or judicial proceedings in the amount that he or she would have contributed had his or her employment not been terminated, and he or she shall receive credit as state service for the period for which salary is awarded.

(Amended by Stats. 1996, Ch. 906, Sec. 142. Effective January 1, 1997.)

ATTACHMENT B

SACRS 2020 Legislative Platform Submission Information

- **Title of Issue**
Service Retirement With Pending Civil Service Appeal
- **Retirement Association/Name**
Los Angeles County Employees Retirement Association
- **Contact Name**
Barry Lew, Legislative Affairs Officer
- **Contact Phone Number**
626-564-2370
- **Contact Email Address**
blew@lacera.com
- **Description of Issue**
Government Code Sections 31680.4, 31680.5, and 31680.7 govern the reinstatement to active membership of members who retired for service.

Members who retired for service following an involuntary termination are reinstated to their former employment if they successfully appeal their termination. However, under Government Code Section 31680.5, retired members who return to active membership are treated as if they were first entering the system. This means members who retired under a legacy plan are placed into a PEPRA plan for purposes of benefits and contributions.

Moreover, even if they return to active membership in the same plan under which they retired pursuant to Section 31680.7, the benefit amount under both sections is calculated based on two different effective dates, pre-reinstatement and post-reinstatement. Thus, members are not in the same position they would be with respect to their benefit accrual had they otherwise remained in service and not been involuntarily terminated.

The above sections are all subject to adoption by the board of supervisors. For those systems in which the sections have not been adopted, the County Employees Retirement Law of 1937 (CERL) is silent with regard to retired members who are reinstated from an involuntary termination.

- **Recommended Solution**
Add a new section to CERL that would allow members who retired for service

following an involuntary termination and who are subsequently reinstated to employment pursuant to an administrative or judicial proceeding to be reinstated from retirement as if there had been no intervening retirement. The member must repay amounts received during retirement and make contributions for any period for which back salary was awarded to receive service credit.

- **Specific language changed or added to the 1937 Act and suggested code section number(s)**

Add Section 31680.10:

(a) A person who has been retired under this chapter for service following an involuntary termination of his or her employment, and who is subsequently reinstated to that employment pursuant to an administrative or judicial proceeding that is final and not subject to appeal, shall be reinstated from retirement as if there were no intervening period of retirement. Except as provided in subdivision (b), the requirements of Sections 31680.4, 31680.5, and 31680.7 shall not apply to that reinstatement.

(b) The allowance received by the person during retirement shall be repaid by him or her to the retirement system from which he or she retired in accordance with the retirement system's repayment policy. Contributions shall be made for any period for which salary is awarded in the administrative or judicial proceedings in the amount that the person would have contributed had his or her employment not been terminated, and he or she shall receive credit for the period for which salary is awarded. If the person fails to repay the allowance received during retirement, then his or her contributions and allowance upon retirement subsequent to reinstatement shall be calculated under Sections 31680.5 or 31680.7, as applicable.

(c) As used in this section, "administrative proceeding" means the process for appeal of an involuntary termination established by county or district ordinance or charter.

(d) This section shall only apply to persons reinstated to such employment by final action on or after the effective date of this section pursuant to an administrative or judicial proceeding.

- **Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?**

This issue affects all CERL systems with employees who are subject to civil service rules.

- **Do you anticipate the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with**

any of the other 19 SACRS retirement associations/systems?

No. The proposal is intended to make members whole and protect their vested benefits by placing them in the same position and status they would have been in had they not service-retired following an involuntary termination that they successfully appealed.

- **Who will support or oppose this proposed change in the law?**

CERL systems should support this change as it protects the vested benefits of members who service-retired because they were involuntarily terminated and no longer receiving any salary. It is unclear whether counties will oppose this change. The current sections governing reinstatement from retirement require adoption by a board of supervisors. However, those sections were intended to offer counties the flexibility to reemploy retired members on a permanent basis rather than for a maximum of 120 days. In contrast, the proposed change is intended to make members whole as a result of their successful civil service appeal for reinstatement to employment.

- **Who will be available from your association/system to testify before the Legislature?**

Barry Lew, Legislative Affairs Officer
Joe Ackler, Ackler & Associates

July 22, 2019

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Vivian H. Gray
Ronald A. Okum
J.P. Harris, Alternate

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: **Assembly Bill 199—California Online Notary Act of 2019**

Author: Calderon [D]
Sponsor: Author-sponsored
Introduced: January 10, 2019
*Status: In ASSEMBLY Committee on JUDICIARY: Set, first hearing.
Hearing canceled at the request of author. (04/22/2019)*

IBLC Recommendation: Support (07/11/2019)
Staff Recommendation: Support

RECOMMENDATION

That the Board of Retirement adopt a “Support” position on Assembly Bill 199, which would enact the California Online Notary Act of 2019.

LEGISLATIVE POLICY STANDARD

The Board of Retirement’s legislative policy standard is to support proposals that enable more efficient and effective service to members and stakeholders (Legislative Policy, page 5). AB 199 would provide the option for LACERA members to obtain notarization of documents through an online notary public.

SUMMARY

AB 199 would allow a notary public to register as an online notary public and perform notarial acts and online notarizations through audio-video communication.

ANALYSIS

Existing Law

Government Code Section 8200 authorizes the Secretary of State to appoint and commission notaries public to act as notaries within California in the number the Secretary deems necessary for public convenience.

This Bill

According to an analysis of AB 199 by the Assembly Committee on Business and Professions, Virginia currently allows electronic notarial acts; two other states, Texas and Nevada, have statutory authority for online notarization but have not yet implemented it. In general, California recognizes notarizations performed in other states and vice versa. Presumably, this recognition would apply to online notarizations.

AB 199 would enact the California Online Notary Act of 2019. Beginning on January 1, 2021, a notary public may register with the Secretary of State as an online notary public. An online notary public physically located in California may perform online notarizations for a person who is located in California, outside of California but within the United States, or outside of the United States if the online notary public has no actual knowledge that the notarization is prohibited in the jurisdiction in which the person is located. The requirement that the person must appear before or in the presence of the online notary public may be satisfied by means of audio-video communication, which enables seeing, hearing, and communicating with another individual in real time using electronic means.

AB 199 would also establish various requirements applicable to an online notary public, such as maintaining secure electronic journals to record online notarial acts. The bill provides a general framework for the establishment of online notarization and would authorize the Secretary of State to develop registration applications and implementation rules for the technical specifications and requirements for online notarization. Such rules would include standards for remote presentation, credential analysis, and identity proofing to ensure security and reliability.

LACERA Forms and Documents Requiring Notarization

Certain LACERA benefits and processes require forms, applications, or affidavits that are executed by LACERA members, survivors, or beneficiaries in the presence of a notary public. Examples include the following:

- Death Benefit Claim Forms
- Special Durable Power of Attorney
- Withdrawal Application

- Declaration under Probate Code Section 13101

Alternatively, documents may be also be executed in the presence of LACERA staff either in the Member Service Center or through home visits. In either case, the execution of the document requires the physical presence of the member, survivor, or beneficiary in front of a notary public or LACERA staff.

AB 199 would provide the option of LACERA members, survivors, and beneficiaries to obtain notarization with a California online notary through the convenience of audio-video communication. This option can enable a more efficient and effective means to obtain notarization of the documents necessary for LACERA to provide the promised benefits. If enacted, AB 199 would necessitate updates to LACERA policies and procedures on accepting online notarizations.

Considerations

Pro: Provides a convenient option for LACERA members to obtain notarization through online methods.

Would enable faster online transactions and submissions of required documents by avoiding paper-based processes.

Con: Lack of physical presence in front of a notary public may make it difficult to determine if signer is competent or not being coerced.

Online notarization may be subject to fraud and abuse that affect other online transactions.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a “Support” position on Assembly Bill 199, which would enact the California Online Notary Act of 2019.

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

AB 199 (Calderon) as introduced on January 10, 2019

cc: JJ Popowich Allan Cochran Theodore King
Steven P. Rice Louis Gittens Carlos Barrios
Bernie Buenaflor Dmitriy Khaytovich Joe Ackler, Ackler & Associates

AB 199
Attachment 1—Board Positions Adopted on Related Legislation
Board of Retirement
July 22, 2019
Page 1

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

None

SUPPORT

California Association of Realtors
California Credit Union League
California Escrow Association
California Mortgage Bankers Association
National Notary Association
Notarize

SUPPORT IF AMENDED

California Land Title Association

OPPOSE UNLESS AMENDED

East Bay Community Law Center
Escrow Institute of California

OPPOSITION

Beverly Enterprises, LLC
Electronic Frontier Foundation
Oppose AB 199

ASSEMBLY BILL

No. 199

Introduced by Assembly Member Calderon

January 10, 2019

An act to add Section 1181.1 to the Civil Code, and to add the heading of Article 1 (commencing with Section 8200) to, and to add Article 2 (commencing with Section 8231) to, Chapter 3 of Division 1 of Title 2 of, the Government Code, relating to notaries public.

LEGISLATIVE COUNSEL'S DIGEST

AB 199, as introduced, Calderon. California Online Notary Act of 2019.

Existing law authorizes the Secretary of State to appoint and commission notaries public in the number the Secretary of State deems necessary for the public convenience. Existing law authorizes notaries public to act as notaries in any part of the state.

This bill, the California Online Notary Act of 2019, would, commencing on January 1, 2021, allow a notary public or an applicant for appointment as a notary public to register with the Secretary of State to be an online notary public by submitting an application for registration that meets certain requirements. The bill would require the Secretary of State to develop an application for registration and establish rules to implement the act on or before January 1, 2022. The bill would authorize the Secretary of State to charge an applicant a fee for an application for registration in an amount necessary to administer the act. The bill would authorize an online notary public to perform notarial acts, and online notarizations by means of audio-video communication. The bill would establish various requirements applicable to an online notary public, including requiring an online notary public to keep one or more secure

electronic journals to record online notarial acts, requiring an electronic notarial certificate to be a specified form that is required to be signed under penalty of perjury, and requiring an online notary public to destroy certain information upon termination of a commission, as specified. The bill would make it a misdemeanor for any person who, without authorization, knowingly obtains, conceals, damages, or destroys the certificate, disk, coding, card, program, software, or hardware enabling an online notary public to affix an official electronic signature or seal. By creating a new crime, and by expanding the scope of the existing crime of perjury, this bill would impose a state-mandated local program. The bill would also make other conforming changes.

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

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

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

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

1 SECTION 1. Section 1181.1 is added to the Civil Code, to
 2 read:

3 1181.1. Section 1181 shall not be construed to authorize any
 4 person other than an online notary public authorized by the
 5 Secretary of State to perform online notarizations pursuant to
 6 Article 2 (commencing with Section 8231) of Chapter 3 of Division
 7 1 of Title 2 of the Government Code, to take proofs or
 8 acknowledgments by means of appearances using two-way audio
 9 and video communication technology.

10 SEC. 2. The heading of Article 1 (commencing with Section
 11 8200) is added to Chapter 3 of Division 1 of Title 2 of the
 12 Government Code, to read:

13
 14 Article 1. Notaries Public
 15

16 SEC. 3. Article 2 (commencing with Section 8231) is added
 17 to Chapter 3 of Division 1 of Title 2 of the Government Code, to
 18 read:

1 Article 2. California Online Notary Act of 2019

2
3 8231. This act shall be known, and may be cited as, the
4 California Online Notary Act of 2019.

5 8231.1. As used in this article, the following terms have the
6 following meanings:

7 (a) “Audio-video communication” means being able to see,
8 hear, and communicate with another individual in real time using
9 electronic means.

10 (b) “Credential” means a record evidencing an individual’s
11 identity that satisfies the requirements of Section 1185 of the Civil
12 Code.

13 (c) “Credential analysis” means a process or service operating
14 according to criteria adopted by the Secretary of State through
15 which a third person affirms the validity of a credential through
16 review of public and proprietary data sources.

17 (d) “Electronic” means relating to technology having electrical,
18 digital, magnetic, wireless, optical, electromagnetic, or similar
19 capabilities.

20 (e) “Electronic record” means a document or record that is
21 created, generated, sent, communicated, received, or stored by
22 electronic means.

23 (f) “Electronic online notarial certificate” means the part of, or
24 attachment to, an electronic record that is completed by the online
25 notary public and contains all of the following:

26 (1) The online notary public’s electronic signature that meets
27 the requirements of subdivision (f) of Section 27391, where
28 applicable, and electronic seal.

29 (2) The facts attested to by the online notary public in the
30 particular online notarization.

31 (g) “Electronic seal” means information within a notarized
32 electronic record that corresponds to information in notary seals
33 used on paper records and that, where applicable, conforms to the
34 requirement of this article, including, but not limited to, subdivision
35 (b) of Section 8231.7 and any rules adopted by the Secretary of
36 State.

37 (h) “Electronic signature” means an electronic sound, symbol,
38 or process attaching to or logically associated with an electronic
39 record and executed or adopted by a person with the intent to sign
40 the electronic record.

- 1 (i) “Identity proofing” means a process or service operating
2 according to criteria adopted by the Secretary of State through
3 which a third person affirms the identity of an individual through
4 review of personal information from public and proprietary data
5 sources.
- 6 (j) “Notarial act” means the performance of a duty authorized
7 by Section 8205.
- 8 (k) “Online notarization” and “online notarial act” mean a
9 notarial act performed by an online notary public by means of
10 audio-video communication technology that meets the standards
11 adopted pursuant to this article and any rules adopted by the
12 Secretary of State.
- 13 (l) “Online notary public” means a notary public who has been
14 registered with the Secretary of State to perform online
15 notarizations pursuant to this article.
- 16 (m) “Principal” means an individual, other than a credible
17 witness pursuant to Section 1185 of the Civil Code, whose
18 electronic signature is notarized, or whose oath or affirmation is
19 taken by an online notary public during an online notarization.
- 20 (n) “Record” means information that is inscribed on a tangible
21 medium or that is stored in an electronic or other medium and is
22 retrievable in perceivable form.
- 23 (o) “Remote presentation” means transmission to the online
24 notary public through communication technology of an image of
25 a government-issued identification credential that is of sufficient
26 quality to enable the online notary public to identify the individual
27 seeking the online notary public’s services and to perform
28 credential analysis.
- 29 8231.2. This article applies to online notarizations. To the
30 extent that a provision of this article conflicts with Article 1
31 (commencing with Section 8200), this article controls with respect
32 to an online notarization.
- 33 8231.3. The Secretary of State shall adopt rules necessary to
34 implement this article on or before January 1, 2021. The rules shall
35 set and maintain standards for online notarizations, including
36 standards for remote presentation, credential analysis, and identity
37 proofing. The rules may also address the form and content
38 requirements for an online notary’s electronic journal. The
39 Secretary of State may confer with other departments or agencies

1 on matters relating to equipment, security, and technological
2 aspects of the online notarization standards.

3 8231.4. (a) (1) A notary public, or an applicant during the
4 commissioning of an applicant for appointment as a notary public,
5 may apply for registration with the Secretary of State to be an
6 online notary public in the manner provided by this section.

7 (2) The Secretary of State may charge a fee for an application
8 for registration submitted pursuant to this section in an amount
9 necessary to administer this article.

10 (3) The Secretary of State shall develop an application for
11 registration to be submitted by an applicant. The application shall
12 include, but shall not be limited to, all of the following:

13 (A) The applicant's name as it appears on the applicant's
14 commission or application as a notary public.

15 (B) A certification that the applicant will comply with this article
16 and the Secretary of State's rules and standards adopted pursuant
17 to this article.

18 (C) The applicant's email address.

19 (b) An applicant for registration as an online notary public shall
20 meet all of the following requirements:

21 (1) The applicant has a valid commission as a notary public
22 pursuant to Article 1 (commencing with Section 8200), or the
23 applicant has satisfied all of the qualification requirements specified
24 in Article 1 (commencing with Section 8200).

25 (2) The applicant has paid the fee for an application for
26 registration charged by the Secretary of State.

27 (3) The applicant has submitted the application for registration
28 to the Secretary of State.

29 (4) (A) The applicant, in connection with the original
30 application for registration, and each reappointment thereof, has
31 provided proof that the applicant has satisfactorily completed a
32 three-hour course of study and an examination approved by the
33 Secretary of State concerning the functions and duties of an online
34 notary public.

35 (B) This course of study and examination required by
36 subparagraph (A) shall be in addition to, and not in lieu of, the
37 course of study required by paragraph (3) of subdivision (a) of
38 Section 8201.

39 (C) The Secretary of State may provide an online notary public
40 education course of study. If the Secretary of State does not provide

1 an online notary public education course of study, the Secretary
 2 of State shall review a course of study proposed by any vendor
 3 and shall prescribe by regulation the application form and the
 4 certificate of approval form in the same manner as set forth in
 5 Section 8201.2. Any approved course of study shall include a
 6 required examination that shall be satisfactorily completed by the
 7 applicant prior to registration.

8 (c) An online notary public shall notify the Secretary of State
 9 when he or she applies to be appointed as a notary public, seeks
 10 reappointment, or enters into a new contract as to which third-party
 11 vendor online notarization platform he or she is registered with or
 12 will be using.

13 8231.5. (a) An online notary public is a notary public for
 14 purposes of Article 1 (commencing with Section 8200) and is
 15 subject to Article 1 to the same extent as a notary public appointed
 16 and commissioned under Article 1, unless otherwise expressly
 17 provided in this article.

18 (b) An online notary public may perform notarial acts provided
 19 by Article 1 (commencing with Section 8200) in addition to online
 20 notarizations provided in this article.

21 (c) An online notary public physically located in this state may
 22 perform an online notarization that meets the requirements of this
 23 article and the rules adopted by the Secretary of State pursuant to
 24 this article for a principal who is located in any of the following
 25 places:

- 26 (1) In this state.
- 27 (2) Outside this state but within the United States.
- 28 (3) Outside the United States if the online notary public has no
 29 actual knowledge that the act is prohibited in the jurisdiction in
 30 which the principal is physically located at the time of the act.

31 (d) (1) A requirement that a principal appear before or in the
 32 presence of the online notary public may be satisfied by means of
 33 audio-video communication with an online notary public that meets
 34 the requirements of this article and any of the rules adopted by the
 35 Secretary of State pursuant to this article.

36 (2) Audio-visual communications with an online notary public
 37 meets the requirements of this article if it consists of continuous,
 38 synchronous audio and video feeds with adequate clarity such that
 39 all participants can be clearly seen and understood at all times.
 40 The online notary public may terminate the session at their

1 discretion if, in the online notary public’s judgment, the adequacy
2 of communications is insufficient for all participants to be clearly
3 seen and understood at all times.

4 (e) A requirement under Section 8205 that a certificate of
5 acknowledgment or proof, or a deposition, affidavit, oath, or
6 affirmation, or certification of a copy, be signed in the notary
7 public’s own handwriting, is satisfied by an electronic signature.

8 8231.6. (a) An online notary public shall keep one or more
9 secure electronic journals to record each online notarial act
10 performed by the online notary public pursuant to this article.

11 (b) For notarial acts performed pursuant solely to Article 1
12 (commencing with Section 8200), an online notary public may
13 maintain either an electronic journal pursuant to this section, or
14 one active and sequential journal pursuant to paragraph (1) of
15 subdivision (a) of Section 8206, or both.

16 (c) The electronic journal shall be in addition to, and apart from,
17 any copies of notarized electronic records that may be in the
18 possession of the online notary public and the online notary public
19 shall include in the electronic journal all of the following:

20 (1) The date, time, and type of each official act. The time entered
21 shall be the time at the notary’s location at the time of the online
22 notarial act.

23 (2) The physical location of the principal as represented to the
24 online notary public by the principal at the time of the online
25 notarial act.

26 (3) The character of every electronic record sworn to, affirmed,
27 acknowledged, or proved before the online notary public.

28 (4) Whether the notarial act was an online notarial act pursuant
29 to this article or a notarial act pursuant to Article 1 (commencing
30 with Section 8200).

31 (5) The electronic signature of each person whose electronic
32 signature is being notarized.

33 (6) Satisfactory evidence of identity of the principal whose
34 acknowledgment, oath, or affirmation was taken pursuant to
35 subdivision (b) of Section 8231.8, which shall be in the form of:

36 (A) A notation of the type of identification credential provided
37 to the online notary public for credential analysis, a record of the
38 identity proofing, and other information as may be required by the
39 Secretary of State.

1 (B) The name of each credible witness swearing to or affirming
2 the person's identity and, for each credible witness, a description
3 of the type of credential provided to the online notary public and
4 any other information required by the Secretary of State.

5 (C) A notation of the public key certificate or other means of
6 identity proofing pursuant to paragraph (3) or (4) of subdivision
7 (a) of Section 8231.8, if any.

8 (7) The fee, if any, charged for the online notarization.

9 (d) The online notary public shall maintain a recording of an
10 online notarization that is the basis for evidence of identity and a
11 notation of the type of credential presented as evidence pursuant
12 to the rules adopted by the Secretary of State. The recording shall
13 be in addition to, and apart from, the electronic journal, and the
14 online notary public shall take reasonable steps to protect the
15 recording from unauthorized use.

16 (e) The requirements of subparagraph (G) of paragraph (2) of
17 subdivision (a) of Section 8206 do not apply to an online notarial
18 act.

19 (f) The online notary public shall keep the online notary public's
20 electronic journal in a secure manner under the direct and exclusive
21 control of the online notary public. The electronic journal may be
22 maintained on a storage device or online media that is accessed
23 by the online notary public with a password or other secure means
24 of authentication. The online notary public shall not allow another
25 person to use the online notary public's electronic journal. The
26 online notary public shall maintain a backup of the electronic
27 journal and protect the journal from unauthorized use.

28 (g) An online notary public shall immediately notify all
29 appropriate law enforcement agencies and the Secretary of State
30 of the loss, compromise, theft, vandalism, or use by another person
31 of the online notary public's electronic journal.

32 (h) An online notary public who resigns, is disqualified, is
33 removed from office, or allows his or her registration as an online
34 notary public to expire without obtaining a reappointment within
35 30 days shall, pursuant to Section 8209, within 30 days of the
36 applicable event, deliver the electronic journal to the clerk of the
37 county in which the online notary public's current official oath of
38 office is on file.

39 8231.7. (a) An online notary public shall take reasonable steps
40 to ensure that any registered device used to create an electronic

1 signature or electronic seal is current and has not been revoked or
2 terminated by the device’s issuing or registering authority.

3 (b) Notwithstanding Section 8207, when an online notary
4 public’s electronic signature is required to be accompanied by an
5 online notary public’s electronic seal, that requirement is satisfied
6 if the electronic seal of the online notary public contains all of the
7 following:

8 (1) The name of the online notary public.

9 (2) The Great Seal of the State of California.

10 (3) The words “Online Notary Public.”

11 (4) The name of the county where the bond and oath of office
12 of the online notary public are filed.

13 (5) The date the notary public’s commission expires.

14 (6) The sequential identification number assigned to the online
15 notary public.

16 (7) The sequential identification number assigned to the
17 manufacturer or vendor of the online notary public’s electronic
18 seal.

19 (c) A manufacturer or vendor of the online notary public’s
20 electronic seal shall apply to the Secretary of State to be assigned
21 an identification number, through an application process prescribed
22 by the Secretary of State. The electronic seal shall meet the
23 requirements of this article and any rules adopted by the Secretary
24 of State.

25 (d) An online notary public shall keep the online notary public’s
26 electronic signature and electronic seal in a secure manner under
27 the direct and exclusive control of the online notary public. For
28 purposes of satisfying the requirements of this subdivision, the
29 electronic signature and electronic seal may be kept on a storage
30 device or online media that is accessed by the online notary public
31 with a password or other secure means of authentication and
32 protected by the minimum-security requirements as set forth by
33 the Secretary of State. The online notary public shall not allow
34 another person to use the online notary public’s electronic signature
35 or electronic seal. Failure by the online notary public to secure the
36 electronic signature and seal shall be cause for the Secretary of
37 State to take public administrative action against the commission
38 and registration held by the online notary public pursuant to Section
39 8214.1.

1 (e) An online notary public shall attach or logically associate
2 the online notary public’s electronic signature and seal to an
3 electronic online notarial certificate of an electronic record in a
4 manner that is capable of independent verification and makes
5 evident any tampering or subsequent change or modification to
6 the electronic record that has occurred.

7 (f) An online notary public shall immediately notify all
8 appropriate law enforcement agencies and the Secretary of State
9 of the loss, compromise, theft, vandalism, or use by another person
10 of the online notary public’s electronic signature or electronic seal.

11 8231.8. (a) In performing an online notarization, an online
12 notary public shall verify the identity of a principal by satisfactory
13 evidence that meets the requirements of this subdivision and the
14 rules adopted by the Secretary of State. For purposes of this
15 subdivision, “satisfactory evidence” means the absence of
16 information, evidence, or other circumstances that would lead a
17 reasonable person to believe that the principal is not the individual
18 he or she claims to be and any one of the following:

19 (1) The oath or affirmation of a credible witness personally
20 known to the online notary public or of two credible witnesses that
21 meet the requirements of Section 1185 of the Civil Code.

22 (2) All of the following:

23 (A) Remote presentation of a credential by the principal.

24 (B) Credential analysis of the credential described in paragraph
25 (A).

26 (C) Identity proofing of the principal described in paragraph
27 (A).

28 (3) A valid public key certificate that conforms with standards
29 adopted by the Secretary of State by rule.

30 (4) Any other identity proofing method that conforms with
31 standards adopted by the Secretary of State by rule.

32 (b) The online notary public shall take reasonable steps to ensure
33 that the audio-video communication used in an online notarization
34 is secure from unauthorized interception.

35 (c) The electronic online notarial certificate shall include a
36 notation that the notarization is an online notarization. An
37 electronic online notarial certificate shall be in the following form:

38 (1) For an acknowledgment:

39 State of California

40 County of _____

1 Online Notarial Act
 2 On _____, 20____, before me,
 3 _____(here insert name and
 4 title of officer), personally appeared
 5 _____ by means of audio-video
 6 communication, who proved to me on the basis of satisfactory
 7 evidence to be the person(s) whose name(s) is/are subscribed to
 8 the within electronic record and acknowledged to me that
 9 he/she/they executed the same in his/her/their authorized
 10 capacity(ies) and that by his/her/their signature(s) on the electronic
 11 record the person(s), or the entity upon behalf of which the
 12 person(s) acted, executed the electronic record.

13 I certify under PENALTY OF PERJURY under the laws of the
 14 State of California that the foregoing paragraph is true and correct.

15 WITNESS my hand and official seal.

16 Electronic Signature _____

17 Electronic Seal _____

18 (2) For a jurat:

19 State of California

20 County of _____

21 Online Notarial Act

22 Subscribed and sworn to (or affirmed) before me this ____ day
 23 of _____, 20__, by _____,
 24 proved to me on the basis of satisfactory evidence to be the
 25 person(s) who appeared before me by means of audio-video
 26 communication.

27 Electronic Signature _____

28 Electronic Seal _____

29 (3) For a proof of execution by a subscribing witness:

30 State of California

31 County of _____

32 Online Notarial Act

33 On _____, 20____, before me,
 34 _____ (here insert name and

35 title of officer), personally appeared _____
 36 (name of subscribing witness) by means of audio-video
 37 communication, proved to me to be the person whose name is
 38 subscribed to the within electronic record, as a witness thereto, on
 39 the oath of _____ (name of credible

1 witness), a credible witness who is known to me and provided a
 2 satisfactory identifying credential.
 3 _____ (name of subscribing witness), being by
 4 me duly sworn, said that he/she was present and saw/heard
 5 _____ (name(s) of principal(s)), the same
 6 person(s) described in and whose name(s) is/are subscribed to the
 7 within, attached, or logically associated electronic record, in
 8 his/her/their authorized capacity(ies) as (a) party(ies) thereto,
 9 execute or acknowledge the same, and that said affiant subscribed
 10 his/her name to the within, attached, or logically associated
 11 electronic record, as a witness at the request of
 12 _____ (name(s) of principal(s)).

13 WITNESS my hand and official seal.
 14 Electronic Signature _____
 15 Electronic Seal _____

16 (d) The certificate for a copy certification of a power of attorney
 17 performed by means of audio-video communication shall include
 18 the representations required under subdivision (c) of Section 4307
 19 of the Probate Code.

20 8231.9. An online notary public may charge a fee in an amount
 21 not to exceed twenty-five dollars (\$25) for any of the acts
 22 authorized under subdivisions (a), (b), and (e) of Section 8211.

23 8231.10. An online notary public who resigns, is disqualified
 24 or removed from office, or allows his or her registration as an
 25 online notary public to expire without obtaining a reappointment,
 26 within 30 days, pursuant to Section 8209, shall destroy the coding,
 27 disk, certificate, card, software, or password that enables electronic
 28 affixation of the online notary public’s official electronic signature
 29 or seal. The online notary public shall certify compliance with this
 30 subdivision to the Secretary of State in the manner prescribed by
 31 rule by the Secretary of State.

32 8231.11. (a) The Secretary of State may approve registrations
 33 of online notaries public for the military and naval reservations of
 34 the Army, Navy, Coast Guard, Air Force, and Marine Corps of
 35 the United States that are located in the State of California. Such
 36 registrants must meet the requirements of Article 1 (commencing
 37 with Section 8200) in addition to the requirements of this article.

38 (b) Notwithstanding Section 8203.2, an online notary public
 39 approved for registration under subdivision (a) may perform
 40 notarial acts for principals who are stationed at the reservation for

1 which that online notary public was appointed, regardless of
2 whether the principal was physically located on the reservation at
3 the time of the notarial act.

4 (c) Notwithstanding Section 8203.5, the electronic online
5 notarial certificate by an online notary public shall contain the
6 name of the reservation for which the online notary public was
7 appointed and where the principal for which the online notarization
8 was performed was stationed at the time of the online notarial act.
9 A notation in the following form shall be sufficient for purposes
10 of this subdivision:

11 State of California Online Notarial Act

12 Military Reservation of _____

13 8231.12. A person who, without authorization, knowingly
14 obtains, conceals, damages, or destroys the certificate, disk, coding,
15 card, program, software, or hardware enabling an online notary
16 public to affix an official electronic signature or electronic seal is
17 guilty of a misdemeanor.

18 8231.13. This article shall become operative on January 1,
19 2021.


20 SEC. 4. No reimbursement is required by this act pursuant to
21 Section 6 of Article XIII B of the California Constitution because
22 the only costs that may be incurred by a local agency or school
23 district will be incurred because this act creates a new crime or
24 infraction, eliminates a crime or infraction, or changes the penalty
25 for a crime or infraction, within the meaning of Section 17556 of
26 the Government Code, or changes the definition of a crime within
27 the meaning of Section 6 of Article XIII B of the California
28 Constitution.

O

SUPPLEMENTAL AGENDA INFORMATION

July 24, 2019

TO: Each Member
Board of Retirement

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: **Assembly Bill 1400—Employment Safety: Firefighting Equipment**

Author: Kamlager-Dove [D]

Sponsor: AFSCME AFL-CIO

Introduced: February 22, 2019

Amended: July 2, 2019

*Status: Re-referred to SENATE Committee on APPROPRIATIONS.
(07/10/2019)*

Staff Recommendation: No position

RECOMMENDATION

That the Board of Retirement take no position on Assembly Bill 1400, which would require a study on the risk of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles and adoption of related regulations.

LEGISLATIVE POLICY STANDARD

LACERA's Legislative Policy does not have a legislative policy standard relating to studies conducted by the Commission on Health and Safety and Workers' Compensation or adoption of regulations by the Occupational Safety and Health Standards Board. Although the Board of Retirement may take a "Watch" position on proposals that may be of interest or concern to the Board and its stakeholders (Legislative Policy, page 9), the bill as amended on July 2, 2019 relates to labor standards for certain mechanics.

UPDATE

As amended on July 2, 2019, the bill would require the Commission on Health and Safety and Workers' Compensation, in partnership with the County of Los Angeles and

relevant labor organizations, on or before May 31, 2020, to submit a study to the Legislature and the County of Los Angeles Board of Supervisors on the risks of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles.

The bill would require the Occupational Safety and Health Standards Board (OSHSB) to adopt regulations, on or before January 1, 2020, to require employers to provide appropriate and effective safety equipment to these mechanics. OSHSB would also be required, on or before January 1, 2021, to adopt an occupational safety and health standard for these mechanics.

County of Los Angeles Board of Supervisors

On June 18, 2019, the County of Los Angeles Board of Supervisors (BOS) adopted a support position on AB 1400. Subsequent to the amendments on July 2, 2019, the BOS' legislative advocates will remove the County's support of the bill and take no position on the measure.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD take no position on Assembly Bill 1400, which would require a study on the risk of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles and adoption of related regulations.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

AB 1400 (Kamlager-Dove) as amended on July 2, 2019
Change in Position on Legislation Related to Fire Department Mechanics

cc: Steven P. Rice Ricki Contreras
JJ Popowich Vincent Lim
Frank Boyd Joe Ackler, Ackler & Associates

AMENDED IN SENATE JULY 2, 2019

AMENDED IN ASSEMBLY APRIL 25, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1400

Introduced by Assembly Member Kamlager-Dove

February 22, 2019

An act to add Section ~~3212.18 to 6723 to~~, and to add and repeal Section 77.7 of, the Labor Code, relating to ~~workers' compensation~~ employee safety.

LEGISLATIVE COUNSEL'S DIGEST

AB 1400, as amended, Kamlager-Dove. ~~Workers' compensation: firefighting operations: civilian employees. Employment safety: firefighting equipment: mechanics.~~

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law requires the Commission on Health and Safety and Workers' Compensation to conduct a continuing examination of the workers' compensation system and of the state's activities to prevent industrial injuries and occupational diseases.

This bill would require the commission, in partnership with the County of Los Angeles and relevant labor organizations, on or before May 31, 2020, to submit a study to the Legislature and the Los Angeles County Board of Supervisors on the risk of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles in the County of Los Angeles.

Existing law establishes the Occupational Safety and Health Standards Board within the Department of Industrial Relations to promulgate and enforce occupational safety and health standards for the state, including standards dealing with toxic materials. Under existing law, certain violations of a standard, order, or special order pursuant to these provisions are a crime.

This bill would require the standards board, on or before January 1, 2020, to adopt regulations that require an employer to make appropriate and effective safety equipment available to a mechanic who could reasonably be expected to be exposed to harmful levels of smoke or other carcinogens due to exposure to firefighting operations. The bill would also require the standards board, on or before January 1, 2021, to adopt an occupational safety and health standard for mechanics who repair, clean, or maintain firefighting vehicles or equipment, as specified. By expanding the scope of an existing crime, the bill would impose a state-mandated local program.

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

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

~~Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law provides that in the case of active firefighting members of certain fire departments, a compensable injury includes cancer that develops or manifests while the firefighter member is in the service of the public agency and exposed to a known carcinogen, as defined. Existing law establishes a presumption that the cancer in these cases arose out of, and in the course of, employment, unless the presumption is controverted by evidence that the primary site of the cancer has been established and that the carcinogen to which the member has demonstrated exposure is not reasonably linked to the disabling cancer.~~

~~This bill would enact a similar law that would be applicable to other employees of a city, county, city and county, district, or other municipal corporation or political subdivision whose job duties cause them to be regularly exposed to active fires or health hazards directly resulting from firefighting operations.~~

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

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

1 SECTION 1. Section 77.7 is added to the Labor Code, to read:
2 77.7. (a) On or before May 31, 2020, the commission shall,
3 in partnership with the County of Los Angeles and relevant labor
4 organizations, submit a study to the Legislature and the Los
5 Angeles County Board of Supervisors on the risk of exposure to
6 carcinogenic materials and incidence of occupational cancer in
7 mechanics who repair and clean firefighting vehicles in the County
8 of Los Angeles. At a minimum, the study shall include all of the
9 following:
10 (1) Site visits at County of Los Angeles facilities where
11 firefighting equipment is cleaned and repaired, as well as reviewing
12 any applicable airborne contamination medical surveillance as
13 described in Section 5155 of Title 8 of the California Code of
14 Regulations.
15 (2) Interviews and surveys with current and former mechanics
16 of firefighting equipment in the County of Los Angeles regarding
17 the frequency of exposure to potential carcinogens, use and
18 availability of safety equipment, and experience or knowledge of
19 cancer incidence among current or former mechanics who cleaned
20 or repaired firefighting equipment.
21 (3) A measurement of the current levels of carcinogenic material
22 exposure to mechanics who repair and clean firefighting vehicles
23 in the County of Los Angeles, in order to develop a baseline of
24 carcinogenic material exposure.
25 (b) This section shall remain in effect only until January 1, 2021,
26 and as of that date is repealed.
27 SEC. 2. Section 6723 is added to the Labor Code, to read:
28 6723. (a) (1) The standards board shall, on or before January
29 1, 2020, adopt regulations that require an employer to make
30 appropriate and effective safety equipment available to a mechanic
31 who could reasonably be expected to be exposed to harmful levels
32 of smoke or other carcinogens due to exposure to firefighting
33 operations.
34 (2) The adoption, amendment, repeal, or readoption of a
35 regulation authorized by this section is deemed to address an

1 emergency, for purposes of Sections 11346.1 and 11349.6 of the
 2 Government Code, and the standards board is hereby exempted
 3 for this purpose from the requirements of subdivision (b) of Section
 4 11346.1 of the Government Code. For purposes of subdivision (e)
 5 of Section 11346.1 of the Government Code, the 180-day period,
 6 as applicable to the effective period of an emergency regulatory
 7 action and submission of specified materials to the Office of
 8 Administrative Law, is hereby extended to one year.

9 (b) The standards board shall, on or before January 1, 2021,
 10 adopt an occupational safety and health standard for mechanics
 11 who repair, clean, or maintain firefighting vehicles or equipment.
 12 The standard shall, at a minimum, do all of the following:

13 (1) Require the use of exhaust extraction hose attachments on
 14 tail pipes to carry exhaust outdoors, as well as require sufficient
 15 outflow to mitigate diesel particulate matter exposure.

16 (2) Set a permissible exposure limit for diesel particulate matter
 17 to no more than 20 micrograms per cubic meter of total carbon
 18 when measured as an eight-hour time-weighted average.

19 (3) Ensure that a mechanic or any other employee who, pursuant
 20 to state or federal law or regulation is required to be present at
 21 an active outdoor firefighting scene, receives appropriate and
 22 effective safety equipment that is at least as effective as existing
 23 Cal-OSHA regulations for fire protection and firefighting
 24 equipment for firefighters.

25 SEC. 3. No reimbursement is required by this act pursuant to
 26 Section 6 of Article XIII B of the California Constitution because
 27 the only costs that may be incurred by a local agency or school
 28 district will be incurred because this act creates a new crime or
 29 infraction, eliminates a crime or infraction, or changes the penalty
 30 for a crime or infraction, within the meaning of Section 17556 of
 31 the Government Code, or changes the definition of a crime within
 32 the meaning of Section 6 of Article XIII B of the California
 33 Constitution.

34 SECTION 1. Section 3212.18 is added to the Labor Code, to
 35 read:

36 3212.18. ~~(a) The term “injury,” as used in this division,~~
 37 ~~includes cancer, including leukemia, that develops or manifests~~
 38 ~~during a period in which an individual described in subdivision~~
 39 ~~(d) demonstrates that they were exposed to a known carcinogen~~

1 as defined by the International Agency for Research on Cancer,
2 or as defined by the director.

3 (b) The compensation that is awarded for an injury due to cancer
4 shall include full hospital, surgical, medical treatment, disability
5 indemnity, and death benefits, as provided by this division.

6 (e) Cancer that develops or manifests as described in subdivision
7 (a) is presumed to arise out of and in the course of the employment.
8 This presumption is disputable and may be controverted by
9 evidence that the primary site of the cancer has been established
10 and that the carcinogen to which the person has demonstrated
11 exposure is not reasonably linked to the disabling cancer. Unless
12 so controverted, the appeals board is bound to find in accordance
13 with the presumption. This presumption shall be applied to an
14 individual following termination of employment for a period of
15 three calendar months for each full year of the requisite
16 employment, but not to exceed 120 months in any circumstance,
17 commencing with the last date actually worked in the specified
18 capacity.

19 (d) This section applies to employees of a city, county, city and
20 county, district, or other municipal corporation or political
21 subdivision, other than the persons to whom Section 3212.1 applies,
22 whose job duties cause the employees to be regularly exposed to
23 active fires or health hazards directly resulting from firefighting
24 operations, such as exposure to toxic chemicals deposited on
25 firefighting equipment.



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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(213) 974-1101
<http://ceo.lacounty.gov>

SACHI A. HAMAI
Chief Executive Officer

July 23, 2019

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Kathryn Barger

From: Sachi A. Hamai
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This report contains a change of position update on the following legislation:

- **County Supported AB 1400 (Kamlager-Dove).** This measure, related to granting non-firefighter employees of a fire department the right to a presumption that cancer is a work-related condition for purposes of making a workers' compensation claim, was recently amended and is now related to: 1) a study on the risk of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles in Los Angeles County; and 2) the State adopting regulations on safety equipment and health, and safety standards for mechanics. **Therefore, the Sacramento advocates will remove the County's support of this bill and take no position on the measure.**

Please refer to the attachment for a detailed summary of this bill.

We will continue to keep you advised.

SAH:FAD:SA
BSM:sy

Attachment

Change in County Advocacy Position on Legislation

EMPLOYMENT SAFETY: FIREFIGHTING EQUIPMENT: MECHANICS

Background

AB 1400 (Kamlager-Dove), which as amended on April 25, 2019, would have provided that that non-firefighter employees of local government fire departments whose job duties cause the employees to be regularly exposed to active fires or health hazards directly resulting from firefighting operations, such as exposure to toxic chemicals deposited on firefighting equipment, are entitled to a presumption that cancer is a job-related illness for purposes of making a workers' compensation claim.

Update

As amended on July 2, 2019, AB 1400 would now require the Commission on Health and Safety and Workers' Compensation within the California Department of Industrial Relations, in partnership with the County of Los Angeles and relevant labor organizations, to submit a study to the Legislature and the Los Angeles County Board of Supervisors on the risk of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles in the County of Los Angeles, by May 31, 2020.

The amended bill now also requires the Occupational Safety and Health Standards Board (OSHSB) within the California Department of Industrial Relations to adopt, on or before January 1, 2020, an emergency regulation that requires an employer to make appropriate and effective safety equipment available to a mechanic who could reasonably be expected to be exposed to harmful levels of smoke or other carcinogens due to firefighting operations. It would also require OSHSB to adopt, on or before January 1, 2021, a permanent regulatory standard for mechanics who repair, clean, or maintain firefighting vehicles or equipment.

Recommendation

The Fire Department recommends a neutral position on AB 1400, as amended, noting that while the Department supports the overall concept of this bill which is to reduce and prevent exposure to carcinogens by fire mechanic personnel during the performance of their duties, there could be some enhancements to the proposed study. For example, AB 1400 could be improved if the study has a clearly defined thesis, includes a scientific methodology, is broadened to include data from other jurisdictions, and considers assessing exposure between firefighting and non-firefighting vehicle mechanics.

The County's State Legislative Agenda does not include policy to support proposals related to this measure, therefore a position on AB 1400 would be a matter of Board determination. **Therefore, the Sacramento advocates will remove the County's support of this bill and take no position on the measure.**

July 11, 2019

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Vivian H. Gray
Ronald A. Okum
J.P. Harris, Alternate

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: **Assembly Bill 1400—Workers’ Compensation for Civilian Employees
in Firefighting Operations**

Author: Kamlager-Dove [D]
Sponsor: AFSCME AFL-CIO
Introduced: February 22, 2019
Amended: April 25, 2019
*Status: To SENATE Committee on LABOR, PUBLIC
EMPLOYMENT & RETIREMENT and APPROPRIATIONS.
(05/22/2019)*

IBLC Recommendation: Watch (07/11/2019)
Staff Recommendation: Watch

RECOMMENDATION

That the Board of Retirement adopt a “Watch” position on Assembly Bill 1400, which relates to expanding the cancer presumption under workers’ compensation for civilian employees in firefighting operations.

LEGISLATIVE POLICY STANDARD

LACERA’s Legislative Policy does not have a legislative policy standard relating to expanding the cancer presumption under workers’ compensation for civilian employees in firefighting operations. Such employees may be eligible to file applications for disability retirement. The Board of Retirement may take a “Watch” position on proposals that may be of interest or concern to the Board and its stakeholders (Legislative Policy, page 9).

SUMMARY

AB 1400 would expand the cancer presumption under workers' compensation for active firefighting members to civilian employees exposed to active fires and health hazards resulting from firefighting operations.

ANALYSIS

Existing Law

Under the workers' compensation system for active firefighting members of specified fire departments, a compensable injury includes cancer that develops while the firefighter is in service of a public agency and exposed to a known carcinogen. Workers' compensation law provides a presumption that the cancer in these cases arose out of and in the course of employment, unless the presumption is controverted by evidence that the cancer is not reasonably linked to the carcinogenic exposure.

Government Code Section 31720.6 under the County Employees Retirement Law of 1937 provides that if a safety member, a firefighter, or a member in active law enforcement who has five years or more of service develops cancer, the cancer shall be presumed to arise out of and in the course of employment and shall not be attributed to any disease that existed prior to cancer's development or manifestation. If the safety member, firefighter, or member in active law enforcement is permanently incapacitated for the performance of duty as a result of the cancer, he or she is entitled to a service-connected disability retirement. The presumption is disputable and may be controverted by evidence. "Firefighter" includes a member engaged in active fire suppression who is not classified as a safety member. "Member in active law enforcement" includes a member engaged in active law enforcement who is not classified as a safety member.

This Bill

AB 1400 would expand the cancer presumption under workers' compensation to civilian (i.e., non-safety) employees of a city, county, city or county, district, or other municipal corporation or political subdivision whose job duties cause them to be regularly exposed to active fires or health hazards directly resulting from firefighting operations, such as exposure to toxic chemicals deposited on firefighting equipment.

County of Los Angeles Board of Supervisors

The County of Los Angeles' State Legislative Agenda does not include a policy related to expanding a cancer presumption to county employees whose job duties cause them to be regularly exposed to active fires or health hazards resulting from firefighting operations. The policy within AB 1400 is a matter for determination by the Board of Supervisors. On June 18, 2019, on a motion by Supervisor Barger, seconded by Supervisor Kuehl, to support AB 1400 by means of a five-signature letter to Governor

Gavin Newsom and the Los Angeles County Legislative Delegation, the item was approved.

Disability Retirement

AB 1400 does not make any amendments to Government Code Section 31720.6, which provides a cancer presumption for the purposes of determining disability retirement. However, Section 31720.6 does not apply exclusively to safety members as indicated by the definitions of “firefighter” and “member in active law enforcement.” It would be subject to interpretation as to whether active fire suppression or active law enforcement as described in Section 31720.6 includes job duties that cause regular exposure to active fires or health hazards directly resulting from firefighting operations.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a “Watch” position on Assembly Bill 1400, which relates to expanding the cancer presumption under workers’ compensation for civilian employees in firefighting operations.

Attachments

Attachment 1—Board Positions Adopted on Related Legislation
Attachment 2—Support and Opposition
AB 1400 (Kamlager-Dove) as amended on April 25, 2019

cc: Steven P. Rice
JJ Popowich
Frank Boyd
Ricki Contreras
Vincent Lim
Joe Ackler, Ackler & Associates

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

AB 375 (2011, died in Senate) related to workers' compensation and would have provided, with respect to hospital employees who provide direct patient care in an acute care hospital, that the term "injury" includes a bloodborne infectious disease or methicillin-resistant *Staphylococcus aureus* (MRSA) that develops or manifests itself during the period of the person's employment with the hospital. The bill would have also provided a rebuttable presumption related to the injury. The Board of Retirement adopted a "Watch" position.

AB 1994 (2010, died in committee) related to worker's compensation and would have provided, with respect to hospital employees who provide direct patient care in an acute care hospital, that the term "injury" includes a bloodborne infectious disease, neck or back impairment, methicillin-resistant *Staphylococcus aureus* (MRSA), or H1N1 influenza virus that develops or manifests itself during the period of the person's employment with the hospital. The bill would have also provided a rebuttable presumption related to the injury. The Board of Retirement adopted an "Oppose Unless Amended" position.

AB 664 (2009, died in committee) related to worker's compensation and would have provided, with respect to hospital employees who provide direct patient care in an acute care hospital, that the term "injury" includes bloodborne infectious disease, neck or back impairment, or methicillin-resistant *Staphylococcus aureus* (MRSA). The bill would have also provided a rebuttable presumption related to the injury. The Board of Retirement adopted an "Oppose Unless Amended" position.

SUPPORT

American Federation of State, County and Municipal Employees (AFSCME) AFL-CIO
(Sponsor)
California Labor Federation
SMART Local Union 105
California Fire Chiefs Association (CFCA)
Fire Districts Association of California (FDAC)

OPPOSITION

Acclamation Insurance Management Services (AIMS)
California Association of Joint Powers Authorities
California Coalition on Workers' Compensation (CCWCC)
CSAC
CSAC Excess Insurance Authority
CSDA
League of California Cities
RCRC
Urban Counties of California

AMENDED IN ASSEMBLY APRIL 25, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1400

Introduced by Assembly Member Kamlager-Dove

February 22, 2019

An act to ~~amend Section 3212.1 of~~ *add Section 3212.18* to the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1400, as amended, Kamlager-Dove. Workers' compensation: ~~fire service personnel.~~ *firefighting operations: civilian employees.*

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law provides that in the case of active firefighting members of certain fire departments, a compensable injury includes cancer that develops or manifests ~~itself during the period when the firefighter demonstrates that the firefighter was exposed~~ while *the firefighter member is* in the service of the public agency *and exposed* to a known carcinogen, as defined. Existing law establishes a presumption that the cancer in these cases arose out of, and in the course of, employment, unless the presumption is controverted by evidence that the primary site of the cancer has been established and that the carcinogen to which the member has demonstrated exposure is not reasonably linked to the disabling cancer.

This bill would ~~make that presumption applicable to fire service personnel with exposure to active fires or health hazards resulting from firefighting operations, rather than active firefighting members.~~ *enact a similar law that would be applicable to other employees of a city,*

county, city and county, district, or other municipal corporation or political subdivision whose job duties cause them to be regularly exposed to active fires or health hazards directly resulting from firefighting operations.

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

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

1 SECTION 1. Section 3212.18 is added to the Labor Code, to
2 read:

3 3212.18. (a) The term “injury,” as used in this division,
4 includes cancer, including leukemia, that develops or manifests
5 during a period in which an individual described in subdivision
6 (d) demonstrates that they were exposed to a known carcinogen
7 as defined by the International Agency for Research on Cancer,
8 or as defined by the director.

9 (b) The compensation that is awarded for an injury due to
10 cancer shall include full hospital, surgical, medical treatment,
11 disability indemnity, and death benefits, as provided by this
12 division.

13 (c) Cancer that develops or manifests as described in subdivision
14 (a) is presumed to arise out of and in the course of the employment.
15 This presumption is disputable and may be controverted by
16 evidence that the primary site of the cancer has been established
17 and that the carcinogen to which the person has demonstrated
18 exposure is not reasonably linked to the disabling cancer. Unless
19 so controverted, the appeals board is bound to find in accordance
20 with the presumption. This presumption shall be applied to an
21 individual following termination of employment for a period of
22 three calendar months for each full year of the requisite
23 employment, but not to exceed 120 months in any circumstance,
24 commencing with the last date actually worked in the specified
25 capacity.

26 (d) This section applies to employees of a city, county, city and
27 county, district, or other municipal corporation or political
28 subdivision, other than the persons to whom Section 3212.1 applies,
29 whose job duties cause the employees to be regularly exposed to
30 active fires or health hazards directly resulting from firefighting

1 *operations, such as exposure to toxic chemicals deposited on*
2 *firefighting equipment.*

3 SECTION 1. Section 3212.1 of the Labor Code is amended to
4 read:

5 3212.1. (a) This section applies to all of the following:

6 (1) ~~Fire service personnel with exposure to active fires or health~~
7 ~~hazards resulting from firefighting operations, whether volunteers,~~
8 ~~partly paid, or fully paid, of all of the following fire departments:~~

9 (A) ~~A fire department of a city, county, city and county, district,~~
10 ~~or other public or municipal corporation or political subdivision.~~

11 (B) ~~A fire department of the University of California and the~~
12 ~~California State University.~~

13 (C) ~~The Department of Forestry and Fire Protection.~~

14 (D) ~~A county forestry or firefighting department or unit.~~

15 (2) ~~Fire service personnel with exposure to active fires or health~~
16 ~~hazards resulting from firefighting operations of a fire department~~
17 ~~that serves a United States Department of Defense installation and~~
18 ~~who are certified by the Department of Defense as meeting its~~
19 ~~standards for firefighters.~~

20 (3) ~~Fire service personnel with exposure to active fires or health~~
21 ~~hazards resulting from firefighting operations of a fire department~~
22 ~~that serves a National Aeronautics and Space Administration~~
23 ~~installation and who adhere to training standards established in~~
24 ~~accordance with Article 4 (commencing with Section 13155) of~~
25 ~~Chapter 1 of Part 2 of Division 12 of the Health and Safety Code.~~

26 (4) ~~Peace officers, as defined in Section 830.1, subdivision (a)~~
27 ~~of Section 830.2, and subdivisions (a) and (b) of Section 830.37,~~
28 ~~of the Penal Code, who are primarily engaged in active law~~
29 ~~enforcement activities.~~

30 (5) (A) ~~Fire and rescue services coordinators who work for the~~
31 ~~Office of Emergency Services.~~

32 (B) ~~For purposes of this paragraph, “fire and rescue services~~
33 ~~coordinators” means coordinators with any of the following job~~
34 ~~classifications: coordinator, senior coordinator, or chief~~
35 ~~coordinator.~~

36 (b) ~~The term “injury,” as used in this division, includes cancer,~~
37 ~~including leukemia, that develops or manifests itself during a period~~
38 ~~in which an individual described in subdivision (a) is in the service~~
39 ~~of the department or unit, if the individual demonstrates that there~~
40 ~~was exposure, while in the service of the department or unit, to a~~

1 known carcinogen as defined by the International Agency for
2 Research on Cancer, or as defined by the director.
3 (e) The compensation that is awarded for cancer shall include
4 full hospital, surgical, medical treatment, disability indemnity, and
5 death benefits, as provided by this division.
6 (d) The cancer so developing or manifesting itself in these cases
7 shall be presumed to arise out of and in the course of the
8 employment. This presumption is disputable and may be
9 controverted by evidence that the primary site of the cancer has
10 been established and that the carcinogen to which the person has
11 demonstrated exposure is not reasonably linked to the disabling
12 cancer. Unless so controverted, the appeals board is bound to find
13 in accordance with the presumption. This presumption shall be
14 extended to an individual following termination of service for a
15 period of three calendar months for each full year of the requisite
16 service, but not to exceed 120 months in any circumstance,
17 commencing with the last date actually worked in the specified
18 capacity.
19 (e) The amendments to this section enacted during the 1999
20 portion of the 1999–2000 Regular Session shall be applied to
21 claims for benefits filed or pending on or after January 1, 1997,
22 including, but not limited to, claims for benefits filed on or after
23 that date that have previously been denied, or that are being
24 appealed following denial.
25 (f) This section shall be known, and may be cited, as the William
26 Dallas Jones Cancer Presumption Act of 2010.

July 22, 2019

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Vivian H. Gray
Ronald A. Okum
J.P. Harris, Alternate

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: **Senate Bill 343—Healthcare Data Disclosure**

Author: Pan [D]
Sponsor: California State Council of Service Employees International Union
Introduced: February 19, 2019
Amended: June 18, 2019
Status: From ASSEMBLY Committee on HEALTH: Do pass to Committee on APPROPRIATIONS. (06/25/2019)

IBLC Recommendation: No position (07/11/2019)
Staff Recommendation: No position

RECOMMENDATION

That the Board of Retirement adopt no position on SB 343, which relates to healthcare data disclosure.

LEGISLATIVE POLICY STANDARD

SB 343 is not consistent with any of the Board of Retirement's legislative policy standards that would entail support or opposition.

SUMMARY

SB 343 would eliminate health insurance rate filing requirements that permit Kaiser Permanente health plans and insurers to report medical trend assumptions in a different manner than other health plans and would eliminate provisions that permit Kaiser Permanente hospitals to report certain data on a group basis rather than by individual facility.

ANALYSIS

Existing Law

The California Department of Managed Health Care oversees the licensure and regulation of health care service plans, and the Department of Insurance regulates health insurers. A health care service plan or health insurer in the individual, small group, or large group markets is required to file rate information with the appropriate departments for review; however, alternative information may be filed by a health care service plan or health insurer that exclusively contracts with no more than two medical groups.

The Office of Statewide Health Planning and Development (OSHPD) regulates health planning and research development and collects health facility data, including financial data reports. The OSHPD establishes specific reporting provisions for health facilities that receive a preponderance of its revenue from associated comprehensive group practice prepayment health care service plans. As such, hospitals that are authorized to file cost data reports on a group basis are exempt from reporting revenue separately for each revenue center.

This Bill

Kaiser Permanente is the only health plan and hospital that meets the following definitions under existing law and would be the only carrier affected by SB 343:

- That exclusively contracts with no more than two medical groups.
- That receive a preponderance of revenue from associated comprehensive group practice prepayment health care service plans.

SB 343 would eliminate Kaiser's alternative reporting requirements and require it to report information consistent with other healthcare plans and insurers. It would also eliminate its authorization to file hospital cost data reports on a group basis and require Kaiser to provide revenues by revenue center and other data by individual institution.

As amended on June 18, 2019, the bill would authorize a health facility that receives a preponderance of its revenue from associated comprehensive group practice prepayment health care service plans and that is operated as a unit of a coordinated group of health facilities under common management to report specified information for the group and not for each separately licensed health facility.

Senate Committee on Health

The following information is from the bill analysis issued by the Assembly Committee on Health that provides the views of stakeholders in support and opposition of the merits of the bill.

Author's statement. According to the author, SB 343 would update transparency and disclosure requirements to include Kaiser Permanente with other hospitals and health insurance companies for consistency. Kaiser's different reporting requirements result in an information gap for state regulators, and SB 343 would enable regulators to make "apple to apple" comparisons of health care pricing. Given the continuing rise in healthcare costs, policymakers, purchasers, and consumers should have access to the same information on drivers of cost increases at Kaiser as they have about other hospitals and insurance companies.

Support. The California State Council of Service Employees International Union (SEIU California), which is the sponsor of SB 343, states that the bill would ensure that union members and employers bargaining for benefits have adequate information to understand the cost drivers underlying Kaiser's rates and the degree to which Kaiser hospitals contribute to healthcare costs. More importantly, the unlevel playing field afforded to Kaiser puts purchasers at a competitive disadvantage in the negotiation of rates and gives Kaiser an unfair advantage with its competitors. SEIU California states that Kaiser has been able to propose rate increases without justification in terms of utilization or demonstration of the underlying assumptions to regulators and purchasers.

Oppose unless amended. Kaiser Permanente opposes SB 343 unless it is amended. Kaiser states that the bill is unnecessary and will add costs without creating meaningful transparency. According to Kaiser, it requested and received language in two laws that are the subject of SB 343 in order to file accurate reports that reflect its integrated model of care. Kaiser states that its filings are different—not inferior or incomplete—because its organization is different and that the bill would require it to deconstruct their current operating model and establish a new internal structure to account for unit costs. Kaiser states that its plan reporting provisions are not exemptions but an acknowledgment that it looks at costs and trends from a "total cost of care" perspective, which is not the approach used by other health plans.

America's Physician Groups (APG) also opposes unless amended. APG states that SB 343 is flawed because it requires Kaiser's integrated system to conform to fee-for-service based data collection and measurement. APG also states that the requirements of SB 343 would entail a deconstruction of Kaiser's integrated model to create a fictional picture of how it relates to other less-integrated "network model" arrangements. APG believes that a future policy should require all healthcare systems to be measured under an outcome-based transparency model.

Considerations

Pro: Provides uniform reporting requirements to include Kaiser Permanente with other healthcare plans and insurers, resulting in more uniform healthcare cost data.

Con: May result in additional compliance costs for Kaiser Permanente that may be passed on to purchasers.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt no position on SB 343, which relates to healthcare data disclosure.

Attachments

Attachment 1—Board Positions Adopted on Related Legislation
Attachment 2—Support and Opposition
SB 343 (Pan) as amended on June 18, 2019

cc: Steven P. Rice
JJ Popowich
Cassandra Smith
Joe Ackler, Ackler & Associates

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

AB 2473 (Chapter 740, Statutes of 2014) conformed various provisions of the County Employees Retirement Law of 1937 to federal and state law. Among other provisions, the bill specified that if a county establishes a Post-Employment Trust Account as part of the retirement fund, that account shall be used exclusively to provide health benefits for retired members, their spouses, and beneficiaries. The Board of Retirement adopted a “Support” position.

AB 1124 (Chapter 327, Statutes of 2007), among other provisions, provided that a retirement system’s action to establish a Post-Employment Benefits Trust Account as part of the retirement fund is discretionary and not mandatory and specified that various actions in connection with the trust account be taken in conformance with federal law and the California Constitution. The Board of Retirement adopted a “Support” position.

AB 2863 (Chapter 846, Statutes of 2006), among other provisions, authorized a county board of supervisors to contribute to a Post-Employment Benefits Trust Account as part of a retirement fund to provide for payments towards group health, life, or other welfare benefits. The bill also authorized a board of supervisors to enter an agreement with a board of retirement or board of investments for those boards to act as trustee, third-party administrator, or investment manager. The Board of Retirement adopted a “Support” position.

SUPPORT

California State Council of the Service Employees International Union (sponsor)
Alliance of Californians for Community Empowerment Action
California Conference Board of The Amalgamated Transit Union
California Conference of Machinists
California Labor Federation, AFL-CIO
California Nurses Association
California Teamsters Public Affairs Council
Engineers And Scientists Of California Local 20, IFPTE, AFL-CIO & CLC
Engineers And Scientists Of California, IFPTE Local 20, AFL-CIO
Health Access California
Inlandboatmen's Union of The Pacific (IBU)
Los Angeles LGBT Center
Office & Professional Employees International Union, Local 29, AFL-CIO
Professional & Technical Engineers, Local 21, IFPTE, AFL-CIP
Professional And Technical Engineers, IFPTE Local 21, AFL-CIO
SAG-AFTRA
San Francisco Aids Foundation
Small Business Majority
The Greenlining Institute
UNITE HERE, AFL-CIO
Utility Workers Union Of America, Local 132
Western Center On Law & Poverty, Inc.

OPPOSITION

None on file

(Note: American Physician Groups and Kaiser Permanente had filed an “opposed unless amended” position with the Senate Committee on Health for the version of the bill as introduced on February 19, 2019.)

AMENDED IN ASSEMBLY JUNE 18, 2019

SENATE BILL

No. 343

Introduced by Senator Pan

February 19, 2019

An act to amend Sections 1385.03, 1385.045, 1385.07, 128735, 128740, and 128760 of the Health and Safety Code, and *to amend* Section 10181.45 of the Insurance Code, relating to ~~healthcare~~: *health care*.

LEGISLATIVE COUNSEL'S DIGEST

SB 343, as amended, Pan. ~~Healthcare~~-*Health care* data disclosure.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law generally requires a health care service plan or health insurer in the individual, small group, or large group markets to file rate information with the appropriate department, but specifies alternative information to be filed by a health care service plan or health insurer that exclusively contracts with no more than 2 medical groups.

Existing law establishes the Office of Statewide Health Planning and Development (OSHPD) in the California Health and Human Services Agency to regulate health planning and research development. Existing law generally requires a ~~healthcare~~ *health care* facility to report specified data to OSHPD, but requires OSHPD to establish specific reporting provisions for a health facility that receives a preponderance of its revenue from associated comprehensive group practice prepayment health care service plans. Existing law authorizes hospitals to report

specified financial and utilization data to OSHPD, and file cost data reports with OSHPD, on a group basis, and exempts hospitals authorized to report as a group from reporting revenue separately for each revenue center.

This bill would eliminate alternative reporting requirements for a plan or insurer that exclusively contracts with no more than 2 medical groups or a health facility that receives a preponderance of its revenue from associated comprehensive group practice prepayment health care service plans and would instead require those entities to report information consistent with any other health care service plan, health insurer, or health facility, as appropriate. The bill would also eliminate the authorization for hospitals to report specified financial and utilization data to OSHPD, and file cost data reports with OSHPD, on a group ~~basis~~: *basis, but would authorize a health facility that receives a preponderance of its revenue from associated comprehensive group practice prepayment health care service plans and that is operated as a unit of a coordinated group of health facilities under common management to report specified information for the group and not for each separately licensed health facility.* Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

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

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

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

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

- 1 SECTION 1. Section 1385.03 of the Health and Safety Code
- 2 is amended to read:
- 3 1385.03. (a) A health care service plan shall file with the
- 4 department all required rate information for grandfathered
- 5 individual and grandfathered and nongrandfathered small group
- 6 health care service plan contracts at least 120 days prior to
- 7 implementing a rate change. A health care service plan shall file
- 8 with the department all required rate information for

1 nongrandfathered individual health care service plan contracts on
2 the earlier of the following dates:

3 (1) One hundred days before October 15 of the preceding policy
4 year.

5 (2) The date specified in the federal guidance issued pursuant
6 to Section 154.220(b) of Title 45 of the Code of Federal
7 Regulations.

8 (b) A plan shall disclose to the department all of the following
9 for each individual and small group rate filing:

10 (1) Company name and contact information.

11 (2) Number of plan contract forms covered by the filing.

12 (3) Plan contract form numbers covered by the filing.

13 (4) Product type, such as a preferred provider organization or
14 health maintenance organization.

15 (5) Segment type.

16 (6) Type of plan involved, such as for profit or not for profit.

17 (7) Whether the products are opened or closed.

18 (8) Enrollment in each plan contract and rating form.

19 (9) Enrollee months in each plan contract form.

20 (10) Annual rate.

21 (11) Total earned premiums in each plan contract form.

22 (12) Total incurred claims in each plan contract form.

23 (13) Average rate increase initially requested.

24 (14) Review category: initial filing for new product, filing for
25 existing product, or resubmission.

26 (15) Average rate of increase.

27 (16) Effective date of rate increase.

28 (17) Number of subscribers or enrollees affected by each plan
29 contract form.

30 (18) The plan's overall annual medical trend factor assumptions
31 in each rate filing for all benefits and by aggregate benefit category,
32 including hospital inpatient, hospital outpatient, physician services,
33 prescription drugs and other ancillary services, laboratory, and
34 radiology. A plan may provide aggregated additional data that
35 demonstrates or reasonably estimates year-to-year cost increases
36 in specific benefit categories in the geographic regions listed in
37 Sections 1357.512 and 1399.855.

38 (19) The amount of the projected trend attributable to the use
39 of services, price inflation, or fees and risk for annual plan contract
40 trends by aggregate benefit category, such as hospital inpatient,

- 1 hospital outpatient, physician services, prescription drugs and other
- 2 ancillary services, laboratory, and radiology.
- 3 (20) A comparison of claims cost and rate of changes over time.
- 4 (21) Any changes in enrollee cost sharing over the prior year
- 5 associated with the submitted rate filing.
- 6 (22) Any changes in enrollee benefits over the prior year
- 7 associated with the submitted rate filing.
- 8 (23) The certification described in subdivision (b) of Section
- 9 1385.06.
- 10 (24) Any changes in administrative costs.
- 11 (25) Any other information required for rate review under the
- 12 federal Patient Protection and Affordable Care Act (PPACA).
- 13 (c) A health care service plan subject to subdivision (a) shall
- 14 also disclose the following aggregate data for all rate filings
- 15 submitted under this section in the individual and small group
- 16 health care service plan markets:
- 17 (1) Number and percentage of rate filings reviewed by the
- 18 following:
- 19 (A) Plan year.
- 20 (B) Segment type.
- 21 (C) Product type.
- 22 (D) Number of subscribers.
- 23 (E) Number of covered lives affected.
- 24 (2) The plan’s average rate increase by the following categories:
- 25 (A) Plan year.
- 26 (B) Segment type.
- 27 (C) Product type.
- 28 (3) Any cost containment and quality improvement efforts since
- 29 the plan’s last rate filing for the same category of health benefit
- 30 plan. To the extent possible, the plan shall describe any significant
- 31 new—~~healthcare~~ *health care* cost containment and quality
- 32 improvement efforts and provide an estimate of potential savings
- 33 together with an estimated cost or savings for the projection period.
- 34 (d) The department may require all health care service plans to
- 35 submit all rate filings to the National Association of Insurance
- 36 Commissioners’ System for Electronic Rate and Form Filing
- 37 (SERFF). Submission of the required rate filings to SERFF shall
- 38 be deemed to be filing with the department for purposes of
- 39 compliance with this section.

1 (e) A plan shall submit any other information required under
2 PPACA. A plan shall also submit any other information required
3 pursuant to any regulation adopted by the department to comply
4 with this article.

5 (f) (1) A plan shall respond to the department’s request for any
6 additional information necessary for the department to complete
7 its review of the plan’s rate filing for individual and small group
8 health care service plan contracts under this article within five
9 business days of the department’s request or as otherwise required
10 by the department.

11 (2) Except as provided in paragraph (3), the department shall
12 determine whether a plan’s rate increase for individual and small
13 group health care service plan contracts is unreasonable or not
14 justified no later than 60 days following receipt of all the
15 information the department requires to—~~makes~~ *make* its
16 determination.

17 (3) For all nongrandfathered individual health care service plan
18 contracts, the department shall issue a determination that the plan’s
19 rate increase is unreasonable or not justified no later than 15 days
20 before October 15 of the preceding policy year. If a health care
21 service plan fails to provide all the information the department
22 requires in order for the department to make its determination, the
23 department may determine that a plan’s rate increase is
24 unreasonable or not justified.

25 (g) If the department determines that a plan’s rate increase for
26 individual or small group health care service plan contracts is
27 unreasonable or not justified consistent with this article, the health
28 care service plan shall provide notice of that determination to any
29 individual or small group applicant. The notice provided to an
30 individual applicant shall be consistent with the notice described
31 in subdivision (c) of Section 1389.25. The notice provided to a
32 small group applicant shall be consistent with the notice described
33 in subdivision (c) of Section 1374.21.

34 (h) For purposes of this section, “policy year” has the same
35 meaning as set forth in subdivision (g) of Section 1399.845.

36 SEC. 2. Section 1385.045 of the Health and Safety Code is
37 amended to read:

38 1385.045. (a) For large group health care service plan
39 contracts, a health care service plan shall file with the department
40 the weighted average rate increase for all large group benefit

1 designs during the 12-month period ending January 1 of the
2 following calendar year. The average shall be weighted by the
3 number of enrollees in each large group benefit design in the plan's
4 large group market and adjusted to the most commonly sold large
5 group benefit design by enrollment during the 12-month period.
6 For the purposes of this section, the large group benefit design
7 includes, but is not limited to, benefits such as basic ~~healthcare~~
8 *health care* services and prescription drugs. The large group benefit
9 design shall not include cost sharing, including, but not limited to,
10 deductibles, copays, and coinsurance.

11 (b) (1) A plan shall also submit any other information required
12 pursuant to any regulation adopted by the department to comply
13 with this article.

14 (2) The department shall conduct an annual public meeting
15 regarding large group rates within four months of posting the
16 aggregate information described in this section in order to permit
17 a public discussion of the reasons for the changes in the rates,
18 benefits, and cost sharing in the large group market. The meeting
19 shall be held in either the Los Angeles area or the San Francisco
20 Bay area.

21 (c) A health care service plan subject to subdivision (a) shall
22 also disclose the following for the aggregate rate information for
23 the large group market submitted under this section:

24 (1) For rates effective during the 12-month period ending
25 January 1 of the following year, number and percentage of rate
26 changes reviewed by the following:

27 (A) Plan year.

28 (B) Segment type, including whether the rate is community
29 rated, in whole or in part.

30 (C) Product type.

31 (D) Number of enrollees.

32 (E) The number of products sold that have materially different
33 benefits, cost sharing, or other elements of benefit design.

34 (2) For rates effective during the 12-month period ending
35 January 1 of the following year, any factors affecting the base rate,
36 and the actuarial basis for those factors, including all of the
37 following:

38 (A) Geographic region.

39 (B) Age, including age rating factors.

40 (C) Occupation.

1 (D) Industry.

2 (E) Health status factors, including, but not limited to,
3 experience and utilization.

4 (F) Employee, and employee and dependents, including a
5 description of the family composition used.

6 (G) Enrollees' share of premiums.

7 (H) Enrollees' cost sharing, including cost sharing for
8 prescription drugs.

9 (I) Covered benefits in addition to basic ~~healthcare~~ *health care*
10 services, as defined in Section 1345, and other benefits mandated
11 under this article.

12 (J) Which market segment, if any, is fully experience rated and
13 which market segment, if any, is in part experience rated and in
14 part community rated.

15 (K) Any other factor that affects the rate that is not otherwise
16 specified.

17 (3) (A) The plan's overall annual medical trend factor
18 assumptions for all benefits and by aggregate benefit category,
19 including hospital inpatient, hospital outpatient, physician services,
20 prescription drugs and other ancillary services, laboratory, and
21 radiology for the applicable 12-month period ending January 1 of
22 the following year.

23 (B) The amount of the projected trend separately attributable
24 to the use of services, price inflation, and fees and risk for annual
25 plan contract trends by aggregate benefit category, including
26 hospital inpatient, hospital outpatient, physician services,
27 prescription drugs and other ancillary services, laboratory, and
28 radiology.

29 (C) A comparison of the aggregate per enrollee per month costs
30 and rate of changes over the last five years for each of the
31 following:

32 (i) Premiums.

33 (ii) Claims costs, if any.

34 (iii) Administrative expenses.

35 (iv) Taxes and fees.

36 (D) Any changes in enrollee cost sharing over the prior year
37 associated with the submitted rate information, including both of
38 the following:

1 (i) Actual copays, coinsurance, deductibles, annual out of pocket
2 maximums, and any other cost sharing by the benefit categories
3 determined by the department.

4 (ii) Any aggregate changes in enrollee cost sharing over the
5 prior years as measured by the weighted average actuarial value,
6 weighted by the number of enrollees.

7 (E) Any changes in enrollee benefits over the prior year,
8 including a description of benefits added or eliminated, as well as
9 any aggregate changes, as measured as a percentage of the
10 aggregate claims costs, listed by the categories determined by the
11 department.

12 (F) Any cost containment and quality improvement efforts since
13 the plan's prior year's information pursuant to this section for the
14 same category of health benefit plan. To the extent possible, the
15 plan shall describe any significant new ~~healthcare~~ *health care* cost
16 containment and quality improvement efforts and provide an
17 estimate of potential savings together with an estimated cost or
18 savings for the projection period.

19 (G) The number of products covered by the information that
20 incurred the excise tax paid by the health care service plan.

21 (4) (A) For covered prescription generic drugs excluding
22 specialty generic drugs, prescription brand name drugs excluding
23 specialty drugs, and prescription brand name and generic specialty
24 drugs dispensed at a plan pharmacy, network pharmacy, or mail
25 order pharmacy for outpatient use, all of the following shall be
26 disclosed:

27 (i) The percentage of the premium attributable to prescription
28 drug costs for the prior year for each category of prescription drugs
29 as defined in this subparagraph.

30 (ii) The year-over-year increase, as a percentage, in per-member,
31 per-month total health care service plan spending for each category
32 of prescription drugs as defined in this subparagraph.

33 (iii) The year-over-year increase in per-member, per-month
34 costs for drug prices compared to other components of the
35 ~~healthcare~~ *health care* premium.

36 (iv) The specialty tier formulary list.

37 (B) The plan shall include the percentage of the premium
38 attributable to prescription drugs administered in a doctor's office
39 that are covered under the medical benefit as separate from the
40 pharmacy benefit, if available.

1 (C) (i) The plan shall include information on its use of a
2 pharmacy benefit manager, if any, including which components
3 of the prescription drug coverage described in subparagraphs (A)
4 and (B) are managed by the pharmacy benefit manager.

5 (ii) The plan shall also include the name or names of the
6 pharmacy benefit manager, or managers if the plan uses more than
7 one.

8 (d) The information required pursuant to this section shall be
9 submitted to the department on or before October 1, 2018, and on
10 or before October 1 annually thereafter. Information submitted
11 pursuant to this section is subject to Section 1385.07.

12 (e) For the purposes of this section, a “specialty drug” is one
13 that exceeds the threshold for a specialty drug under the Medicare
14 Part D program (Medicare Prescription Drug, Improvement, and
15 Modernization Act of 2003 (Public Law 108-173)).

16 SEC. 3. Section 1385.07 of the Health and Safety Code is
17 amended to read:

18 1385.07. (a) Notwithstanding Chapter 3.5 (commencing with
19 Section 6250) of Division 7 of Title 1 of the Government Code,
20 all information submitted under this article shall be made publicly
21 available by the department except as provided in subdivision (b).

22 (b) (1) The contracted rates between a health care service plan
23 and a provider shall be deemed confidential information that shall
24 not be made public by the department and are exempt from
25 disclosure under the California Public Records Act (Chapter 3.5
26 (commencing with Section 6250) of Division 7 of Title 1 of the
27 Government Code). The contracted rates between a health care
28 service plan and a provider shall not be disclosed by a health care
29 service plan to a large group purchaser that receives information
30 pursuant to Section 1385.10.

31 (2) The contracted rates between a health care service plan and
32 a large group shall be deemed confidential information that shall
33 not be made public by the department and are exempt from
34 disclosure under the California Public Records Act (Chapter 3.5
35 (commencing with Section 6250) of Division 7 of Title 1 of the
36 Government Code). Information provided to a large group
37 purchaser pursuant to Section 1385.10 shall be deemed confidential
38 information that shall not be made public by the department and
39 shall be exempt from disclosure under the California Public

1 Records Act (Chapter 3.5 (commencing with Section 6250) of
2 Division 7 of Title 1 of the Government Code).

3 (c) All information submitted to the department under this article
4 shall be submitted electronically in order to facilitate review by
5 the department and the public.

6 (d) In addition, the department and the health care service plan
7 shall, at a minimum, make the following information readily
8 available to the public on their internet websites in plain language
9 and in a manner and format specified by the department, except
10 as provided in subdivision (b). For individual and small group
11 health care service plan contracts, the information shall be made
12 public for 120 days prior to the implementation of the rate increase.
13 For large group health care service plan contracts, the information
14 shall be made public for 60 days prior to the implementation of
15 the rate increase. The information shall include:

16 (1) Justifications for any unreasonable rate increases, including
17 all information and supporting documentation as to why the rate
18 increase is justified.

19 (2) A plan’s overall annual medical trend factor assumptions in
20 each rate filing for all benefits.

21 (3) A health care service plan’s actual costs, by aggregate benefit
22 category to include hospital inpatient, hospital outpatient, physician
23 services, prescription drugs and other ancillary services, laboratory,
24 and radiology.

25 (4) The amount of the projected trend attributable to the use of
26 services, price inflation, or fees and risk for annual plan contract
27 trends by aggregate benefit category, such as hospital inpatient,
28 hospital outpatient, physician services, prescription drugs and other
29 ancillary services, laboratory, and radiology.

30 SEC. 4. Section 128735 of the Health and Safety Code is
31 amended to read:

32 128735. An organization that operates, conducts, owns, or
33 maintains a health facility, and the officers thereof, shall make and
34 file with the office, at the times as the office shall require, all of
35 the following reports on forms specified by the office that are in
36 accord, if applicable, with the systems of accounting and uniform
37 reporting required by this part, except that the reports required
38 pursuant to subdivision (g) shall be limited to hospitals:

39 (a) A balance sheet detailing the assets, liabilities, and net worth
40 of the health facility at the end of its fiscal year.

1 (b) A statement of income, expenses, and operating surplus or
2 deficit for the annual fiscal period, and a statement of ancillary
3 utilization and patient census.

4 (c) A statement detailing patient revenue by payer, including,
5 but not limited to, Medicare, Medi-Cal, and other payers, and
6 revenue center.

7 (d) A statement of cashflows, including, but not limited to,
8 ongoing and new capital expenditures and depreciation.

9 (e) (1) A statement reporting the information required in
10 subdivisions (a), (b), (c), and (d) for each separately licensed health
11 facility operated, conducted, or maintained by the reporting
12 organization.

13 (2) *Notwithstanding paragraph (1), a health facility that receives*
14 *a preponderance of its revenue from associated comprehensive*
15 *group practice prepayment health care service plans and that is*
16 *operated as a unit of a coordinated group of health facilities under*
17 *common management may report the information required*
18 *pursuant to subdivisions (a) and (d) for the group and not for each*
19 *separately licensed health facility.*

20 (f) Data reporting requirements established by the office shall
21 be consistent with national standards, as applicable.

22 (g) A Hospital Discharge Abstract Data Record that includes
23 all of the following:

24 (1) Date of birth.

25 (2) Sex.

26 (3) Race.

27 (4) ZIP Code.

28 (5) Preferred language spoken.

29 (6) Patient social security number, if it is contained in the
30 patient's medical record.

31 (7) Prehospital care and resuscitation, if any, including all of
32 the following:

33 (A) "Do not resuscitate" (DNR) order on admission.

34 (B) "Do not resuscitate" (DNR) order after admission.

35 (8) Admission date.

36 (9) Source of admission.

37 (10) Type of admission.

38 (11) Discharge date.

39 (12) Principal diagnosis and whether the condition was present
40 on admission.

1 (13) Other diagnoses and whether the conditions were present
2 on admission.

3 (14) External causes of morbidity and whether present on
4 admission.

5 (15) Principal procedure and date.

6 (16) Other procedures and dates.

7 (17) Total charges.

8 (18) Disposition of patient.

9 (19) Expected source of payment.

10 (20) Elements added pursuant to Section 128738.

11 (h) It is the intent of the Legislature that the patient's rights of
12 confidentiality shall not be violated in any manner. Patient social
13 security numbers and other data elements that the office believes
14 could be used to determine the identity of an individual patient
15 shall be exempt from the disclosure requirements of the California
16 Public Records Act (Chapter 3.5 (commencing with Section 6250)
17 of Division 7 of Title 1 of the Government Code).

18 (i) A person reporting data pursuant to this section shall not be
19 liable for damages in an action based on the use or misuse of
20 patient-identifiable data that has been mailed or otherwise
21 transmitted to the office pursuant to the requirements of subdivision
22 (g).

23 (j) A hospital shall use coding from the International
24 Classification of Diseases in reporting diagnoses and procedures.

25 (k) *On or before July 1, 2021, the office shall promulgate*
26 *regulations as necessary to implement subdivision (e). A health*
27 *facility that receives a preponderance of its revenue from*
28 *associated comprehensive group practice prepayment health care*
29 *service plans and that is operated as a unit of a coordinated group*
30 *of health facilities under common management shall comply with*
31 *the reporting requirements of subdivisions (b), (c), and (e) once*
32 *the office issues related regulations.*

33 SEC. 5. Section 128740 of the Health and Safety Code is
34 amended to read:

35 128740. (a) The following summary financial and utilization
36 data shall be reported to the office by a hospital within 45 days of
37 the end of a calendar quarter. Adjusted reports reflecting changes
38 as a result of audited financial statements may be filed within four
39 months of the close of the hospital's fiscal or calendar year. The
40 quarterly summary financial and utilization data shall conform to

- 1 the uniform description of accounts as contained in the Accounting
2 and Reporting Manual for California Hospitals and shall include
3 all of the following:
- 4 (1) Number of licensed beds.
 - 5 (2) Average number of available beds.
 - 6 (3) Average number of staffed beds.
 - 7 (4) Number of discharges.
 - 8 (5) Number of inpatient days.
 - 9 (6) Number of outpatient visits.
 - 10 (7) Total operating expenses.
 - 11 (8) Total inpatient gross revenues by payer, including Medicare,
12 Medi-Cal, county indigent programs, other third parties, and other
13 payers.
 - 14 (9) Total outpatient gross revenues by payer, including
15 Medicare, Medi-Cal, county indigent programs, other third parties,
16 and other payers.
 - 17 (10) Deductions from revenue in total and by component,
18 including the following: Medicare contractual adjustments,
19 Medi-Cal contractual adjustments, and county indigent program
20 contractual adjustments, other contractual adjustments, bad debts,
21 charity care, restricted donations and subsidies for indigents,
22 support for clinical teaching, teaching allowances, and other
23 deductions.
 - 24 (11) Total capital expenditures.
 - 25 (12) Total net fixed assets.
 - 26 (13) Total number of inpatient days, outpatient visits, and
27 discharges by payer, including Medicare, Medi-Cal, county
28 indigent programs, other third parties, self-pay, charity, and other
29 payers.
 - 30 (14) Total net patient revenues by payer including Medicare,
31 Medi-Cal, county indigent programs, other third parties, and other
32 payers.
 - 33 (15) Other operating revenue.
 - 34 (16) Nonoperating revenue net of nonoperating expenses.
- 35 (b) The office shall make available at cost, to any person, a hard
36 copy of any hospital report made pursuant to this section and in
37 addition to hard copies, shall make available at cost, a computer
38 tape of all reports made pursuant to this section within 105 days
39 of the end of every calendar quarter.

1 (c) The office shall adopt by regulation guidelines for the
2 identification, assessment, and reporting of charity care services.
3 In establishing the guidelines, the office shall consider the
4 principles and practices recommended by professional ~~healthcare~~
5 *health care* industry accounting associations for differentiating
6 between charity services and bad debts. The office shall further
7 conduct the onsite validations of health facility accounting and
8 reporting procedures and records as are necessary to assure that
9 reported data are consistent with regulatory guidelines.

10 SEC. 6. Section 128760 of the Health and Safety Code is
11 amended to read:

12 128760. (a) On and after January 1, 1986, the systems of health
13 facility accounting and auditing formerly approved by the
14 California Health Facilities Commission shall remain in full force
15 and effect for use by health facilities, but shall be maintained by
16 the office.

17 (b) The office shall allow and provide, in accordance with
18 appropriate regulations, for modifications in the accounting and
19 reporting systems for use by health facilities in meeting the
20 requirements of this chapter if the modifications are necessary to
21 do any of the following:

22 (1) To correctly reflect differences in size of, provision of, or
23 payment for, services rendered by health facilities.

24 (2) To correctly reflect differences in scope, type, or method of
25 provision of, or payment for, services rendered by health facilities.

26 (3) To avoid unduly burdensome costs for those health facilities
27 in meeting the requirements of differences pursuant to paragraphs
28 (1) and (2).

29 (c) The office shall allow and provide, in accordance with
30 appropriate regulations, for modifications to discharge data
31 reporting format and frequency requirements if these modifications
32 will not impair the office's ability to process the data or interfere
33 with the purposes of this chapter. This modification authority shall
34 not permit the office to administratively require the reporting of
35 discharge data items not specified pursuant to Section 128735.

36 (d) The office shall allow and provide, in accordance with
37 appropriate regulations, for modifications to emergency care data
38 reporting format and frequency requirements if these modifications
39 will not impair the office's ability to process the data or interfere
40 with the purposes of this chapter. This modification authority shall

1 ~~not be construed to~~ permit the office to require administratively
2 the reporting of emergency care data items not specified in
3 subdivision (a) of Section 128736.

4 (e) The office shall allow and provide, in accordance with
5 appropriate regulations, for modifications to ambulatory surgery
6 data reporting format and frequency requirements if these
7 modifications will not impair the office's ability to process the
8 data or interfere with the purposes of this chapter. The modification
9 authority shall ~~not be construed to~~ permit the office to require
10 administratively the reporting of ambulatory surgery data items
11 not specified in subdivision (a) of Section 128737.

12 (f) The office shall adopt comparable modifications to the
13 financial reporting requirements of this chapter for county hospital
14 systems consistent with the purposes of this chapter.

15 SEC. 7. Section 10181.45 of the Insurance Code is amended
16 to read:

17 10181.45. (a) For large group health insurance policies, a
18 health insurer shall file with the department the weighted average
19 rate increase for all large group benefit designs during the 12-month
20 period ending January 1 of the following calendar year. The
21 average shall be weighted by the number of insureds in each large
22 group benefit design in the insurer's large group market and
23 adjusted to the most commonly sold large group benefit design by
24 enrollment during the 12-month period. For the purposes of this
25 section, the large group benefit design includes, but is not limited
26 to, benefits such as basic ~~healthcare~~ *health care* services and
27 prescription drugs. The large group benefit design shall not include
28 cost sharing, including, but not limited to, deductibles, copays,
29 and coinsurance.

30 (b) (1) A health insurer shall also submit any other information
31 required pursuant to any regulation adopted by the department to
32 comply with this article.

33 (2) The department shall conduct an annual public meeting
34 regarding large group rates within four months of posting the
35 aggregate information described in this section in order to permit
36 a public discussion of the reasons for the changes in the rates,
37 benefits, and cost sharing in the large group market. The meeting
38 shall be held in either the Los Angeles area or the San Francisco
39 Bay area.

1 (c) A health insurer subject to subdivision (a) shall also disclose
2 the following for the aggregate rate information for the large group
3 market submitted under this section:

4 (1) For rates effective during the 12-month period ending
5 January 1 of the following year, number and percentage of rate
6 changes reviewed by the following:

7 (A) Plan year.

8 (B) Segment type, including whether the rate is community
9 rated, in whole or in part.

10 (C) Product type.

11 (D) Number of insureds.

12 (E) The number of products sold that have materially different
13 benefits, cost sharing, or other elements of benefit design.

14 (2) For rates effective during the 12-month period ending
15 January 1 of the following year, any factors affecting the base rate,
16 and the actuarial basis for those factors, including all of the
17 following:

18 (A) Geographic region.

19 (B) Age, including age rating factors.

20 (C) Occupation.

21 (D) Industry.

22 (E) Health status factors, including, but not limited to,
23 experience and utilization.

24 (F) Employee, and employee and dependents, including a
25 description of the family composition used.

26 (G) Insureds' share of premiums.

27 (H) Insureds' cost sharing, including cost sharing for
28 prescription drugs.

29 (I) Covered benefits in addition to basic ~~healthcare~~ *health care*
30 services, as defined in Section 1345 of the Health and Safety Code,
31 and other benefits mandated under this article.

32 (J) Which market segment, if any, is fully experience rated and
33 which market segment, if any, is in part experience rated and in
34 part community rated.

35 (K) Any other factor that affects the rate that is not otherwise
36 specified.

37 (3) (A) The insurer's overall annual medical trend factor
38 assumptions for all benefits and by aggregate benefit category,
39 including hospital inpatient, hospital outpatient, physician services,
40 prescription drugs and other ancillary services, laboratory, and

1 radiology for the applicable 12-month period ending January 1 of
2 the following year.

3 (B) The amount of the projected trend separately attributable
4 to the use of services, price inflation, and fees and risk for annual
5 policy trends by aggregate benefit category, including hospital
6 inpatient, hospital outpatient, physician services, prescription drugs
7 and other ancillary services, laboratory, and radiology.

8 (C) A comparison of the aggregate per insured per month costs
9 and rate of changes over the last five years for each of the
10 following:

- 11 (i) Premiums.
- 12 (ii) Claims costs, if any.
- 13 (iii) Administrative expenses.
- 14 (iv) Taxes and fees.

15 (D) Any changes in insured cost sharing over the prior year
16 associated with the submitted rate information, including both of
17 the following:

18 (i) Actual copays, coinsurance, deductibles, annual out of pocket
19 maximums, and any other cost sharing by the benefit categories
20 determined by the department.

21 (ii) Any aggregate changes in insured cost sharing over the prior
22 years as measured by the weighted average actuarial value,
23 weighted by the number of insureds.

24 (E) Any changes in insured benefits over the prior year,
25 including a description of benefits added or eliminated as well as
26 any aggregate changes as measured as a percentage of the aggregate
27 claims costs, listed by the categories determined by the department.

28 (F) Any cost containment and quality improvement efforts made
29 since the insurer's prior year's information pursuant to this section
30 for the same category of health insurer. To the extent possible, the
31 insurer shall describe any significant new ~~healthcare~~ *health care*
32 cost containment and quality improvement efforts and provide an
33 estimate of potential savings together with an estimated cost or
34 savings for the projection period.

35 (G) The number of products covered by the information that
36 incurred the excise tax paid by the health insurer.

37 (4) (A) For covered prescription generic drugs excluding
38 specialty generic drugs, prescription brand name drugs excluding
39 specialty drugs, and prescription brand name and generic specialty

1 drugs dispensed at a pharmacy, network pharmacy, or mail order
2 pharmacy for outpatient use, all of the following shall be disclosed:

3 (i) The percentage of the premium attributable to prescription
4 drug costs for the prior year for each category of prescription drugs
5 as defined in this subparagraph.

6 (ii) The year-over-year increase, as a percentage, in per-member,
7 per-month total health insurer spending for each category of
8 prescription drugs as defined in this subparagraph.

9 (iii) The year-over-year increase in per-member, per-month
10 costs for drug prices compared to other components of the
11 ~~healthcare~~ *health care* premium.

12 (iv) The specialty tier formulary list.

13 (B) The insurer shall include the percentage of the premium
14 attributable to prescription drugs administered in a doctor's office
15 that are covered under the medical benefit as separate from the
16 pharmacy benefit, if available.

17 (C) (i) The insurer shall include information on its use of a
18 pharmacy benefit manager, if any, including which components
19 of the prescription drug coverage described in subparagraphs (A)
20 and (B) are managed by the pharmacy benefit manager.

21 (ii) The insurer shall also include the name or names of the
22 pharmacy benefit manager, or managers if the insurer uses more
23 than one.

24 (d) The information required pursuant to this section shall be
25 submitted to the department on or before October 1, 2016, and on
26 or before October 1 annually thereafter. Information submitted
27 pursuant to this section is subject to Section 10181.7.

28 (e) For the purposes of this section, a "specialty drug" is one
29 that exceeds the threshold for a specialty drug under the Medicare
30 Part D program (Medicare Prescription Drug, Improvement, and
31 Modernization Act of 2003 (Public Law 108-173)).

32 SEC. 8. No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the penalty
37 for a crime or infraction, within the meaning of Section 17556 of
38 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

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July 29, 2019

TO: Each Member
Board of Retirement

FROM: Beulah S. Auten, CPA, CGFM, CGMA
Chief Financial Officer



FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: **RECOMMENDATION TO APPROVE THE JULY 1, 2018 LOS ANGELES COUNTY OTHER POSTEMPLOYMENT BENEFITS (OPEB) PROGRAM ACTUARIAL VALUATION**

RECOMMENDATION

Staff recommends that your Board approve the July 1, 2018 Los Angeles County OPEB Program Actuarial Valuation (Attachment 1) prepared by LACERA's consulting actuary, Milliman.

SUMMARY OF 2018 OPEB PROGRAM VALUATION RESULTS¹

(\$ in billions)

| | July 1, 2018 Valuation | 2017 Valuation ² | 2016 Valuation ² | 2014 Valuation |
|---|-----------------------------------|--------------------------------|--------------------------------|-------------------|
| Funded Ratio | 4.5% | 2.8% | 2.2% | 1.7% |
| Actuarial Accrued Liability | \$21.07 | \$26.30 | \$25.91 | \$28.55 |
| Less Assets | 0.94 | 0.74 | 0.56 | 0.48 |
| Unfunded Actuarial Accrued Liability (UAAL) | \$20.13 | \$25.56 | \$25.35 | \$28.07 |
| Normal Cost Rate | 8.41% | 12.54% | 13.26% | 17.50% |
| UAAL Rate | 12.15% | 13.03% | 13.77% | 14.32% |
| Actuarially Determined Contributions (ADC) as a Percentage of Payroll | 20.56% | 25.57% | 27.03% | 31.82% |

¹ Results are based on the total OPEB Program which include the following employers: Los Angeles County (County), Los Angeles Superior Court (Superior Court), LACERA, South Coast Air Quality Management District (SCAQMD), Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), and Little Lake Cemetery District (LLCD).

² Historically, OPEB Valuations were performed biennially. In October 2017, the Actuarial Valuation and Audit Policy was revised to require annual Valuations beginning with the 2017 reporting cycle.

OPEB ACTUARIAL VALUATION POLICY

Your Board's OPEB Actuarial Valuation and Audit Policy, revised in October 2017, requires the consulting actuary to conduct annual Valuations to establish the actuarially determined values of the County's OPEB Program liabilities. The annual OPEB Program actuarial Valuation, 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 program. OPEB Valuations are performed at the request of the County to satisfy financial statement reporting guidelines applicable to sponsoring employers, such as the County, and those organizations who administer the benefits program, such as LACERA. These financial reporting guidelines are intended to improve program cost disclosures.

In addition to the annual OPEB Valuation, LACERA requires its consulting actuary to review the reasonableness of the economic and demographic actuarial assumptions every three years. This review, commonly referred to as the OPEB investigation of experience, or the "OPEB Experience Study", is accomplished by comparing actual experience during the preceding three years to what was expected to happen according to the actuarial assumptions. Based on this review, the actuary determines whether changing the assumptions or methodology will better project benefit liabilities and asset growth. In March 2019, your Board approved the 2018 OPEB Experience Study report. Milliman used the assumptions from the 2018 OPEB Experience Study to prepare the 2018 Valuation report.

The current Valuation policy calls for the next OPEB Valuation to be completed as of July 1, 2019. The next OPEB Experience Study will follow one year behind the retirement benefits Experience Study and is scheduled to be completed as of July 1, 2020. Actuarial reviews of the Experience Study and Valuation will be conducted in conjunction with the 2020 reporting cycle.

2018 OPEB VALUATION RESULTS

A Valuation is often described as a snapshot of an OPEB Program's funded status at a particular point in time. This year's results finds the OPEB Program funded at 4.5%. That is to say, the estimated healthcare benefit liability is much greater than the actuarial value of OPEB trust assets.

Since the July 1, 2017 OPEB Valuation, the Actuarial Accrued Liability (AAL) decreased \$5.23 billion or 20% from \$26.30 billion to \$21.07 billion. The AAL decreased due to a combination of several factors, some of which were offsetting. These factors include the assumption changes based on our 2018 OPEB Experience Study (Attachment 2), increases due to the passage of time since the prior OPEB Valuation, and inclusion of the Excise Tax imposed by the Affordable Care Act of 2010. The biggest decrease in liabilities was due to the investment earnings assumption change from 4.50% as of July 1, 2017 to

6.00% for participating employers prefunding through the OPEB Trust and 3.69% for Outside Districts using the County's general fund expected return as of July 1, 2018. The 6.00% investment earnings assumption is elevated due to the OPEB Trust's diversified portfolio asset allocation. Other factors causing the decrease in liabilities were medical claim cost experience gains, healthcare trend assumption gains, demographic losses, and OPEB Trust asset gains measured as of July 1, 2018.

GASB 75

The County established the OPEB Trust with the advent of Governmental Accounting Standards Board Statement Number 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which defines new employer OPEB financial statement reporting requirements. Prior to the implementation of GASB 75, employers relied upon the Actuarial Valuation and additional information contained in the Valuation report to prepare their financial statement disclosures. Under GASB 75, as part of the Valuation, the consulting actuary is required to calculate the Actuarially Determined Contributions (ADC), which are potential payments to the plan using a contribution allocation method. The ADC and other actuarial information, derived from the Valuation, serve as critical components used by the actuary in calculating and preparing information contained in the GASB 75 report, which employers use to meet their financial reporting responsibilities.

The County, Superior Court, and LACERA provide regular contributions to the OPEB Trust. In addition, these employers provide monthly contributions towards the ongoing or "pay-as-you-go" costs. The GASB prescribed methodology caused OPEB Trust participating employers to utilize a higher discount rate when pre-funding through the OPEB Trust. The GASB discount rate is a blend of the 20-year tax-exempt municipal bond yield and the long-term expected rate of return net of investment expenses. For fiscal year ended June 30, 2018, the GASB discount rate was 5.11%.

Under the previous cost sharing plan structure, OPEB Program liabilities and costs were determined with respect to the total LACERA OPEB Program, rather than separately for each employer. An agent plan structure, however, determines program liabilities and costs directly by employer and allocates shared expenses. This provides employers liability and cost information that is more precise for their active, vested terminated, and retiree population, which helps them make informed decisions to better manage these OPEB costs.

AGENT PLAN METHODOLOGY IMPLEMENTATION

On May 10, 2018, your Board authorized staff to complete negotiations and execute a Memorandum of Understanding (MOU) with the County, Superior Court, and the Outside Districts (i.e., SCAQMD, LAFCO, LACOE, and LLCD) to establish terms of an agent employer plan structure for liability allocation and recordkeeping specific to each employer participating in the OPEB Program. The MOU was structured to keep historical

allocations of liabilities applying a June 30, 2018 allocation date and a July 1, 2018 agent plan effective date.

The July 1, 2018 OPEB Valuation marks the first actuarial Valuation performed under an agent plan, changing OPEB reporting from the cost-sharing plan structure used in prior OPEB Valuations. Valuation results by agent are summarized below in Exhibit 3 included on Page 3 of the 2018 OPEB Valuation Report:

Exhibit 3: OPEB Benefit Liabilities and Costs¹
Summary of July 1, 2018 Valuation Results
(All Dollar Amounts in Millions)

| | County | Superior Court | LACERA | Outside Districts | Total |
|---|-------------|-------------------|---------|----------------------|-------------|
| 1. Present Value of Future Benefits | \$ 28,383.4 | \$ 1,205.3 | \$ 92.0 | \$ 17.2 | \$ 29,697.9 |
| 2. Present Value of Future Normal Costs | 8,306.1 | 292.5 | 30.8 | 1.7 | 8,631.1 |
| 3. Actuarial Accrued Liability (1-2) | \$ 20,077.3 | \$ 912.8 | \$ 61.2 | \$ 15.5 | \$ 21,066.8 |
| 4. Assets | 899.4 | 38.2 | 3.4 | - | 941.0 |
| 5. Unfunded Actuarial Accrued Liability (3-4) | \$ 19,177.9 | \$ 874.6 | \$ 57.8 | \$ 15.5 | \$ 20,125.8 |
| 6. ADC ² | \$ 1,549.5 | \$ 64.9 | \$ 5.1 | \$ 0.7 | \$ 1,620.2 |
| 7. ADC expressed as a percentage of payroll | | | | | |
| Normal Cost | 8.48% | 7.22% | 6.05% | 15.79% | 8.41% |
| UAAL payment | 12.13% | 12.89% | 7.37% | 85.29% | 12.15% |
| Total | 20.61% | 20.11% | 13.42% | 101.08% | 20.56% |

¹ Net of Retiree Paid Premiums. May not match other Tables due to rounding.

² Normal cost and 30 year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL).

Milliman worked with LACERA to restructure the OPEB Valuation Report based on funding information for agents and agent groupings. In doing so, funding information is provided at the individual agent level for the County, Superior Court, and LACERA. For agent groupings, the total funding information was provided at two levels: (1) the OPEB Trust pre-funding agents (LA County, Superior Court, and LACERA); and (2) the total collective OPEB Program (LA County, Superior Court, LACERA, SCAQMD, LACOE, LAFCO and LLCD). The chart below summarizes the streamlined Valuation Report content and respective report page numbers.

| Agents and Agent Groupings | Valuation report Page numbers |
|---|--|
| County | Section 3, Page 12 |
| Superior Court | Section 4, Page 19 |
| LACERA | Section 5, Page 26 |
| OPEB Trust <i>County, Superior Court and LACERA</i> | Section 6, Page 33 |
| OPEB Program <i>County, Superior Court, LACERA, SCAQMD, LACOE, LAFCO, LLCD</i> | Section 7, Page 40 |

ACTUARIAL REVIEWS

Your Board's OPEB Actuarial Valuation and Audit Policy also requires periodic actuarial reviews of the OPEB Experience Study and Valuation at regular intervals. LACERA engaged the reviewing actuary, Cavanaugh Macdonald Consulting (CMC), to perform such concurrent reviews of Milliman's 2018 OPEB Experience Study and Valuation reports.

In the OPEB Experience Study review (Attachment 4), CMC concluded that "We believe that the actuarial assumptions recommended by Milliman are reasonable and appropriate for use in the upcoming actuarial Valuation for Los Angeles County's OPEB Program. We have no findings of material discrepancies with generally accepted actuarial principles or professional standards." Additionally, CMC's review of the OPEB Valuation (Attachment 3) indicates that "We generally find the OPEB actuarial Valuation results to be reasonable and accurate based on the assumptions and methods used. The Valuation was performed by qualified actuaries and was performed in accordance with the principles and practices prescribed by the Actuarial Standards Board".

CONCLUSION

LACERA's consulting actuaries, Robert L. Schmidt and Janet Jennings with Milliman, and LACERA's reviewing actuary, Brent A. Banister with CMC, will be present at your August 7, 2019 meeting to discuss the OPEB Valuation report results and answer any questions your Board may have. Please see Milliman's presentation slides, Attachment 5.

Finally, we would like to recognize and express our gratitude to the OPEB Stakeholders, which is the working group composed of representatives from LACERA, the County, Superior Court, SEIU Local 721, California Association of Professional Employees, and their respective specialized consultants who actively participated in the OPEB Valuation process.


IT IS THEREFORE RECOMMENDED the Board of Retirement approve the July 1, 2018 Los Angeles County OPEB Program Actuarial Valuation prepared by the consulting actuary, Milliman.

Attachments:

Los Angeles County OPEB Program

1. Milliman's Funding Valuation report as of July 1, 2018
2. Milliman's Experience Study report as of July 1, 2018
3. Cavanaugh Macdonald's Actuarial review of the 2018 Valuation
4. Cavanaugh Macdonald's Actuarial review of the 2018 Experience Study
5. Milliman's August 7, 2019 Presentation slides

REVIEWED AND APPROVED:



Steven P. Rice
Chief Counsel

7/29/19

Date

SR:BSA:TG:ew:gr
2019.07.08 BOR Memo - 2018 OPEB Val to the BOR August 2019 Finalv3.docx

c: Cassandra Smith
Leilani Ignacio
Ted Granger
Ervin Wu
Gloria Rios
Richard Bendall
Leisha Collins
Summy Voong

Attachment 1

Milliman's Funding Valuation report
as of July 1, 2018 Final



Los Angeles County Other Postemployment Benefits Program

Other Postemployment Benefits Program Actuarial Valuation

July 1, 2018

Prepared by:

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

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June 26, 2019

Mr. Steven Rice
Chief Counsel
LACERA
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

Re: July 1, 2018 Other Postemployment Benefits (OPEB) Actuarial Valuation

Dear Steven:

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, 2018, and the retiree health plan premium rates in effect as of July 1, 2018 and July 1, 2019 received from Segal (LACERA's Health Care Benefits Consultant). Previous OPEB funding valuations were under a cost sharing structure. This is the first OPEB funding valuation under an agent structure.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the County, LACERA, 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-10 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 Excise Tax, 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.

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 and methods 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, 2018 valuation of the LACERA retirement benefits plan. The OPEB demographic and economic assumptions are based on the results of our 2018 OPEB Investigation of Experience, dated June 25, 2019. 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; Cavanaugh Macdonald, LACERA's reviewing actuary; Segal, 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. These OPEB assumptions are combined for all of LACERA's agents. The investment rate of return assumption differs by agent. The investment earnings assumption for the agents that are prefunding through LACERA's OPEB Trust is the expected return for the OPEB Trust. The investment earnings assumption for the agents that are not prefunding through LACERA's OPEB Trust have an investment earnings assumption of the County's general funds' expected return. The 2018 OPEB Investigation of Experience was reviewed and approved during LACERA's March 14, 2019 Board of Retirement Meeting.

OPEB specific assumptions that have been updated since the 2018 OPEB Investigation of Experience study include health cost trend rates updated with information from the July 1, 2019 renewals and carrier ACA Health Insurer Fee details. 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 reviewing 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 and methods are summarized in Appendix A.

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.

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, 2018 OPEB valuation is for funding purposes. The data, assumptions and methods, OPEB program provisions as described in Appendix B of this report, and the funding goals serve as a basis for the separate GASB 75 disclosure report. Actuarial computations under Government Accounting Standards Board (GASB) Statement Numbers 74 and 75 are for purposes of fulfilling financial accounting requirements for LACERA, Los Angeles County, Superior Court, and SCAQMD (the agents) respectively. The GASB 75 disclosure report needs to meet the requirements of these standards which include but are not limited to a different discount rate and actuarial cost methodology. A discussion of GASB OPEB statement 75 applicable to OPEB reporting is in Section 8. Determinations for purposes other than funding purposes 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, Superior Court 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, 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



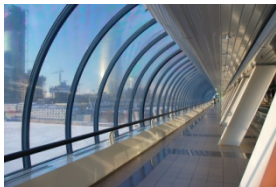
Janet O. Jennings, ASA, MAAA
Associate Actuary

RLS/bh

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Section 1: Executive Summary



2018 Valuation Results

| Exhibit 1 | July 1, 2018 | July 1, 2017 |
|---|--------------|--------------|
| Actuarial Accrued Liability (\$ billions) | \$ 21.07 | \$ 26.30 |
| Less Assets | 0.94 | 0.74 |
| Unfunded Actuarial Accrued Liability | \$ 20.13 | \$ 25.56 |
| Normal Cost Rate | 8.41% | 12.54% |
| ADC as a Percentage of Payroll | 20.56% | 25.57% |

Overview

We are pleased to present the results of the July 1, 2018 annual actuarial valuation. Several key points from Exhibit 1 are summarized as follows:

- The Unfunded Actuarial Accrued Liability (UAAL) decreased due to a combination of several factors, some of which were offsetting. These included the assumption changes based on our 2018 OPEB Investigation of Experience, increases due to the passage of time since our July 1, 2017 valuation, and inclusion of the Excise Tax. In the 2018 OPEB Investigation of Experience, the biggest decrease in liabilities was from the investment earnings assumption change from 4.50% as of July 1, 2017 to 6.00% for agents prefunding in the OPEB Trust and 3.69% for Outside Districts as of July 1, 2018. Other factors were claim cost experience gains, trend assumption gains, demographic losses, and asset gains measured as of July 1, 2018.
- The Normal Cost Rate (NCR) and Actuarially Determined Contribution (ADC) decreased as a percentage of payroll due to the factors mentioned above.

Analysis of Change

Exhibit 2 illustrates the sources of change between the July 1, 2017 and July 1, 2018 valuations. The dollar figures are expressed in billions of dollars.

Section A: The July 1, 2017 valuation results in Exhibit 2 are first increased by the recognition of the Excise Tax, as shown in Section 3 of the July 1, 2017 valuation report. 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, 2017 valuation payroll of \$7,743.0 million, increased by 3.25% per year (the payroll increase assumed at the time of the July 1, 2017 valuation) for one year to \$7,994.6 million (projected as of July 1, 2018).

**Analysis of Change
 (continued)**

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, 2019 premiums and the trend assumption changes. The July 1, 2019 premiums are based on premiums received from Segal as of February 8, 2019 and approved by the Board of Retirement on March 14, 2019. 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. The impact from the 2019 moratorium of the Insurer Fee is reflected in the trend assumption with the detailed Insurer Fee information from the carriers. 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, 2018 lowers the UAAL. The amortization of this change between expected and actual assets is included in the ADC resulting in a 0.02% decrease in the ADC percentage. The cost percentages in this section are based on the July 1, 2018 valuation payroll of \$7,880.3 million.

**Exhibit 2: Analysis of Change
 (All Dollar Amounts in Billions)**

| Sources of Change | Actuarial Accrued Liability | (Assets) | Unfunded Actuarial Accrued Liability | Normal Cost Rate | ADC Percentage |
|--|-----------------------------------|-----------|---|---------------------|-------------------|
| A. July 1, 2017 Valuation | \$ 26.30 | \$ (0.74) | \$ 25.56 | 12.54% | 25.57% |
| Recognition of Excise Tax | 1.41 | - | 1.41 | 1.14% | 1.85% |
| 2018 Experience Study Changes ¹ | (6.94) | - | (6.94) | (5.03%) | (6.47%) |
| Expected One-year Change | 1.34 | (0.17) | 1.17 | 0.09% | (1.74%) |
| B. July 1, 2018 Valuation Expected | \$ 22.11 | \$ (0.91) | \$ 21.20 | 8.74% | 19.21% |
| Claim Cost Experience | (0.51) | - | (0.51) | (0.21%) | (0.51%) |
| Trend Assumption (Gain)/Loss ² | (0.55) | - | (0.55) | (0.23%) | (0.56%) |
| Other Experience (Gain)/Loss | 0.02 | - | 0.02 | 0.11% | 2.44% |
| Asset (Gain)/Loss | - | (0.03) | (0.03) | 0.00% | (0.02%) |
| C. July 1, 2018 Valuation | \$ 21.07 | \$ (0.94) | \$ 20.13 | 8.41% | 20.56% |

¹ Nearly all of the change is due to the investment earnings assumption change. Please refer to Section 2B "Background on Accounting Requirements" for details of this change.

² Includes impact of July 1, 2019 renewals and the Health Insurer Fee

Summary Valuation Results

Exhibit 3 provides a summary of the valuation results for the County, Superior Court, LACERA and the Outside Districts. 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, 2018.
- The Actuarially Determined Contribution (ADC). At the direction of the plan sponsors, the ADC is based on the County Normal Cost Rate plus an open 30-year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL). 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.

**Exhibit 3: OPEB Benefit Liabilities and Costs¹
 Summary of July 1, 2018 Valuation Results
 (All Dollar Amounts in Millions)**

| | County | Superior Court | LACERA | Outside Districts | Total |
|---|-------------|----------------|---------|-------------------|-------------|
| 1. Present Value of Future Benefits | \$ 28,383.4 | \$ 1,205.3 | \$ 92.0 | \$ 17.2 | \$ 29,697.9 |
| 2. Present Value of Future Normal Costs | 8,306.1 | 292.5 | 30.8 | 1.7 | 8,631.1 |
| 3. Actuarial Accrued Liability (1-2) | \$ 20,077.3 | \$ 912.8 | \$ 61.2 | \$ 15.5 | \$ 21,066.8 |
| 4. Assets | 899.4 | 38.2 | 3.4 | - | 941.0 |
| 5. Unfunded Actuarial Accrued Liability (3-4) | \$ 19,177.9 | \$ 874.6 | \$ 57.8 | \$ 15.5 | \$ 20,125.8 |
| 6. ADC ² | \$ 1,549.5 | \$ 64.9 | \$ 5.1 | \$ 0.7 | \$ 1,620.2 |
| 7. ADC expressed as a percentage of payroll | | | | | |
| Normal Cost | 8.48% | 7.22% | 6.05% | 15.79% | 8.41% |
| UAAL payment | 12.13% | 12.89% | 7.37% | 85.29% | 12.15% |
| Total | 20.61% | 20.11% | 13.42% | 101.08% | 20.56% |

¹ Net of Retiree Paid Premiums. May not match other Tables due to rounding.

² Normal cost and 30 year level percentage of payroll amortization of the Unfunded Actuarial Accrued Liability (UAAL).

Comparison of Results to Prior Valuation

Exhibit 4 provides a summary of key valuation results as of July 1, 2018 under the Entry Age Normal Cost Method with excise tax, compared with July 1, 2017, under the Projected Unit Credit Cost Method without excise tax. The July 1, 2018 results are based on an assumed 6.00% investment rate of return (discount rate) for the agents that are prefunding through the LACERA OPEB Trust (County, Superior Court, and LACERA) and an assumed 3.69% investment rate of return for the Outside Districts who are not prefunding through the LACERA OPEB Trust. The July 1, 2017 results are on a cost sharing basis and are based on an assumed 4.50% investment rate of return for all employers. The July 1, 2018 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 the June 22, 2015 County budget policy, the November 20, 2015 LACERA funding policy, and the Superior Court funding policy communicated to LACERA on August 27, 2018. The County's policy is to increase the contributions by \$56 million each year until the ADC is reached and then the ADC would be contributed. The funding status is expected to increase over time. The ADC is also expected to increase over time. This ADC increase is projected to happen more slowly than it would have without the future contributions in accordance with the funding policy.

The funded status is not appropriate for assessing the sufficiency of plan assets to cover the potential costs of settling the liabilities. It is appropriate for the calculating the amount of future ADCs.

The following key results are included in Exhibit 4:

- 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 1.8% is lower than the anticipated one-year increase of 3.25%.
- The expected paid benefits for the first year following the valuation date. The one-year increase of 7.4% is less than the previously expected one-year increase of 10.2% due largely to lower than anticipated health care premiums. This is based on Table 6 of the July 1, 2017 valuation, which expected the 2017-2018 payment level of \$598.7 million to increase to \$659.5 million in 2018-2019 (as compared to the new expected 2018-2019 amount of \$643.0 million).

**Comparison of
Results to Prior
Valuation
(continued)**

- 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 19.9% overall decrease is lower than expected as a result of the 2018 experience study with a higher discount rate for the prefunding agents and lower-than-expected claims and trend. The PVB represents a longer duration than the AAL. This is why there is a larger decrease of the PVB than the decrease in the AAL from the change in the discount rate and inclusion of the Excise Tax in July 1, 2018.
- The Actuarially Determined Contribution (ADC). The ADC decreased by 18.2% in dollar terms, and decreased by 19.6% as a percentage of payroll. As seen in the Analysis of Change in Exhibit 2, this decrease is primarily due to the higher discount rate in the 2018 experience study and lower-than-expected health care claims and trend.

Milliman July 1, 2018 OPEB Actuarial Valuation
Los Angeles County Employees Retirement Association

Exhibit 4: July 1, 2018 Summary of Liabilities and Cost
(All Dollar Amounts in Millions)

| | July 1, 2018 | July 1, 2017 | Percentage Change |
|--|--------------------|--------------------|-------------------|
| A. Total Membership | | | |
| 1. Active Members | 98,415 | 97,149 | 1.3% |
| 2. Vested Terminated Members | 8,434 | 8,302 | 1.6% |
| 3. Retirees and Survivors (Medical Coverage) | 50,271 | 49,109 | 2.4% |
| 4. Total | <u>157,120</u> | <u>154,560</u> | 1.7% |
| B. Valuation Payroll | \$ 7,880.3 | \$ 7,743.0 | 1.8% |
| C. Projected Paid First-Year Benefits | \$ 643.0 | \$ 598.7 | 7.4% |
| D. Present Value of Future Benefits (PVB) ¹ | \$ 29,697.9 | \$ 40,698.2 | (27.0%) |
| E. Actuarial Accrued Liability by Member Group ¹ | | | |
| 1. LA County Members ² | \$ 20,077.3 | \$ 25,160.9 | (20.2%) |
| 2. Superior Court Members | 912.8 | 1,139.9 | (19.9%) |
| 3. LACERA Members | 61.2 | See footnote 2 | |
| 4. Outside District Members | 15.5 | See footnote 2 | |
| 5. Total | <u>\$ 21,066.8</u> | <u>\$ 26,300.8</u> | (19.9%) |
| F. Actuarial Accrued Liability by Member Status ¹ | | | |
| 1. Active Members | \$ 10,958.9 | \$ 14,660.5 | (25.2%) |
| 2. Vested Terminated Members | 488.6 | 669.0 | (27.0%) |
| 3. Retired Members | 9,619.3 | 10,971.3 | (12.3%) |
| 4. Total | <u>\$ 21,066.8</u> | <u>\$ 26,300.8</u> | (19.9%) |
| G. Actuarial Accrued Liability by Benefit Type ¹ | | | |
| 1. Retiree Medical | \$ 17,042.5 | \$ 21,386.0 | (20.3%) |
| 2. Retiree Dental/Vision | 1,044.0 | 1,247.0 | (16.3%) |
| 3. Medicare Part B | 2,813.2 | 3,461.5 | (18.7%) |
| 4. Retiree Death Benefit | 167.1 | 206.3 | (19.0%) |
| 5. Total | <u>\$ 21,066.8</u> | <u>\$ 26,300.8</u> | (19.9%) |
| H. Assets | \$ 941.0 | \$ 742.9 | 26.7% |
| I. Unfunded Actuarial Accrued Liability | \$ 20,125.8 | \$ 25,557.9 | (21.3%) |
| J. Actuarially Determined Contribution (ADC) ³ | \$ 1,620.2 | \$ 1,979.8 | (18.2%) |
| K. ADC expressed as a percentage of payroll | | | |
| 1. Normal Cost | 8.41% | 12.54% | (32.9%) |
| 2. UAAL payment | 12.15% | 13.03% | (6.8%) |
| 3. Total | <u>20.56%</u> | <u>25.57%</u> | (19.6%) |

¹ Net of Retiree Paid Premiums

² The July 1, 2017 Actuarial Accrued Liability by Member Status for LA County includes LACERA and Outside District members

³ 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, 2018

A. Valuation Methodology



This is a valuation of the retiree medical, dental/vision, and death benefits covering the retired Los Angeles County, Superior Court, LACERA, and Outside District 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 ADC, we were asked to divide the results into the following agents and agent groupings:

- LA County
- Superior Court
- LACERA
- LA County, Superior Court, and LACERA
- LA County, Superior Court, LACERA, and Outside Districts

The tables in this report present the unfunded liabilities, ADC, and projected benefit payments under the Entry Age Normal (EAN) cost method separately for each of the agents and agent groupings identified above. This method is described further in Appendix A.

The tables are as follows:

- Table 1 is a summary of the membership and Actuarial Accrued Liability (AAL).
- Table 2 shows the AAL and Normal Cost (NC) by membership type and benefit.
- Table 3 displays the development of the Actuarially Determined Contribution (ADC).
- Table 4 is the Statement of Changes in Fiduciary Net Position (FNP).
- Table 5 shows the gain/loss detail.
- Table 6 has the projected paid benefits by benefit type.

**Valuation
Methodology
(continued)**

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, 2018 valuation of the LACERA retirement benefit plan. The OPEB demographic and economic assumptions and methods are based on the results of our 2018 OPEB Investigation of Experience, dated June 25, 2019. 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 Health Care Benefits Consultant; Cavanaugh Macdonald, LACERA's reviewing actuary; Cheiron, Los Angeles County's actuary; and Rael & Letson, actuary for SEIU Local 721.

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 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 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 historical statistical information on LACERA's membership, liabilities, assets, and costs. There is also a history of changes.

B. Liabilities and Costs

Key Liability Descriptions

A discussion of GASB Statements No. 74 and 75 is in Section 8, 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).

The PVB is the present value of the future postemployment benefits payable to current active members and retirees. This value is net of future retiree contributions. The PVB is shown in Exhibit 4 above.

The AAL is the most important measure of liability because it is used to derive the Actuarially Determined Contribution (ADC) 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 Entry Age Normal (EAN) actuarial cost method.

Table 1 in each agent's section below shows the membership as of July 1, 2017 and July 1, 2018. The AAL is summarized by member status and coverage (Medical, dental/vision, Medicare Part B, and Death benefit). The AAL summaries are displayed as of July 1, 2018 since this is the first valuation report under an agent structure. In future years, when there are at least two years of valuations under the agent structure there will be two years of AAL summaries.

The AAL is shown in more detail in Table 2 of each agent's section 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 EAN method, the actuarial present value of the projected benefits of each individual is allocated as a level percentage of the individual's projected compensation 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 2 of each agent's section.

**Actuarially
Determined
Contribution**

The ADC 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 ADC, is a calculated amount, and may or may not reflect the actual employer contributions towards funding the OPEB program benefits.

Table 3 of each agent's section details the ADC results as of July 1, 2018, the beginning of the 2018/2019 fiscal year.

**Fiduciary Net
Position**

Table 4 in each agent's section provides the statement of changes in Fiduciary Net Position (FNP) or assets. OPEB Trust and Agency Fund activity is included.

Analysis of Change

Table 5 in each agent's section illustrates the source of change between the July 1, 2017 and the July 1, 2018 valuation. All of the information in this table includes the Excise Tax.

**Estimated Pay-As-
You-Go Costs**

Table 6 in each agent's section projects the estimated annual OPEB benefit pay-as-you-go costs, net of expected retiree paid premiums for the next ten years. The total projected pay-as-you-go costs are shown 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.

**Background on
Accounting
Requirements**

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, LACERA, Superior Court, LACERA and Outside Districts, Statement No. 75 was 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, assumptions and methods are utilized in the separate GASB 75 disclosure report.

**Background on
Accounting
Requirements
(continued)**

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 investment return for the County, Superior Court and LACERA who are prefunding through the OPEB Trust, is the OPEB Trust expected return of 6.00%. The expected return for the Outside Districts is the investment earnings assumption of the County's general funds expected return of 3.69%.

Section 3: County Liabilities and Costs

The following tables show key results of the July 1, 2018 OPEB funding valuation for the County.

- Table 1 is a summary of the membership and Actuarial Accrued Liability (AAL).
- Table 2 shows the AAL and Normal Cost (NC) by membership type and benefit.
- Table 3 displays the development of the Actuarially Determined Contribution (ADC).
- Table 4 is the Statement of Changes in Fiduciary Net Position (FNP).
- Table 5 shows the gain/loss detail.
- Table 6 has the projected paid benefits by benefit type.

**Table 1: Membership and AAL Summary: County
 (All Dollar Amounts in Millions)**

| | July 1, 2018 | July 1, 2017 | Percentage Change |
|---|--------------------|----------------|----------------------|
| 1. Membership | | | |
| Active Members | 93,511 | 92,302 | 1.3% |
| Vested Terminated Members | 7,779 | 7,648 | 1.7% |
| Retirees and Survivors (Death Benefit) | 52,582 | 51,404 | 2.3% |
| Total | <u>153,872</u> | <u>151,354</u> | 1.7% |
| Retirees and Survivors (Medical Coverage) | 47,781 | 46,726 | 2.3% |
| Retirees and Survivors (Dental/Vision Coverage) | 48,907 | 47,742 | 2.4% |
| Retirees and Survivors (Medicare Part B Coverage) | 32,426 | 31,476 | 3.0% |
| 2. AAL Summary - Total Paid Benefits by Member Status | | | |
| Retirees | \$ 9,198.2 | | |
| Vested Terminateds | 433.8 | | |
| Actives | 10,445.3 | | |
| Total | <u>\$ 20,077.3</u> | | |
| 3. AAL Summary - Total Paid Benefits by Coverage | | | |
| Medical | \$ 16,259.4 | | |
| Dental/Vision | 992.4 | | |
| Medicare Part B | 2,667.5 | | |
| Death Benefit | 158.0 | | |
| Total | <u>\$ 20,077.3</u> | | |

Table 2: July 1, 2018 Actuarial Accrued Liability (AAL) and Normal Cost (NC): County
 (All Dollar Amounts in Millions)

| | Medical | Dental | Part B | Death | Total |
|---|--------------------|-------------------|-------------------|-----------------|--------------------|
| 1. AAL - Total Benefits | | | | | |
| Retirees | \$ 8,054.0 | \$ 578.2 | \$ 1,193.3 | \$ 116.8 | \$ 9,942.3 |
| Vested Terminateds | 545.1 | 31.1 | 75.4 | 5.3 | 656.9 |
| Actives | 8,820.4 | 461.8 | 1,398.8 | 35.9 | 10,716.9 |
| Total | \$ 17,419.5 | \$ 1,071.1 | \$ 2,667.5 | \$ 158.0 | \$ 21,316.1 |
| 2. AAL - Retiree Paid Premiums | | | | | |
| Retirees | \$ 693.7 | \$ 50.4 | \$ - | \$ - | \$ 744.1 |
| Vested Terminateds | 210.9 | 12.2 | - | - | 223.1 |
| Actives | 255.5 | 16.1 | - | - | 271.6 |
| Total | \$ 1,160.1 | \$ 78.7 | \$ - | \$ - | \$ 1,238.8 |
| 3. AAL - Agent Paid Benefits (1) - (2) | | | | | |
| Retirees | \$ 7,360.3 | \$ 527.8 | \$ 1,193.3 | \$ 116.8 | \$ 9,198.2 |
| Vested Terminateds | 334.2 | 18.9 | 75.4 | 5.3 | 433.8 |
| Actives | 8,564.9 | 445.7 | 1,398.8 | 35.9 | 10,445.3 |
| Total | \$ 16,259.4 | \$ 992.4 | \$ 2,667.5 | \$ 158.0 | \$ 20,077.3 |
| 4. NC | | | | | |
| Total Benefits | \$ 629.4 | \$ 28.7 | \$ 85.5 | \$ 2.2 | \$ 745.8 |
| Retiree Paid Premiums | 103.2 | 5.2 | - | - | 108.4 |
| Net Agent Paid Benefits | \$ 526.2 | \$ 23.5 | \$ 85.5 | \$ 2.2 | \$ 637.4 |

**Table 3: 2018-2019 Actuarially Determined Contribution (ADC): County
 (All Dollar Amounts in Millions)**

| | County |
|--|-------------|
| 1. Unfunded Actuarial Accrued Liability (UAAL) | |
| Present Value of Benefits (PVB) | \$ 28,383.4 |
| Present Value of Future Normal Cost (PVFNC) | 8,306.1 |
| Actuarial Accrued Liability as of July 1, 2018 | \$ 20,077.3 |
| Fund Balance at July 1, 2018 | 899.4 |
| Unfunded Actuarial Accrued Liability | \$ 19,177.9 |
| 2. Amortization of UAAL (Level % of Pay) | |
| Amortization Period (years) | 30.0 |
| Amortization Factor | 21.027 |
| UAAL Amortization Payment | \$ 912.1 |
| 3. 2018 - 2019 Actuarially Determined Contribution (ADC) on July 1, 2018 | |
| Amortization of UAAL | \$ 912.1 |
| Normal Cost | 637.4 |
| Actuarially Determined Contribution (ADC) (As of July 1, 2018) | \$ 1,549.5 |
| 4. July 1, 2018 Valuation Payroll | \$ 7,518.9 |
| 5. Estimated ADC as a Percentage of Valuation Payroll | 20.61% |

**Table 4: Statement of Changes in Fiduciary Net Position: County
(All Dollar Amounts in Millions)**

| | | |
|-------------------------------------|----|----------------|
| 1. Balance as of July 1, 2017 | \$ | 703.9 |
| 2. Additions: | | |
| Employer Contributions | \$ | 678.1 |
| Investment and Miscellaneous Income | | 75.4 |
| Investment Expenses | | (0.5) |
| Total Additions | \$ | <u>753.0</u> |
| 3. Deductions: | | |
| Administrative Expenses | \$ | (0.1) |
| Benefit Payments | | (557.4) |
| Redemptions | | - |
| Total Deductions | \$ | <u>(557.5)</u> |
| 4. Fund Balance as of June 30, 2018 | \$ | 899.4 |

Includes OPEB Trust activity and Agency Fund employer contributions and benefit payments.

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Table 5: Analysis of Change: County

| Sources of Change | Actuarial Accrued Liability ⁽¹⁾ | (Assets) ⁽¹⁾ | Unfunded Actuarial Accrued Liability ⁽¹⁾ | Normal Cost Rate ⁽²⁾ | ADC Percentage ⁽²⁾ |
|--|--|-------------------------|--|------------------------------------|----------------------------------|
| A. July 1, 2017 Valuation: County⁽³⁾ | \$ 26,418.2 | \$ (703.9) | \$ 25,714.3 | 13.80% | 27.56% |
| 2018 Experience Study Changes | (6,613.9) | - | (6,613.9) | (5.07%) | (6.51%) |
| Expected One-year Change | 1,277.5 | (168.8) | 1,108.7 | 0.09% | (1.75%) |
| B. July 1, 2018 Valuation Expected: County | \$ 21,081.8 | \$ (872.7) | \$ 20,209.1 | 8.82% | 19.30% |
| Claim Cost Experience | (489.5) | - | (489.5) | (0.21%) | (0.52%) |
| Trend Assumption (Gain)/Loss ⁽⁴⁾ | (528.8) | - | (528.8) | (0.22%) | (0.57%) |
| Other Experience (Gain)/Loss | 13.8 | - | 13.8 | 0.09% | 2.41% |
| Asset (Gain)/Loss | - | (26.7) | (26.7) | 0.00% | (0.01%) |
| C. July 1, 2018 Valuation: County | \$ 20,077.3 | \$ (899.4) | \$ 19,177.9 | 8.48% | 20.61% |

(1) In millions of dollars

(2) Expressed as a percentage of payroll

(3) Includes Excise Tax

(4) Includes impact of July 1, 2019 renewals and the Health Insurer Fee

**Table 6: Projected Paid Benefits by Type: County
 (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 Paid Benefits |
|-----------------------|---------------|------------------------|--------------------|---------------|------------------------------------|--|------------------------|
| 6/30/2019 | \$ 546.16 | \$ 47.39 | \$ 65.69 | \$ 8.05 | \$ (48.91) | \$ (4.37) | \$ 614.01 |
| 6/30/2020 | 583.52 | 49.11 | 74.85 | 8.29 | (53.98) | (4.59) | 657.20 |
| 6/30/2021 | 634.13 | 52.40 | 80.43 | 8.52 | (59.56) | (4.95) | 710.97 |
| 6/30/2022 | 685.86 | 55.14 | 86.54 | 8.76 | (65.26) | (5.25) | 765.79 |
| 6/30/2023 | 741.34 | 57.94 | 93.32 | 9.00 | (71.01) | (5.55) | 825.04 |
| 6/30/2024 | 795.76 | 60.85 | 101.52 | 9.24 | (76.58) | (5.85) | 884.94 |
| 6/30/2025 | 854.15 | 63.87 | 110.32 | 9.49 | (82.13) | (6.15) | 949.55 |
| 6/30/2026 | 911.39 | 66.96 | 118.85 | 9.74 | (87.82) | (6.44) | 1,012.68 |
| 6/30/2027 | 975.28 | 70.14 | 128.50 | 9.98 | (93.59) | (6.72) | 1,083.59 |
| 6/30/2028 | 1,041.71 | 73.33 | 139.59 | 10.23 | (99.69) | (7.01) | 1,158.16 |

Projection Basis:
 All assumptions are met
 No future members are reflected

Section 4: Superior Court Liabilities and Costs

The following tables show key results of the July 1, 2018 OPEB funding valuation for Superior Court.

- Table 1 is a summary of the membership and Actuarial Accrued Liability (AAL).
- Table 2 shows the AAL and Normal Cost (NC) by membership type and benefit.
- Table 3 displays the development of the Actuarially Determined Contribution (ADC).
- Table 4 is the Statement of Changes in Fiduciary Net Position (FNP).
- Table 5 shows the gain/loss detail.
- Table 6 has the projected paid benefits by benefit type.

**Table 1: Membership and AAL Summary: Superior Court
 (All Dollar Amounts in Millions)**

| | July 1, 2018 | July 1, 2017 | Percentage Change |
|---|--------------|--------------|----------------------|
| 1. Membership | | | |
| Active Members | 4,514 | 4,471 | 1.0% |
| Vested Terminated Members | 615 | 618 | (0.5%) |
| Retirees and Survivors (Death Benefit) | 2,741 | 2,652 | 3.4% |
| Total | 7,870 | 7,741 | 1.7% |
| Retirees and Survivors (Medical Coverage) | 2,251 | 2,182 | 3.2% |
| Retirees and Survivors (Dental/Vision Coverage) | 2,283 | 2,203 | 3.6% |
| Retirees and Survivors (Medicare Part B Coverage) | 1,515 | 1,448 | 4.6% |
| 2. AAL Summary - Total Paid Benefits by Member Status | | | |
| Retirees | \$ 380.0 | | |
| Vested Terminateds | 52.2 | | |
| Actives | 480.6 | | |
| Total | \$ 912.8 | | |
| 3. AAL Summary - Total Paid Benefits by Coverage | | | |
| Medical | \$ 721.3 | | |
| Dental/Vision | 47.9 | | |
| Medicare Part B | 135.3 | | |
| Death Benefit | 8.3 | | |
| Total | \$ 912.8 | | |

**Table 2: July 1, 2018 Actuarial Accrued Liability (AAL) and Normal Cost (NC): Superior Court
 (All Dollar Amounts in Millions)**

| | Medical | Dental | Part B | Death | Total |
|---|-----------------|----------------|-----------------|---------------|-----------------|
| 1. AAL - Total Benefits | | | | | |
| Retirees | \$ 333.1 | \$ 25.2 | \$ 52.8 | \$ 5.9 | \$ 417.0 |
| Vested Terminateds | 63.1 | 3.4 | 8.4 | 0.4 | 75.3 |
| Actives | 387.6 | 23.8 | 74.1 | 2.0 | 487.5 |
| Total | \$ 783.8 | \$ 52.4 | \$ 135.3 | \$ 8.3 | \$ 979.8 |
| 2. AAL - Retiree Paid Premiums | | | | | |
| Retirees | \$ 34.3 | \$ 2.7 | \$ - | \$ - | \$ 37.0 |
| Vested Terminateds | 21.9 | 1.2 | - | - | 23.1 |
| Actives | 6.3 | 0.6 | - | - | 6.9 |
| Total | \$ 62.5 | \$ 4.5 | \$ - | \$ - | \$ 67.0 |
| 3. AAL - Agent Paid Benefits (1) - (2) | | | | | |
| Retirees | \$ 298.8 | \$ 22.5 | \$ 52.8 | \$ 5.9 | \$ 380.0 |
| Vested Terminateds | 41.2 | 2.2 | 8.4 | 0.4 | 52.2 |
| Actives | 381.3 | 23.2 | 74.1 | 2.0 | 480.6 |
| Total | \$ 721.3 | \$ 47.9 | \$ 135.3 | \$ 8.3 | \$ 912.8 |
| 4. NC | | | | | |
| Total Benefits | \$ 22.1 | \$ 1.2 | \$ 3.6 | \$ 0.1 | \$ 27.0 |
| Retiree Paid Premiums | 3.5 | 0.2 | - | - | 3.7 |
| Net Agent Paid Benefits | \$ 18.6 | \$ 1.0 | \$ 3.6 | \$ 0.1 | \$ 23.3 |

**Table 3: 2018-2019 Actuarially Determined Contribution (ADC): Superior Court
 (All Dollar Amounts in Millions)**

| | <u>Superior Court</u> |
|--|-----------------------|
| 1. Unfunded Actuarial Accrued Liability (UAAL) | |
| Present Value of Benefits (PVB) | \$ 1,205.3 |
| Present Value of Future Normal Cost (PVFNC) | <u>292.5</u> |
| Actuarial Accrued Liability as of July 1, 2018 | \$ 912.8 |
| Fund Balance at July 1, 2018 | <u>38.2</u> |
| Unfunded Actuarial Accrued Liability | \$ 874.6 |
| 2. Amortization of UAAL (Level % of Pay) | |
| Amortization Period (years) | 30.0 |
| Amortization Factor | 21.027 |
| UAAL Amortization Payment | \$ 41.6 |
| 3. 2018 - 2019 Actuarially Determined Contribution (ADC) on July 1, 2018 | |
| Amortization of UAAL | \$ 41.6 |
| Normal Cost | <u>23.3</u> |
| Actuarially Determined Contribution (ADC) (As of July 1, 2018) | \$ 64.9 |
| 4. July 1, 2018 Valuation Payroll | \$ 322.8 |
| 5. Estimated ADC as a Percentage of Valuation Payroll | 20.11% |

**Table 4: Statement of Changes in Fiduciary Net Position: Superior Court
 (All Dollar Amounts in Millions)**

| | | |
|-------------------------------------|----|---------------|
| 1. Balance as of July 1, 2017 | \$ | 36.3 |
| 2. Additions: | | |
| Employer Contributions | \$ | 25.5 |
| Investment and Miscellaneous Income | | 3.6 |
| Investment Expenses | | - |
| Total Additions | \$ | <u>29.1</u> |
| 3. Deductions: | | |
| Administrative Expenses | \$ | - |
| Benefit Payments | | (23.5) |
| Redemptions | | <u>(3.7)</u> |
| Total Deductions | \$ | <u>(27.2)</u> |
| 4. Fund Balance as of June 30, 2018 | \$ | 38.2 |

Includes OPEB Trust activity and Agency Fund employer contributions and benefit payments.

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Table 5: Analysis of Change: Superior Court

| Sources of Change | Actuarial Accrued Liability ⁽¹⁾ | (Assets) ⁽¹⁾ | Unfunded Actuarial Accrued Liability ⁽¹⁾ | Normal Cost Rate ⁽²⁾ | ADC Percentage ⁽²⁾ |
|--|--|-------------------------|--|------------------------------------|----------------------------------|
| A. July 1, 2017 Valuation: Superior Court⁽³⁾ | \$ 1,196.9 | \$ (36.3) | \$ 1,160.6 | 11.40% | 25.17% |
| 2018 Experience Study Changes | (296.6) | - | (296.6) | (4.30%) | (5.71%) |
| Expected One-year Change | 53.7 | (0.5) | 53.2 | 0.05% | (1.77%) |
| B. July 1, 2018 Valuation Expected: Superior Court | \$ 954.1 | \$ (36.8) | \$ 917.3 | 7.15% | 17.69% |
| Claim Cost Experience | (21.2) | - | (21.2) | (0.19%) | (0.49%) |
| Trend Assumption (Gain)/Loss ⁽⁴⁾ | (23.9) | - | (23.9) | (0.18%) | (0.53%) |
| Other Experience (Gain)/Loss | 3.8 | - | 3.8 | 0.44% | 3.47% |
| Asset (Gain)/Loss | - | (1.4) | (1.4) | 0.00% | (0.03%) |
| C. July 1, 2018 Valuation: Superior Court | \$ 912.8 | \$ (38.2) | \$ 874.6 | 7.22% | 20.11% |

(1) In millions of dollars

(2) Expressed as a percentage of payroll

(3) Includes Excise Tax

(4) Includes impact of July 1, 2019 renewals and the Health Insurer Fee

**Table 6: Projected Paid Benefits by Type: Superior Court
 (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 Paid Benefits |
|-----------------------|---------------|------------------------|--------------------|---------------|------------------------------------|--|------------------------|
| 6/30/2019 | \$ 23.50 | \$ 2.11 | \$ 2.95 | \$ 0.40 | \$ (2.55) | \$ (0.24) | \$ 26.17 |
| 6/30/2020 | 24.76 | 2.18 | 3.38 | 0.41 | (2.77) | (0.25) | 27.71 |
| 6/30/2021 | 26.86 | 2.35 | 3.68 | 0.42 | (3.07) | (0.27) | 29.97 |
| 6/30/2022 | 28.92 | 2.49 | 4.00 | 0.43 | (3.32) | (0.29) | 32.23 |
| 6/30/2023 | 31.37 | 2.63 | 4.34 | 0.44 | (3.58) | (0.30) | 34.90 |
| 6/30/2024 | 33.92 | 2.79 | 4.75 | 0.46 | (3.83) | (0.32) | 37.77 |
| 6/30/2025 | 36.59 | 2.95 | 5.20 | 0.47 | (4.06) | (0.33) | 40.82 |
| 6/30/2026 | 39.33 | 3.13 | 5.69 | 0.48 | (4.31) | (0.34) | 43.98 |
| 6/30/2027 | 42.48 | 3.31 | 6.20 | 0.50 | (4.55) | (0.36) | 47.58 |
| 6/30/2028 | 45.77 | 3.50 | 6.83 | 0.51 | (4.84) | (0.37) | 51.40 |

Projection Basis:
 All assumptions are met
 No future members are reflected

Section 5: LACERA Liabilities and Costs

The following tables show key results of the July 1, 2018 OPEB funding valuation for LACERA.

- Table 1 is a summary of the membership and Actuarial Accrued Liability (AAL).
- Table 2 shows the AAL and Normal Cost (NC) by membership type and benefit.
- Table 3 displays the development of the Actuarially Determined Contribution (ADC).
- Table 4 is the Statement of Changes in Fiduciary Net Position (FNP).
- Table 5 shows the gain/loss detail.
- Table 6 has the projected paid benefits by benefit type.

**Table 1: Membership and AAL Summary: LACERA
 (All Dollar Amounts in Millions)**

| | July 1, 2018 | July 1, 2017 | Percentage Change |
|---|----------------|--------------|----------------------|
| 1. Membership | | | |
| Active Members | 382 | 368 | 3.8% |
| Vested Terminated Members | 40 | 36 | 11.1% |
| Retirees and Survivors (Death Benefit) | 162 | 157 | 3.2% |
| Total | <u>584</u> | <u>561</u> | 4.1% |
| Retirees and Survivors (Medical Coverage) | 137 | 130 | 5.4% |
| Retirees and Survivors (Dental/Vision Coverage) | 138 | 130 | 6.2% |
| Retirees and Survivors (Medicare Part B Coverage) | 83 | 79 | 5.1% |
| 2. AAL Summary - Total Paid Benefits by Member Status | | | |
| Retirees | \$ 26.8 | | |
| Vested Terminateds | 2.6 | | |
| Actives | 31.8 | | |
| Total | <u>\$ 61.2</u> | | |
| 3. AAL Summary - Total Paid Benefits by Coverage | | | |
| Medical | \$ 49.4 | | |
| Dental/Vision | 3.0 | | |
| Medicare Part B | 8.4 | | |
| Death Benefit | 0.4 | | |
| Total | <u>\$ 61.2</u> | | |

**Table 2: July 1, 2018 Actuarial Accrued Liability (AAL) and Normal Cost (NC): LACERA
 (All Dollar Amounts in Millions)**

| | Medical | Dental | Part B | Death | Total |
|---|----------------|---------------|---------------|---------------|----------------|
| 1. AAL - Total Benefits | | | | | |
| Retirees | \$ 24.2 | \$ 1.6 | \$ 3.2 | \$ 0.3 | \$ 29.3 |
| Vested Terminateds | 3.2 | 0.2 | 0.4 | - | 3.8 |
| Actives | 26.5 | 1.6 | 4.8 | 0.1 | 33.0 |
| Total | \$ 53.9 | \$ 3.4 | \$ 8.4 | \$ 0.4 | \$ 66.1 |
| 2. AAL - Retiree Paid Premiums | | | | | |
| Retirees | \$ 2.3 | \$ 0.2 | \$ - | \$ - | \$ 2.5 |
| Vested Terminateds | 1.1 | 0.1 | - | - | 1.2 |
| Actives | 1.1 | 0.1 | - | - | 1.2 |
| Total | \$ 4.5 | \$ 0.4 | \$ - | \$ - | \$ 4.9 |
| 3. AAL - Agent Paid Benefits (1) - (2) | | | | | |
| Retirees | \$ 21.9 | \$ 1.4 | \$ 3.2 | \$ 0.3 | \$ 26.8 |
| Vested Terminateds | 2.1 | 0.1 | 0.4 | - | 2.6 |
| Actives | 25.4 | 1.5 | 4.8 | 0.1 | 31.8 |
| Total | \$ 49.4 | \$ 3.0 | \$ 8.4 | \$ 0.4 | \$ 61.2 |
| 4. NC | | | | | |
| Total Benefits | \$ 2.2 | \$ 0.1 | \$ 0.4 | \$ - | \$ 2.7 |
| Retiree Paid Premiums | 0.4 | - | - | - | 0.4 |
| Net Agent Paid Benefits | \$ 1.8 | \$ 0.1 | \$ 0.4 | \$ - | \$ 2.3 |

**Table 3: 2018-2019 Actuarially Determined Contribution (ADC): LACERA
 (All Dollar Amounts in Millions)**

| | LACERA |
|--|---------|
| 1. Unfunded Actuarial Accrued Liability (UAAL) | |
| Present Value of Benefits (PVB) | \$ 92.0 |
| Present Value of Future Normal Cost (PVFNC) | 30.8 |
| Actuarial Accrued Liability as of July 1, 2018 | \$ 61.2 |
| Fund Balance at July 1, 2018 | 3.4 |
| Unfunded Actuarial Accrued Liability | \$ 57.8 |
| 2. Amortization of UAAL (Level % of Pay) | |
| Amortization Period (years) | 30.0 |
| Amortization Factor | 21.027 |
| UAAL Amortization Payment | \$ 2.8 |
| 3. 2018 - 2019 Actuarially Determined Contribution (ADC) on July 1, 2018 | |
| Amortization of UAAL | \$ 2.8 |
| Normal Cost | 2.3 |
| Actuarially Determined Contribution (ADC) (As of July 1, 2018) | \$ 5.1 |
| 4. July 1, 2018 Valuation Payroll | \$ 38.0 |
| 5. Estimated ADC as a Percentage of Valuation Payroll | 13.42% |

Table 4: Statement of Changes in Fiduciary Net Position: LACERA
(All Dollar Amounts in Millions)

| | | |
|-------------------------------------|----|--------------|
| 1. Balance as of July 1, 2017 | \$ | 2.7 |
| 2. Additions: | | |
| Employer Contributions | \$ | 1.9 |
| Investment and Miscellaneous Income | | 0.3 |
| Investment Expenses | | - |
| Total Additions | \$ | <u>2.2</u> |
| 3. Deductions: | | |
| Administrative Expenses | \$ | - |
| Benefit Payments | | (1.5) |
| Redemptions | | - |
| Total Deductions | \$ | <u>(1.5)</u> |
| 4. Fund Balance as of June 30, 2018 | \$ | 3.4 |

Includes OPEB Trust activity and Agency Fund employer contributions and benefit payments.

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Table 5: Analysis of Change: LACERA

| Sources of Change | Actuarial Accrued Liability ⁽¹⁾ | (Assets) ⁽¹⁾ | Unfunded Actuarial Accrued Liability ⁽¹⁾ | Normal Cost Rate ⁽²⁾ | ADC Percentage ⁽²⁾ |
|--|--|-------------------------|--|------------------------------------|----------------------------------|
| A. July 1, 2017 Valuation: LACERA⁽³⁾ | \$ 80.2 | \$ (2.7) | \$ 77.5 | 10.05% | 19.12% |
| 2018 Experience Study Changes | (22.0) | - | (22.0) | (3.32%) | (4.67%) |
| Expected One-year Change | 4.3 | (0.7) | 3.6 | 0.07% | (1.13%) |
| B. July 1, 2018 Valuation Expected: LACERA | \$ 62.5 | \$ (3.4) | \$ 59.1 | 6.80% | 13.32% |
| Claim Cost Experience | (1.5) | - | (1.5) | 0.00% | (0.27%) |
| Trend Assumption (Gain)/Loss ⁽⁴⁾ | (1.6) | - | (1.6) | (0.27%) | (0.26%) |
| Other Experience (Gain)/Loss | 1.8 | - | 1.8 | (0.48%) | 0.63% |
| Asset (Gain)/Loss | - | - | - | 0.00% | 0.00% |
| C. July 1, 2018 Valuation: LACERA | \$ 61.2 | \$ (3.4) | \$ 57.8 | 6.05% | 13.42% |

(1) In millions of dollars

(2) Expressed as a percentage of payroll

(3) Includes Excise Tax

(4) Includes impact of July 1, 2019 renewals and the Health Insurer Fee

**Table 6: Projected Paid Benefits by Type: LACERA
 (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 Paid Benefits |
|-----------------------|------------------|------------------------|--------------------|---------------|------------------------------------|--|------------------------|
| 6/30/2019 | \$ 1.65 | \$ 0.13 | \$ 0.17 | \$ 0.02 | \$ (0.17) | \$ (0.01) | \$ 1.79 |
| 6/30/2020 | 1.74 | 0.14 | 0.20 | 0.02 | (0.19) | (0.01) | 1.90 |
| 6/30/2021 | 1.91 | 0.15 | 0.22 | 0.02 | (0.21) | (0.02) | 2.07 |
| 6/30/2022 | 2.10 | 0.16 | 0.24 | 0.02 | (0.24) | (0.02) | 2.26 |
| 6/30/2023 | 2.24 | 0.17 | 0.27 | 0.02 | (0.27) | (0.02) | 2.41 |
| 6/30/2024 | 2.42 | 0.18 | 0.29 | 0.03 | (0.30) | (0.02) | 2.60 |
| 6/30/2025 | 2.56 | 0.19 | 0.33 | 0.03 | (0.32) | (0.02) | 2.77 |
| 6/30/2026 | 2.78 | 0.20 | 0.36 | 0.03 | (0.35) | (0.02) | 3.00 |
| 6/30/2027 | 2.99 | 0.22 | 0.39 | 0.03 | (0.38) | (0.03) | 3.22 |
| 6/30/2028 | 3.24 | 0.23 | 0.43 | 0.03 | (0.41) | (0.03) | 3.49 |

Projection Basis:
 All assumptions are met
 No future members are reflected

Section 6: County, Superior Court, and LACERA Liabilities and Costs

The following tables show key results of the July 1, 2018 OPEB funding valuation for the County, Superior Court, and LACERA.

- Table 1 is a summary of the membership and Actuarial Accrued Liability (AAL).
- Table 2 shows the AAL and Normal Cost (NC) by membership type and benefit.
- Table 3 displays the development of the Actuarially Determined Contribution (ADC).
- Table 4 is the Statement of Changes in Fiduciary Net Position (FNP).
- Table 5 shows the gain/loss detail.
- Table 6 has the projected paid benefits by benefit type.

**Table 1: Membership and AAL Summary: County, Superior Court, and LACERA
 (All Dollar Amounts in Millions)**

| | July 1, 2018 | July 1, 2017 | Percentage Change |
|---|--------------------|----------------|----------------------|
| 1. Membership | | | |
| Active Members | 98,407 | 97,141 | 1.3% |
| Vested Terminated Members | 8,434 | 8,302 | 1.6% |
| Retirees and Survivors (Death Benefit) | 55,485 | 54,213 | 2.3% |
| Total | <u>162,326</u> | <u>159,656</u> | 1.7% |
| Retirees and Survivors (Medical Coverage) | 50,169 | 49,038 | 2.3% |
| Retirees and Survivors (Dental/Vision Coverage) | 51,328 | 50,075 | 2.5% |
| Retirees and Survivors (Medicare Part B Coverage) | 34,024 | 33,003 | 3.1% |
| 2. AAL Summary - Total Paid Benefits by Member Status | | | |
| Retirees | \$ 9,605.0 | | |
| Vested Terminateds | 488.6 | | |
| Actives | 10,957.7 | | |
| Total | <u>\$ 21,051.3</u> | | |
| 3. AAL Summary - Total Paid Benefits by Coverage | | | |
| Medical | \$ 17,030.1 | | |
| Dental/Vision | 1,043.3 | | |
| Medicare Part B | 2,811.2 | | |
| Death Benefit | 166.7 | | |
| Total | <u>\$ 21,051.3</u> | | |

**Table 2: July 1, 2018 Actuarial Accrued Liability (AAL) and Normal Cost (NC): County, Superior Court, and LACERA
 (All Dollar Amounts in Millions)**

| | Medical | Dental | Part B | Death | Total |
|---|--------------------|-------------------|-------------------|-----------------|--------------------|
| 1. AAL - Total Benefits | | | | | |
| Retirees | \$ 8,411.3 | \$ 605.0 | \$ 1,249.3 | \$ 123.0 | \$ 10,388.6 |
| Vested Terminateds | 611.4 | 34.7 | 84.2 | 5.7 | 736.0 |
| Actives | 9,234.5 | 487.2 | 1,477.7 | 38.0 | 11,237.4 |
| Total | \$ 18,257.2 | \$ 1,126.9 | \$ 2,811.2 | \$ 166.7 | \$ 22,362.0 |
| 2. AAL - Retiree Paid Premiums | | | | | |
| Retirees | \$ 730.3 | \$ 53.3 | \$ - | \$ - | \$ 783.6 |
| Vested Terminateds | 233.9 | 13.5 | - | - | 247.4 |
| Actives | 262.9 | 16.8 | - | - | 279.7 |
| Total | \$ 1,227.1 | \$ 83.6 | \$ - | \$ - | \$ 1,310.7 |
| 3. AAL - Agent Paid Benefits (1) - (2) | | | | | |
| Retirees | \$ 7,681.0 | \$ 551.7 | \$ 1,249.3 | \$ 123.0 | \$ 9,605.0 |
| Vested Terminateds | 377.5 | 21.2 | 84.2 | 5.7 | 488.6 |
| Actives | 8,971.6 | 470.4 | 1,477.7 | 38.0 | 10,957.7 |
| Total | \$ 17,030.1 | \$ 1,043.3 | \$ 2,811.2 | \$ 166.7 | \$ 21,051.3 |
| 4. NC | | | | | |
| Total Benefits | \$ 653.7 | \$ 30.0 | \$ 89.5 | \$ 2.3 | \$ 775.5 |
| Retiree Paid Premiums | 107.1 | 5.4 | - | - | 112.5 |
| Net Agent Paid Benefits | \$ 546.6 | \$ 24.6 | \$ 89.5 | \$ 2.3 | \$ 663.0 |

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Table 3: 2018-2019 Actuarially Determined Contribution (ADC): County, Superior Court, and LACERA Subtotal
(All Dollar Amounts in Millions)

| | <u>County, Superior Court, and LACERA Subtotal</u> |
|--|--|
| 1. Unfunded Actuarial Accrued Liability (UAAL) | |
| Present Value of Benefits (PVB) | \$ 29,680.7 |
| Present Value of Future Normal Cost (PVFNC) | <u>8,629.4</u> |
| Actuarial Accrued Liability as of July 1, 2018 | \$ 21,051.3 |
| Fund Balance at July 1, 2018 | <u>941.0</u> |
| Unfunded Actuarial Accrued Liability | \$ 20,110.3 |
| 2. Amortization of UAAL (Level % of Pay) | |
| Amortization Period (years) | 30.0 |
| Amortization Factor | 21.025 |
| UAAL Amortization Payment | \$ 956.5 |
| 3. 2018 - 2019 Actuarially Determined Contribution (ADC) on July 1, 2018 | |
| Amortization of UAAL | \$ 956.5 |
| Normal Cost | <u>663.0</u> |
| Actuarially Determined Contribution (ADC) (As of July 1, 2018) | \$ 1,619.5 |
| 4. July 1, 2018 Valuation Payroll | \$ 7,879.7 |
| 5. Estimated ADC as a Percentage of Valuation Payroll | 20.55% |

**Table 4: Statement of Changes in Fiduciary Net Position: County, Superior Court, and LACERA
(All Dollar Amounts in Millions)**

| | | |
|-------------------------------------|----|---------|
| 1. Balance as of July 1, 2017 | \$ | 742.9 |
| 2. Additions: | | |
| Employer Contributions | \$ | 705.7 |
| Investment and Miscellaneous Income | | 79.2 |
| Investment Expenses | | (0.5) |
| Total Additions | \$ | 784.4 |
| 3. Deductions: | | |
| Administrative Expenses | \$ | (0.2) |
| Benefit Payments | | (582.4) |
| Redemptions | | (3.7) |
| Total Deductions | \$ | (586.3) |
| 4. Fund Balance as of June 30, 2018 | \$ | 941.0 |

Includes OPEB Trust activity and Agency Fund employer contributions and benefit payments.

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Table 5: Analysis of Change: County, Superior Court, and LACERA

| Sources of Change | Actuarial Accrued Liability ⁽¹⁾ | (Assets) ⁽¹⁾ | Unfunded Actuarial Accrued Liability ⁽¹⁾ | Normal Cost Rate ⁽²⁾ | ADC Percentage ⁽²⁾ |
|--|--|-------------------------|--|------------------------------------|----------------------------------|
| A. July 1, 2017 Valuation: County, Superior Court, LACERA⁽³⁾ | \$ 27,695.3 | \$ (742.9) | \$ 26,952.4 | 13.68% | 27.42% |
| 2018 Experience Study Changes | (6,932.5) | - | (6,932.5) | (5.03%) | (6.47%) |
| Expected One-year Change | 1,335.6 | (170.0) | 1,165.6 | 0.09% | (1.75%) |
| B. July 1, 2018 Valuation Expected: County, Superior Court, LACERA | \$ 22,098.4 | \$ (912.9) | \$ 21,185.5 | 8.74% | 19.20% |
| Claim Cost Experience | (512.2) | - | (512.2) | (0.21%) | (0.52%) |
| Trend Assumption (Gain)/Loss ⁽⁴⁾ | (554.3) | - | (554.3) | (0.23%) | (0.56%) |
| Other Experience (Gain)/Loss | 19.4 | - | 19.4 | 0.11% | 2.45% |
| Asset (Gain)/Loss | - | (28.1) | (28.1) | 0.00% | (0.02%) |
| C. July 1, 2018 Valuation: County, Superior Court, LACERA | \$ 21,051.3 | \$ (941.0) | \$ 20,110.3 | 8.41% | 20.55% |

(1) In millions of dollars

(2) Expressed as a percentage of payroll

(3) Includes Excise Tax

(4) Includes impact of July 1, 2019 renewals and the Health Insurer Fee

**Table 6: Projected Paid Benefits by Type: County, Superior Court, and LACERA
 (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 Paid Benefits |
|-----------------------|---------------|------------------------|--------------------|---------------|------------------------------------|--|------------------------|
| 6/30/2019 | \$ 571.32 | \$ 49.63 | \$ 68.81 | \$ 8.47 | \$ (51.64) | \$ (4.62) | \$ 641.97 |
| 6/30/2020 | 610.03 | 51.43 | 78.42 | 8.72 | (56.94) | (4.85) | 686.81 |
| 6/30/2021 | 662.90 | 54.90 | 84.33 | 8.96 | (62.84) | (5.24) | 743.01 |
| 6/30/2022 | 716.88 | 57.78 | 90.78 | 9.21 | (68.81) | (5.56) | 800.28 |
| 6/30/2023 | 774.96 | 60.74 | 97.92 | 9.47 | (74.86) | (5.88) | 862.35 |
| 6/30/2024 | 832.10 | 63.82 | 106.56 | 9.72 | (80.70) | (6.19) | 925.31 |
| 6/30/2025 | 893.31 | 67.02 | 115.85 | 9.98 | (86.52) | (6.50) | 993.14 |
| 6/30/2026 | 953.52 | 70.29 | 124.89 | 10.25 | (92.48) | (6.81) | 1,059.66 |
| 6/30/2027 | 1,020.74 | 73.67 | 135.10 | 10.51 | (98.52) | (7.11) | 1,134.39 |
| 6/30/2028 | 1,090.71 | 77.06 | 146.85 | 10.78 | (104.94) | (7.41) | 1,213.05 |

Projection Basis:
 All assumptions are met
 No future members are reflected

Section 7: Total of All Agents Liabilities and Costs

The following tables show key results of the July 1, 2018 OPEB funding valuation for the all agents combined.

- Table 1 is a summary of the membership and Actuarial Accrued Liability (AAL).
- Table 2 shows the AAL and Normal Cost (NC) by membership type and benefit.
- Table 3 displays the development of the Actuarially Determined Contribution (ADC).
- Table 4 is the Statement of Changes in Fiduciary Net Position (FNP).
- Table 5 shows the gain/loss detail.
- Table 6 has the projected paid benefits by benefit type.

The following agents are included in this section:

- County
- Superior Court
- LACERA
- South Coast Air Quality Management District (SCAQMD)
- Los Angeles County Office of Education (LACOE)
- Local Agency Formation Commission (LAFCO)
- Little Lake Cemetery District (LLCD)

**Table 1: Membership and AAL Summary: Total
 (All Dollar Amounts in Millions)**

| | July 1, 2018 | July 1, 2017 | Percentage Change |
|---|--------------------|----------------|----------------------|
| 1. Membership | | | |
| Active Members | 98,415 | 97,149 | 1.3% |
| Vested Terminated Members | 8,434 | 8,302 | 1.6% |
| Retirees and Survivors (Death Benefit) | 55,602 | 54,279 | 2.4% |
| Total | <u>162,451</u> | <u>159,730</u> | 1.7% |
| Retirees and Survivors (Medical Coverage) | 50,271 | 49,109 | 2.4% |
| Retirees and Survivors (Dental/Vision Coverage) | 51,422 | 50,141 | 2.6% |
| Retirees and Survivors (Medicare Part B Coverage) | 34,094 | 33,051 | 3.2% |
| 2. AAL Summary - Total Paid Benefits by Member Status | | | |
| Retirees | \$ 9,619.3 | | |
| Vested Terminateds | 488.6 | | |
| Actives | 10,958.9 | | |
| Total | <u>\$ 21,066.8</u> | | |
| 3. AAL Summary - Total Paid Benefits by Coverage | | | |
| Medical | \$ 17,042.5 | | |
| Dental/Vision | 1,044.0 | | |
| Medicare Part B | 2,813.2 | | |
| Death Benefit | 167.1 | | |
| Total | <u>\$ 21,066.8</u> | | |

**Table 2: July 1, 2018 Actuarial Accrued Liability (AAL) and Normal Cost (NC): Total
 (All Dollar Amounts in Millions)**

| | Medical | Dental | Part B | Death | Total |
|---|--------------------|-------------------|-------------------|-----------------|--------------------|
| 1. AAL - Total Benefits | | | | | |
| Retirees | \$ 8,427.1 | \$ 605.9 | \$ 1,251.1 | \$ 123.4 | \$ 10,407.5 |
| Vested Terminateds | 611.4 | 34.7 | 84.2 | 5.7 | 736.0 |
| Actives | 9,235.5 | 487.2 | 1,477.9 | 38.0 | 11,238.6 |
| Total | \$ 18,274.0 | \$ 1,127.8 | \$ 2,813.2 | \$ 167.1 | \$ 22,382.1 |
| 2. AAL - Retiree Paid Premiums | | | | | |
| Retirees | \$ 734.7 | \$ 53.5 | \$ - | \$ - | \$ 788.2 |
| Vested Terminateds | 233.9 | 13.5 | - | - | 247.4 |
| Actives | 262.9 | 16.8 | - | - | 279.7 |
| Total | \$ 1,231.5 | \$ 83.8 | \$ - | \$ - | \$ 1,315.3 |
| 3. AAL - Agent Paid Benefits (1) - (2) | | | | | |
| Retirees | \$ 7,692.4 | \$ 552.4 | \$ 1,251.1 | \$ 123.4 | \$ 9,619.3 |
| Vested Terminateds | 377.5 | 21.2 | 84.2 | 5.7 | 488.6 |
| Actives | 8,972.6 | 470.4 | 1,477.9 | 38.0 | 10,958.9 |
| Total | \$ 17,042.5 | \$ 1,044.0 | \$ 2,813.2 | \$ 167.1 | \$ 21,066.8 |
| 4. NC | | | | | |
| Total Benefits | \$ 653.8 | \$ 30.0 | \$ 89.5 | \$ 2.3 | \$ 775.6 |
| Retiree Paid Premiums | 107.1 | 5.4 | - | - | 112.5 |
| Net Agent Paid Benefits | \$ 546.7 | \$ 24.6 | \$ 89.5 | \$ 2.3 | \$ 663.1 |

**Table 3: 2018-2019 Actuarially Determined Contribution (ADC): Total
 (All Dollar Amounts in Millions)**

| | Total |
|--|-------------|
| 1. Unfunded Actuarial Accrued Liability (UAAL) | |
| Present Value of Benefits (PVB) | \$ 29,697.9 |
| Present Value of Future Normal Cost (PVFNC) | 8,631.1 |
| Actuarial Accrued Liability as of July 1, 2018 | \$ 21,066.8 |
| Fund Balance at July 1, 2018 | 941.0 |
| Unfunded Actuarial Accrued Liability | \$ 20,125.8 |
| 2. Amortization of UAAL (Level % of Pay) | |
| Amortization Period (years) | 30.0 |
| Amortization Factor | 21.028 |
| UAAL Amortization Payment | \$ 957.1 |
| 3. 2018 - 2019 Actuarially Determined Contribution (ADC) on July 1, 2018 | |
| Amortization of UAAL | \$ 957.1 |
| Normal Cost | 663.1 |
| Actuarially Determined Contribution (ADC) (As of July 1, 2018) | \$ 1,620.2 |
| 4. July 1, 2018 Valuation Payroll | \$ 7,880.3 |
| 5. Estimated ADC as a Percentage of Valuation Payroll | 20.56% |

**Table 4: Statement of Changes in Fiduciary Net Position: Total
(All Dollar Amounts in Millions)**

| | | |
|-------------------------------------|----|----------------|
| 1. Balance as of July 1, 2017 | \$ | 742.9 |
| 2. Additions: | | |
| Employer Contributions | \$ | 706.7 |
| Investment and Miscellaneous Income | | 79.2 |
| Investment Expenses | | (0.5) |
| Total Additions | \$ | <u>785.4</u> |
| 3. Deductions: | | |
| Administrative Expenses | \$ | (0.2) |
| Benefit Payments | | (583.4) |
| Redemptions | | (3.7) |
| Total Deductions | \$ | <u>(587.3)</u> |
| 4. Fund Balance as of June 30, 2018 | \$ | 941.0 |

Includes OPEB Trust activity and Agency Fund employer contributions and benefit payments.

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Table 5: Analysis of Change: Total

| Sources of Change | Actuarial Accrued Liability ⁽¹⁾ | (Assets) ⁽¹⁾ | Unfunded Actuarial Accrued Liability ⁽¹⁾ | Normal Cost Rate ⁽²⁾ | ADC Percentage ⁽²⁾ |
|--|--|-------------------------|--|------------------------------------|----------------------------------|
| A. July 1, 2017 Valuation: Total ⁽³⁾ | \$ 27,707.7 | \$ (742.9) | \$ 26,964.8 | 13.68% | 27.42% |
| 2018 Experience Study Changes | (6,936.2) | - | (6,936.2) | (5.03%) | (6.47%) |
| Expected One-year Change | 1,340.4 | (170.0) | 1,170.4 | 0.09% | (1.74%) |
| B. July 1, 2018 Valuation Expected: Total | \$ 22,111.9 | \$ (912.9) | \$ 21,199.0 | 8.74% | 19.21% |
| Claim Cost Experience | (512.8) | - | (512.8) | (0.21%) | (0.51%) |
| Trend Assumption (Gain)/Loss ⁽⁴⁾ | (554.5) | - | (554.5) | (0.23%) | (0.56%) |
| Other Experience (Gain)/Loss | 22.2 | - | 22.2 | 0.11% | 2.44% |
| Asset (Gain)/Loss | - | (28.1) | (28.1) | 0.00% | (0.02%) |
| C. July 1, 2018 Valuation: Total | \$ 21,066.8 | \$ (941.0) | \$ 20,125.8 | 8.41% | 20.56% |

(1) In millions of dollars

(2) Expressed as a percentage of payroll

(3) Includes Excise Tax

(4) Includes impact of July 1, 2019 renewals and the Health Insurer Fee

**Table 6: Projected Paid Benefits by Type: Total
 (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 Paid Benefits |
|-----------------------|---------------|------------------------|--------------------|---------------|------------------------------------|--|------------------------|
| 6/30/2019 | \$ 572.32 | \$ 49.72 | \$ 68.95 | \$ 8.51 | \$ (51.89) | \$ (4.64) | \$ 642.97 |
| 6/30/2020 | 611.02 | 51.50 | 78.56 | 8.75 | (57.19) | (4.87) | 687.77 |
| 6/30/2021 | 663.86 | 54.97 | 84.46 | 9.00 | (63.08) | (5.26) | 743.95 |
| 6/30/2022 | 717.84 | 57.85 | 90.91 | 9.25 | (69.06) | (5.58) | 801.21 |
| 6/30/2023 | 775.89 | 60.81 | 98.05 | 9.50 | (75.11) | (5.89) | 863.25 |
| 6/30/2024 | 833.01 | 63.89 | 106.69 | 9.75 | (80.95) | (6.21) | 926.18 |
| 6/30/2025 | 894.18 | 67.08 | 115.98 | 10.01 | (86.76) | (6.52) | 993.97 |
| 6/30/2026 | 954.38 | 70.35 | 125.01 | 10.27 | (92.72) | (6.82) | 1,060.47 |
| 6/30/2027 | 1,021.58 | 73.72 | 135.22 | 10.54 | (98.76) | (7.12) | 1,135.18 |
| 6/30/2028 | 1,091.52 | 77.12 | 146.97 | 10.80 | (105.17) | (7.42) | 1,213.82 |

Projection Basis:
 All assumptions are met
 No future members are reflected

Section 8: CAFR Information

**Los Angeles County Other Post Employment Benefits Program
 Schedule of Funding Progress**

(Dollars in Thousands)

| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liabilities | Unfunded Actuarial Accrued Liabilities (UAAL) | Funded Ratio | Covered Employee Payroll | UAAL As A Percentage of Covered Employee Payroll |
|-----------------------|----------------------------------|--------------------------------------|--|---------------------|---------------------------------|---|
| July 1, 2014 | \$483,800 | \$28,546,600 | \$28,062,800 | 1.7% | N/A | N/A |
| July 1, 2016 | 560,800 | 25,912,600 | 25,351,800 | 2.2% | N/A | N/A |
| July 1, 2017 | 742,900 | 26,300,800 | 25,557,900 | 2.8% | 8,544,140 | 299.1% |
| July 1, 2018 | 941,010 | 21,066,800 | 20,125,790 | 4.5% | 8,954,417 | 224.8% |

**Los Angeles County Other Post Employment Benefits Program
 Demographic Activity of Retired Members and Beneficiaries (Retiree Medical Plan)**

(Dollars in Thousands)

| <u>Valuation Date</u> | <u>Added to Rolls</u> | | <u>Removed From Rolls</u> | | <u>Rolls at End of Year</u> | | <u>Percentage Increase in Retiree Allowance</u> | <u>Average Annual Allowance</u> |
|-----------------------|-----------------------|-------------------------|---------------------------|-------------------------|-----------------------------|-------------------------|---|---------------------------------|
| | <u>Member Count</u> | <u>Annual Allowance</u> | <u>Member Count</u> | <u>Annual Allowance</u> | <u>Member Count</u> | <u>Annual Allowance</u> | | |
| 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 |
| July 1, 2018 | 3,028 | 61,697 | (1,977) | (20,530) | 52,805 | 619,753 | 7.12% | 11,737 |

Los Angeles County Other Post Employment Benefits Program
Actuarial Analysis of Financial Experience - OPEB Program
 (Dollars in Millions)

| | Valuation as of July 1 | | | |
|---|-------------------------------|--------------------|--------------------|--------------------|
| | <u>2014</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| Prior Valuation Unfunded Actuarial Accrued Liability | \$ 26,953 | \$ 28,063 | \$ 25,352 | \$ 25,558 |
| Expected Increase (Decrease) from Prior Valuation | 3,873 | 3,240 | 1,462 | 1,170 |
| Claim Costs Greater (Less) than Expected ¹ | (5,471) | (2,322) | (1,213) | (1,067) |
| Change in Assumptions ² | 3,238 | (3,385) | - | (6,936) |
| Change in Assets | (484) | 78 | (54) | (28) |
| All Other Experience ³ | (46) | (322) | 11 | 1,429 |
| Ending Unfunded Actuarial Accrued Liability | \$ 28,063 | \$ 25,352 | \$ 25,558 | \$ 20,126 |

¹ This amount Includes the trend assumption change.

² In 2016, this amount includes the impact from Tier 2.

³ In 2018, this amount is mostly the impact of the Excise Tax.

**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 | Retirees and Beneficiaries ¹ | Active Members (Employer Financed Portion) | | | (A) | (B) | (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% | |
| July 1, 2018 | - | 10,108 | 10,959 | 941 | N/A | 9% | 0% | |

¹ Includes vested former members.

Discussion of the Transition from Cost Sharing to Agent

There are two types of plans: Cost Sharing and Agent. LACERA began funding and accounting reporting under a Cost Sharing plan in 2006. In the cost sharing structure, there is no attribution of liabilities, costs, and assets to individual employers for funding purposes. This was appropriate while the employers were not prefunding.

An OPEB Trust was established so that the County, Superior Court, and LACERA could prefund the OPEB costs. Separate accounts are maintained for each employer. This OPEB Trust meets the three GASB requirements:

1. Contributions are irrevocable
2. Assets are dedicated to retiree benefits
3. Assets are legally protected from creditors

Each employer may have a different prefunding schedule where employers could prefund different amounts at different times. To ensure assets are designated to each employer's costs and liabilities, the decision was made to change from a cost sharing structure to an agent structure. Under this arrangement the assets are partitioned according to each employer's funding actions.

The Transition timeline is as follows where the GASB Disclosure dates are the reporting dates:

| <u>LACERA OPEB Report</u> | <u>Last Year with Cost Sharing Structure</u> | <u>First Year with Agent Structure</u> |
|---------------------------|--|--|
| Funding Valuation | July 1, 2017 | July 1, 2018 |
| GASB 74 Disclosure Report | June 30, 2018 | N/A |
| GASB 75 Disclosure Report | June 30, 2019 | June 30, 2020 |

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 prepared LACERA's first GASB 74 disclosure report issued on September 27, 2017 and was 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 was based on the July 1, 2017 OPEB valuation, measurement date of June 30, 2018 and reporting date of June 30, 2018. Due to the change from cost sharing to agent, the GASB 74 report with a reporting date of June 30, 2019 and thereafter will no longer include actuarial information. LACERA has determined an actuarial GASB 74 report under an agent structure is not necessary.

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 was 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 basis for the second GASB 75 disclosure report is the July 1, 2017 OPEB valuation with a measurement date of June 30, 2018 and a reporting date of June 30, 2019. This valuation will be the basis for the third GASB 75 disclosure report with a measurement date of June 30, 2018 and a reporting date of June 30, 2019. The third GASB 75 disclosure report will be the first time reporting under an agent structure.

Some of the highlights of the 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 ADC because there will be faster recognition of OPEB expenses.
- The discount rate development will be based on a blended rate equivalent of the long-term expected rate of return on assets and a 20-year tax-exempt municipal bond yield or index rate.
- The Entry Age Normal actuarial cost method is required.

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. These assumptions are consistent with the June 30, 2018 retirement funding valuation. The investment earnings assumption is OPEB specific. For agents that are prefunding into LACERA's OPEB Trust, the expected return of the assets of the OPEB trust is 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. For agents that are not prefunding into LACERA's OPEB Trust, we use the expected return from the County's general assets. The OPEB specific assumptions other than premiums, claim costs, and aging were approved and changed as a result of the 2018 OPEB Investigation of Experience Study. The premiums, claim costs, aging, and trend updated with the 2019-2020 renewals for this July 1, 2018 OPEB funding valuation report are updated in this Appendix A.

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

Table A-1 summarizes the assumptions. The general wage increase, inflation, and retirement specific demographic assumptions were developed in the 2016 retirement experience study. Nearly all of the OPEB specific demographic and investment earnings assumptions were developed in the 2018 OPEB experience study report. The claim costs and health cost trend assumptions with the 2019-2020 renewals were updated for this July 1, 2018 OPEB funding valuation.

Tables A-2 and A-3 show how members are expected to leave retired status due to death. These were developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study.

Retirement Benefit Assumptions



Table A-4 presents the probability of refund of retirement benefit contributions upon termination of employment while vested. These were developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study.

Table A-5 presents the general wage increase of 3.25% per annum. This was developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study.

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.

OPEB Assumptions

Tables A-14 to A-19 present enrollment assumptions. These were developed from the 2018 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, 2018 premium and claim information.

Table A-22 presents the health cost trend rates for the July 1, 2018 OPEB valuation. These rates reflect the final July 1, 2019 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 2018 OPEB Investigation of Experience study.

Actuarial Cost Method

OPEB valuations prior to July 1, 2018 have been 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.

Effective with the July 1, 2018 OPEB funding valuation, the Entry Age Normal (EAN) actuarial cost method is being used. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred between plans, entry age is based on original entry into the system.

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, 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, Segal, and Meketa Investment Group and was accepted for valuation purposes without audit.

Growth in Membership

For benefit determination purposes, no growth in the 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.

Valuation of Assets

The asset valuation method is market value.

Investment Earnings and Expenses

The investment earnings assumption for agents that are prefunding through the OPEB Trust is the OPEB Trust expected return of 6.00%. The investment earnings assumption for agents that are not prefunding through the OPEB Trust is the County's general funds expected return of 3.69%.

The change from cost sharing to agent begins with the July 1, 2018 OPEB funding valuation. The investment earnings assumption approach for this funding valuation is intended to reflect the earnings associated with each agent. The separate GASB 75 disclosure report, which is different from this funding valuation, follows a prescribed discount rate for accounting disclosures.

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, 2019 renewals and the impact from the 2019 calendar year moratorium of the Health Insurer Fee under the ACA. The trends in Table A-22 include the Excise tax under the ACA. These rates were adopted July 1, 2018.

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, 2018, 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 2018 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 coverage tier selection upon retirement for Tier 1 | Table A-15A |
| Probability of medical plan and coverage tier selection upon retirement for Tier 2 | Table A-15B |
| Probability of medical plan and coverage tier selection for Pre 65 retirees who become eligible for a Post 65 Plan | Table A-16 |
| Probability of survivor and new dependent enrollment | Table A-17 |

| | | |
|---|---|------------|
| Retiree Medical and Dental/Vision Eligibility and Enrollment Assumptions (cont.) | Probability of dental/vision enrollment upon retirement | Table A-18 |
| | Probability of dental/vision plan and coverage 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, 2018

| | | |
|-----|---|------------------------|
| I. | Economic Assumptions | |
| A. | General wage increases | 3.25% |
| B1. | Investment earnings (prefunding in OPEB Trust) | 6.00% |
| B2. | Investment earnings (no prefunding in OPEB Trust) | 3.69% |
| C | Growth in membership | 0.00% |
| D. | CPI inflation assumption | 2.75% |
| E. | Medical cost trend | Table A-22 |
| F. | Dental and vision cost trend | Table A-22 |
| II. | Demographic Assumptions | |
| A. | Salary increases due to Service | Table A-5 |
| B. | Retirement | Tables A-6 to A-13 |
| C. | Disability | Tables A-6 to A-13 |
| D. | Mortality during active employment | Tables A-6 to A-13 |
| E. | Mortality for active members after termination and service retired members. | Table A-2 |
| | Basis – RP-2014 Healthy Annuitant Mortality Table for respective genders with 100% of MP-2014 Ultimate Projection Scale: | |
| | <u>Class of Members</u> | <u>Adjustment</u> |
| | General – males | 105% of rates |
| | General – females | 100% of rates |
| | Safety – males | 95% of rates |
| | Safety – females | 100% of rates |
| F. | Mortality among disabled members | Table A-3 |
| | Basis – Average of RP-2014 Healthy Annuitant (multiplied by 105% for males) and Disabled Mortality Tables for respective genders, with 100% of MP-2014 Ultimate Projection Scale: | |
| | General – males | 100% of Disabled Rates |
| | General – females | 100% of Disabled Rates |
| | Basis – RP-2014 Healthy Mortality Table, for respective genders with 100% of MP-2014 Ultimate Projection Scale: | |
| | Safety – males | 100% of rates |
| | Safety – females | 100% of rates |

| | | |
|------|--|---------------------|
| G. | Mortality for Beneficiaries 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 two years younger than their male spouses. Assumption adopted July 1, 2018. | |
| 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 Coverage 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 Coverage 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 Coverage Tier Selection Upon Retirement | Table A-19 |
| IV. | Premium and Claim Cost Analysis | Tables A-20 to A-21 |
| V. | Medical and Dental/Vision Trend | Table A-22 |
| VI. | Retirement of Vested Terminated Members | Table A-23 |

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

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

Annual Projected Mortality Improvement

| Age | All Groups |
|-----------|------------|
| 65 & Less | 1.000% |
| 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

Payroll is assumed to increase with the general wage increase of 3.25% per annum in addition to individual annual increases from promotion and longevity. The promotion and longevity increases shown in the table below are combined with the general wage increase on a compound basis, and are used for the Entry Age Normal cost method.

General wage increases and individual salary increases due to promotion and longevity do not affect the amount of the OPEB program's benefits.

| Years of Service | General | Safety |
|-------------------------|----------------|---------------|
| <1 | 6.00% | 8.00% |
| 1 | 5.25% | 7.00% |
| 2 | 4.50% | 6.00% |
| 3 | 3.75% | 4.00% |
| 4 | 3.00% | 3.00% |
| 5 | 2.50% | 2.50% |
| 6 | 2.00% | 2.00% |
| 7 | 1.75% | 1.75% |
| 8 | 1.50% | 1.50% |
| 9 | 1.30% | 1.30% |
| 10 | 1.15% | 1.15% |
| 11 | 1.00% | 1.00% |
| 12 | 0.85% | 0.85% |
| 13 | 0.70% | 0.70% |
| 14 | 0.60% | 0.60% |
| 15 | 0.50% | 0.50% |
| 16 | 0.40% | 0.50% |
| 17 | 0.35% | 0.50% |
| 18 | 0.30% | 0.50% |
| 19 | 0.25% | 0.50% |
| 20 or More | 0.25% | 0.50% |

**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 |



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

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

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

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



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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 | | |



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**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 | | |

Table A-14: Probability of Initial Medical Enrollment

Males and Females:

| <u>Years of Service</u> | <u>Assumed Enrollment %</u> |
|-------------------------|-----------------------------|
| < 10 | 6% |
| 10-14 | 42% |
| 15-19 | 61% |
| 20-24 | 76% |
| 25+ | 96% |
| Disabled | 95% |

This applies to the medical and Medicare Part B premium reimbursement benefits.

Table A-15A: Probability of Medical Plan and Coverage 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% | 0.5% | | |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | 0.5% | 0.5% | | |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | 1.0% | 0.5% | | |
| 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 | | | | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | 0.5% | 0.5% | | |
| 214 | Anthem Blue Cross I | Retiree and Children | | | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | |
| 221 | Anthem Blue Cross II | Retiree Only | 4.5% | 7.5% | 1.0% | 1.5% |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 12.5% | 6.5% | 2.5% | 1.0% |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | 12.5% | 2.5% | 1.0% | |
| 224 | Anthem Blue Cross II | Retiree and Children | 1.5% | 1.5% | 0.5% | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | |
| 240 | Anthem Blue Cross III | One Medicare | | 0.5% | 7.0% | 11.5% |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | 5.5% | 1.0% |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | 7.0% | 4.5% |
| 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 | | | 0.5% | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | | 0.5% | |
| 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) | 12.0% | 28.5% | | |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | 0.5% | 18.0% | 38.5% |
| 404 | Kaiser (CA) | Retiree Excess I | | | 0.5% | 1.0% |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | | | 1.0% | 2.5% |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | |
| 411 | Kaiser (CA) | Family Basic | 35.0% | 30.5% | | |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | | | 21.0% | 5.0% |
| 414 | Kaiser (CA) | One Excess I, Others Basic | | | 0.5% | |
| 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 | | | 16.0% | 16.5% |
| 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 | | | 1.0% | 0.5% |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | | | | |
| 424 | Kaiser (CA) | One Cost ("M" Coverage), One Excess II - Part B | | | | |
| 425 | Kaiser (CA) | One Cost ("M" Coverage), One Excess III (MNP) | | | | |
| 426 | Kaiser (CA) | One Risk, One Excess II - Part B | | | | 0.5% |
| 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) | | | | |



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

Non-Local 1014 Firefighters Retirees

| 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 | | | 4.0% | 9.5% |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 0.5% | 2.0% | 4.5% | 1.0% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | | | 3.0% | 4.0% |
| 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% | 5.5% | | |
| 709 | United Healthcare | Family | 7.5% | 2.5% | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |
| Probability of enrolling at least one dependent | | | 79.0% | 53.0% | 67.5% | 34.5% |



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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Pre 65 | | Post 65 | |
|----------------|-------------------------|--|--------------|--------------|--------------|--------------|
| | | | Male | Female | Male | Female |
| 801 | Firefighters Local 1014 | Med-Member under 65 | 7.0% | 7.0% | | |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | 39.0% | 39.0% | | |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | 54.0% | 54.0% | | |
| 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 | | | 39.0% | 39.0% |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | | | 54.0% | 54.0% |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |
| | | Probability of enrolling at least one dependent | 93.0% | 93.0% | 93.0% | 93.0% |

Table A-15B: Probability of Medical Plan and Coverage 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% | 0.5% | | |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | 0.5% | 0.5% | | |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | 1.0% | 0.5% | | |
| 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 | 4.5% | 7.5% | | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 12.5% | 6.5% | | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | 12.5% | 2.5% | | |
| 224 | Anthem Blue Cross II | Retiree and Children | 1.5% | 1.5% | | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | |
| 240 | Anthem Blue Cross III | One Medicare | | 0.5% | 8.5% | 13.0% |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | 8.0% | 2.0% |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | 7.0% | 4.5% |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | 1.0% | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | 2.0% | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | 0.5% | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | | 0.5% | |
| 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) | 12.0% | 28.5% | | |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | 0.5% | 19.5% | 42.0% |
| 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 | 35.0% | 30.5% | | |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | | | 22.5% | 5.5% |
| 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 | | | 16.0% | 17.0% |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | |
| 421 | Kaiser (CA) | Survivor | | | | |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | | | | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | | | | |
| 424 | Kaiser (CA) | One Cost ("M" Coverage), One Excess II - Part B | | | | |
| 425 | Kaiser (CA) | One Cost ("M" Coverage), One Excess III (MNP) | | | | |
| 426 | Kaiser (CA) | One Risk, One Excess II - Part B | | | | |
| 427 | Kaiser (CA) | One Risk, One Excess III (MNP) | | | | |
| 428 | Kaiser (CA) | One Excess I, One Excess II - Part B | | | | |
| 429 | Kaiser (CA) | One Excess I, One Excess III (MNP) | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | |

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

Non-Local 1014 Firefighters Retirees

| 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 | | | 4.0% | 9.5% |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 0.5% | 2.0% | 4.5% | 1.0% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | | | 3.0% | 4.0% |
| 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% | 5.5% | | |
| 709 | United Healthcare | Family | 7.5% | 2.5% | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |

Probability of enrolling at least one dependent 79.0% 53.0% 67.5% 34.5%



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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Pre 65 | | Post 65 | |
|--|-------------------------|---------------------------|--------------|--------------|--------------|--------------|
| | | | Male | Female | Male | Female |
| 801 | Firefighters Local 1014 | Med-Member under 65 | 7.0% | 7.0% | | |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | 39.0% | 39.0% | | |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | 54.0% | 54.0% | | |
| 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 | | | 39.0% | 39.0% |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | | | 54.0% | 54.0% |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |
| Probability of enrolling at least one dependent | | | 93.0% | 93.0% | 93.0% | 93.0% |

Table A-16: Probability of Medical Plan and Coverage 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 | 42.0% | 0.0% |
| | Anthem Blue Cross III | 58.0% | 100.0% |
| Anthem Blue Cross II | Anthem Blue Cross II | 45.0% | 0.0% |
| | Anthem Blue Cross III | 55.0% | 100.0% |
| Anthem Blue Cross Prudent Buyer | Anthem Blue Cross Prudent Buyer | 48.0% | 0.0% |
| | Anthem Blue Cross II | 2.0% | 0.0% |
| | Anthem Blue Cross III | 50.0% | 100.0% |
| Cigna Network Model | Cigna Network Model Plan | 44.0% | 0.0% |
| | Cigna Medicare Select Plus Rx (AZ) | 8.0% | 0.0% |
| | Anthem Blue Cross I | 0.0% | 0.0% |
| | Anthem Blue Cross II | 0.0% | 0.0% |
| | Anthem Blue Cross III | 23.0% | 23.0% |
| | United Healthcare Medicare Advantage Senior Advantage | 15.0% | 77.0% |
| | SCAN Health Plan | 2.0% | 0.0% |
| United Healthcare | United Healthcare Medicare Advantage | 81.0% | 82.0% |
| | Cigna Network Model Plan | 1.0% | 0.0% |
| | Anthem Blue Cross II | 2.0% | 0.0% |
| | Anthem Blue Cross III | 8.0% | 10.0% |
| | SCAN Health Plan | 2.0% | 2.0% |
| | Senior Advantage | 2.0% | 6.0% |
| | Excess II | 3.0% | 0.0% |
| | One Excess II, One Basic | 1.0% | 0.0% |
| Kaiser Retiree Basic | Senior Advantage | 79.0% | 98.0% |
| | Retiree Excess I | 3.0% | 0.0% |
| | Retiree Excess II | 12.0% | 0.0% |
| | Excess III (MNP) | 4.0% | 0.0% |
| | Anthem Blue Cross III | 2.0% | 2.0% |
| Kaiser Family Basic | 2+ Advantage | 82.0% | 99.0% |
| | One Excess I, One Advantage | 4.5% | 0.0% |
| | One Advantage, One Excess II | 8.5% | 0.0% |
| | One Advantage, One Excess III (MNP) | 3.0% | 0.0% |
| | Two+ Excess II - Part B | 0.5% | 0.0% |
| | Anthem Blue Cross III | 1.0% | 1.0% |
| Firefighters Local 1014 | Firefighters Local 1014 | 100.0% | 100.0% |

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. \$135.50 for calendar year 2019). 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, 2018 through July 1, 2019 is \$126.46 per member per month. This is based on our average of 2018 calendar year Medicare Part B premium rates provided in the census from LACERA of \$117.41 per member per month and 2019 calendar year Medicare Part B standard premium rate of \$135.50.

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 2% 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 90% of the retirees with spouses have a spouse continuance option.
- We assume 4.5% of the surviving spouse/domestic partners with a continuance option will enroll a new spouse.
- Therefore, we assume 4% (or 90% of the 4.5%) 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 | 9% |
| 10-14 | 47% |
| 15-19 | 65% |
| 20-24 | 78% |
| 25+ | 96% |
| Disabled | 93% |

Table A-19: Probability of Dental/Vision Plan and Coverage 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>Minor Survivor</u> | <u>Retiree Only</u> | <u>Retiree and Dependents</u> | <u>Minor Survivor</u> |
| Deduction Code | 501 | 502 | 503 | 901 | 902 | 903 |
| Percentage | | | | | | |
| Male | 19% | 68% | 0% | 4% | 9% | 0% |
| Female | 46% | 40% | 0% | 8% | 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, 2018 and July 1, 2019, and is included in the premium rates.

**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 |

**Pre and Post Age 65 Monthly Rates Effective July 1, 2019
 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 | \$ 1,170.28 | \$ 1,170.28 | \$ 1,016.48 | \$ 1,624.26 | |
| Retiree & Spouse | \$ 2,108.71 | \$ 2,108.71 | \$ 1,999.73 | \$ 2,932.02 | |
| Retiree & Family | \$ 2,487.14 | \$ 2,487.14 | \$ 2,256.78 | \$ 3,462.10 | |
| Retiree & Children | \$ 1,547.92 | \$ 1,547.92 | \$ 1,306.38 | \$ 2,155.02 | |
| Minor Survivor | \$ 388.74 | \$ 396.24 | \$ 277.44 | \$ 513.74 | \$ 341.77 |
| UnitedHealthcare Single | | | | | \$ 1,193.57 |
| UnitedHealthcare Two-Party | | | | | \$ 2,178.97 |
| UnitedHealthcare Family | | | | | \$ 2,583.38 |

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 |

Post Age 65 Monthly Rates Effective July 1, 2019

| Tier | Anthem Blue Cross - Plan III | SCAN | United Healthcare Medicare Advantage |
|------------------------------------|------------------------------|-----------|--------------------------------------|
| One Medicare | \$ 477.43 | | |
| Retiree & Spouse- 1 Medicare | \$ 1,523.21 | | |
| Retiree & Spouse- 2 Medicare | \$ 948.80 | | |
| Retiree & Children- 1 Medicare | \$ 853.73 | | |
| Retiree & Family- 1 Medicare | \$ 1,899.39 | | |
| Retiree & Family- 2 Medicare | \$ 1,324.91 | | |
| Retiree & Family- 3 Medicare | \$ 1,484.65 | | |
| Retiree Only | | \$ 267.00 | \$ 356.76 |
| Retiree & 1 Dependent (1 Medicare) | | | \$ 1,542.33 |
| Retiree & 1 Dependent (2 Medicare) | | \$ 526.00 | \$ 705.52 |
| Retiree & 2 + Deps. (1 Medicare) | | | \$ 1,746.57 |
| Retiree & 2 + Deps. (2 Medicare) | | | \$ 909.76 |

Kaiser California Monthly Rates

| Effective Date | July 1, 2018 | July 1, 2019 |
|--|--------------|--------------|
| Retiree Basic (Under 65) | \$ 1,002.90 | \$ 1,032.28 |
| Retiree Risk (Senior Advantage) | \$ 274.22 | \$ 280.80 |
| Retiree Excess I | \$ 1,125.53 | \$ 1,178.79 |
| Retiree Excess II - Part B | \$ 1,051.35 | \$ 1,086.88 |
| Excess III - Medicare Not Provided (MNP) | \$ 1,866.70 | \$ 1,922.46 |
| Family Basic | \$ 1,997.80 | \$ 2,056.56 |
| One Advantage, One Basic | \$ 1,269.12 | \$ 1,305.08 |
| One Excess I, One Basic | \$ 2,120.43 | \$ 2,203.07 |
| One Excess II - Part B, One Basic | \$ 2,046.25 | \$ 2,111.16 |
| One Excess III (MNP), One Basic | \$ 2,861.60 | \$ 2,946.74 |
| Two+ Advantage | \$ 540.44 | \$ 553.60 |
| One Excess I, One Advantage | \$ 1,391.75 | \$ 1,451.59 |
| One Advantage, One Excess II - Part B | \$ 1,317.57 | \$ 1,359.68 |
| One Advantage, One Excess III (MNP) | \$ 2,132.92 | \$ 2,195.26 |
| Two+ Excess I | \$ 2,243.06 | \$ 2,349.58 |
| One Excess I, One Excess II - Part B | \$ 2,168.88 | \$ 2,257.67 |
| One Excess I, One Excess III (MNP) | \$ 2,984.23 | \$ 3,093.25 |
| Two Excess II - Part B | \$ 2,094.70 | \$ 2,165.76 |
| One Excess II - Part B, One Excess III (MNP) | \$ 2,910.05 | \$ 3,001.34 |
| Two Excess III - Both (MNP) | \$ 3,725.40 | \$ 3,836.92 |
| Survivor | \$ 1,002.90 | \$ 1,032.28 |

Firefighters Local 1014 Monthly Rates

| Effective Date | July 1, 2018 |
|---------------------------------------|---------------------|
| Medical Member Under 65 | \$ 1,122.79 |
| Medical Member + 1 Under 65 | \$ 2,024.47 |
| Medical Member + 2 Under 65 | \$ 2,388.05 |
| Medical Member with Medicare | \$ 1,122.79 |
| Medical Member + 1; 1 MDC | \$ 2,024.47 |
| Medical Member + 1; 2 MDC | \$ 2,024.47 |
| Medical Member + 2; 1 MDC | \$ 2,388.05 |
| Medical Member + 2; 2 MDC | \$ 2,388.05 |
| Medical Surviving Spouse Under 65 | \$ 1,122.79 |
| Medical Surviving Spouse + 1 Under 65 | \$ 2,024.47 |
| Medical Surviving Spouse + 2 Under 65 | \$ 2,388.05 |
| Medical Surviving Spouse with MDC | \$ 1,122.79 |
| Medical Surviving Spouse + 1; 1 MDC | \$ 2,024.47 |
| Medical Surviving Spouse + 2; 1 MDC | \$ 2,388.05 |
| Medical Surviving Spouse + 1; 2 MDC | \$ 2,024.47 |

July 1, 2019 Firefighter Local 1014 rates were not available in time to include in the valuation. The July 1, 2019 Firefighter Local 1014 rates will be displayed with the July 1, 2019 OPEB Valuation.

Dental/Vision Monthly Rates

| <u>Effective Date</u> | July 1, 2018 | | July 1, 2019 | |
|------------------------------|---|---|---|---|
| | 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

Tier 1 is for employees who are hired before July 1, 2014 and are eligible for LACERA membership. 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.

Tier 2 is for employees who are hired after June 30, 2014 and are eligible for LACERA membership. The Tier 2 subsidy is the same as Tier 1 except that the benchmark plan is different. The table below shows the benchmark plans for Tier 1 and Tier 2.

| <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 |

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. The Tier 2 non Local 1014 spouse subsidy varies depending on the plan selected and the retiree's years of service, so we developed weighted average factors of the County's contribution for the spouse's portion. On average, we assume that if the retiree has 10 years of service, the County will contribute 7% of the spouse's portion. This assumption grades linearly to 18% of the spouse's portion for a retiree with 25+ years of service.

The pre 65 and post 65 retirees of Local 1014 are on the same plan and pay the same rates. The pre 65 premium for the retiree only tier is approximately equal to the Tier 2 benchmark so we valued no spouse subsidy. Since the post 65 premium for the retiree only tier is greater than the Tier 2 benchmark, we assume the County contribution is 15% with 10 years of service grading linearly to 40% with 25+ years of service. Post 65 spouses are assumed to receive no subsidy.

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. We adjust the retiree's contributions by the difference between the premium of the chosen deduction code and the benchmark plan. 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 Network Model Plan
- 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 Firefighters Local 1014 Plan 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.

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, 2018. 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 25% 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 | Male | Female |
| 25 | \$ 404.08 | \$ 610.55 | \$ 347.06 | \$ 279.01 |
| 30 | \$ 486.94 | \$ 748.26 | \$ 319.50 | \$ 669.67 |
| 35 | \$ 598.33 | \$ 793.57 | \$ 392.59 | \$ 645.96 |
| 40 | \$ 741.02 | \$ 1,089.83 | \$ 439.31 | \$ 665.36 |
| 45 | \$ 807.23 | \$ 1,247.54 | \$ 552.72 | \$ 746.13 |
| 50 | \$ 862.24 | \$ 1,075.22 | \$ 708.30 | \$ 841.82 |
| 55 | \$ 942.95 | \$ 1,002.80 | \$ 860.69 | \$ 955.74 |
| 60 | \$ 1,009.06 | \$ 1,004.89 | \$ 1,095.61 | \$ 1,115.28 |
| 65 (Pre 65) | \$ 1,169.18 | \$ 1,128.17 | \$ 1,376.58 | \$ 1,336.03 |
| 65 (Post 65) | \$ 442.63 | \$ 383.88 | \$ 360.50 | \$ 410.71 |
| 70 | \$ 542.60 | \$ 463.08 | \$ 441.91 | \$ 495.46 |
| 75 | \$ 619.06 | \$ 516.02 | \$ 504.18 | \$ 552.11 |
| 80 | \$ 661.27 | \$ 540.19 | \$ 538.56 | \$ 577.97 |
| 85 | \$ 695.16 | \$ 563.00 | \$ 566.17 | \$ 602.38 |
| 90 | \$ 721.99 | \$ 582.56 | \$ 588.02 | \$ 623.30 |
| 95 | \$ 721.99 | \$ 582.56 | \$ 588.02 | \$ 623.30 |

B. Future Retirees Retiring After Age 65

| Age | Retiree | | Spouse/Dependents | |
|--------------|-----------|-----------|-------------------|-------------|
| | Male | Female | Male | Female |
| 25 | N/A | N/A | \$ 346.70 | \$ 277.78 |
| 30 | N/A | N/A | \$ 319.17 | \$ 666.72 |
| 35 | N/A | N/A | \$ 392.18 | \$ 643.11 |
| 40 | N/A | N/A | \$ 438.86 | \$ 662.42 |
| 45 | N/A | N/A | \$ 552.15 | \$ 742.83 |
| 50 | N/A | N/A | \$ 707.57 | \$ 838.10 |
| 55 | N/A | N/A | \$ 859.80 | \$ 951.51 |
| 60 | N/A | N/A | \$ 1,094.47 | \$ 1,110.35 |
| 65 (Pre 65) | N/A | N/A | \$ 1,375.15 | \$ 1,330.12 |
| 65 (Post 65) | \$ 323.92 | \$ 288.96 | \$ 285.90 | \$ 310.40 |
| 70 | \$ 397.08 | \$ 348.59 | \$ 350.46 | \$ 374.44 |
| 75 | \$ 453.04 | \$ 388.44 | \$ 399.85 | \$ 417.25 |
| 80 | \$ 483.93 | \$ 406.64 | \$ 427.11 | \$ 436.80 |
| 85 | \$ 508.73 | \$ 423.81 | \$ 449.00 | \$ 455.25 |
| 90 | \$ 528.37 | \$ 438.53 | \$ 466.33 | \$ 471.06 |
| 95 | \$ 528.37 | \$ 438.53 | \$ 466.33 | \$ 471.06 |

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 | Male | Female |
| 25 | \$ 693.77 | \$ 1,042.94 | \$ 566.98 | \$ 450.86 |
| 30 | \$ 836.04 | \$ 1,278.17 | \$ 521.96 | \$ 1,082.15 |
| 35 | \$ 1,027.28 | \$ 1,355.57 | \$ 641.35 | \$ 1,043.83 |
| 40 | \$ 1,272.27 | \$ 1,861.64 | \$ 717.68 | \$ 1,075.18 |
| 45 | \$ 1,385.94 | \$ 2,131.03 | \$ 902.94 | \$ 1,205.70 |
| 50 | \$ 1,480.39 | \$ 1,836.67 | \$ 1,157.11 | \$ 1,360.34 |
| 55 | \$ 1,618.96 | \$ 1,712.97 | \$ 1,406.07 | \$ 1,544.42 |
| 60 | \$ 1,732.47 | \$ 1,716.54 | \$ 1,789.84 | \$ 1,802.23 |
| 65 (Pre 65) | \$ 2,007.39 | \$ 1,927.13 | \$ 2,248.85 | \$ 2,158.94 |
| 65 (Post 65) | \$ 429.74 | \$ 412.56 | \$ 429.74 | \$ 412.56 |
| 70 | \$ 526.80 | \$ 497.69 | \$ 526.80 | \$ 497.69 |
| 75 | \$ 601.04 | \$ 554.59 | \$ 601.04 | \$ 554.59 |
| 80 | \$ 642.02 | \$ 580.57 | \$ 642.02 | \$ 580.57 |
| 85 | \$ 674.93 | \$ 605.09 | \$ 674.93 | \$ 605.09 |
| 90 | \$ 700.98 | \$ 626.11 | \$ 700.98 | \$ 626.11 |
| 95 | \$ 700.98 | \$ 626.11 | \$ 700.98 | \$ 626.11 |

Future Retirees Monthly Dental/Vision Claim Costs

| Age | Retiree | | Spouse/Surv Spouse + Dependents | |
|-----|----------|----------|---------------------------------|----------|
| | Male | Female | Male | Female |
| 25 | \$ 24.33 | \$ 31.04 | \$ 27.40 | \$ 27.98 |
| 30 | \$ 27.46 | \$ 32.87 | \$ 29.68 | \$ 35.60 |
| 35 | \$ 29.13 | \$ 34.42 | \$ 31.49 | \$ 37.27 |
| 40 | \$ 30.32 | \$ 35.62 | \$ 32.76 | \$ 38.58 |
| 45 | \$ 32.37 | \$ 37.38 | \$ 34.98 | \$ 40.48 |
| 50 | \$ 35.60 | \$ 40.48 | \$ 38.47 | \$ 43.84 |
| 55 | \$ 40.62 | \$ 44.51 | \$ 43.90 | \$ 48.21 |
| 60 | \$ 46.36 | \$ 48.58 | \$ 50.11 | \$ 52.62 |
| 65 | \$ 52.23 | \$ 51.69 | \$ 56.45 | \$ 55.98 |
| 70 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 75 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 80 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 85 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 90 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 95 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |

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 | \$ 767.65 | | | | \$ 767.65 | | | \$ 573.86 | | |
| 202 | Anthem Blue Cross Prudent Buyer | Retiree and Spouse | \$ 767.65 | \$ 767.65 | \$ 626.65 | | \$ 767.65 | \$ 767.65 | | \$ 573.86 | \$ 573.86 | |
| 203 | Anthem Blue Cross Prudent Buyer | Retiree and Family | \$ 767.65 | \$ 767.65 | \$ 626.65 | | \$ 767.65 | \$ 767.65 | | \$ 573.86 | \$ 573.86 | |
| 204 | Anthem Blue Cross Prudent Buyer | Retiree and Children | \$ 767.65 | \$ 767.65 | \$ 626.65 | | \$ 767.65 | | | \$ 573.86 | | |
| 205 | Anthem Blue Cross Prudent Buyer | Minor Survivor | | | | \$ 626.65 | | | \$ 626.65 | | | |
| 211 | Anthem Blue Cross I | Retiree Only | \$ 442.96 | | | | \$ 442.96 | | | \$ 398.25 | | |
| 212 | Anthem Blue Cross I | Retiree and Spouse | \$ 442.96 | \$ 442.96 | \$ 361.61 | | \$ 442.96 | \$ 442.96 | | \$ 398.25 | \$ 398.25 | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | \$ 442.96 | \$ 442.96 | \$ 361.61 | | \$ 442.96 | \$ 442.96 | | \$ 398.25 | \$ 398.25 | |
| 214 | Anthem Blue Cross I | Retiree and Children | \$ 442.96 | \$ 442.96 | \$ 361.61 | | \$ 442.96 | | | \$ 398.25 | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | \$ 361.61 | | | \$ 361.61 | | | \$ 361.61 |
| 221 | Anthem Blue Cross II | Retiree Only | \$ 1,123.01 | | | | \$ 1,123.01 | | | \$ 706.58 | | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | \$ 1,123.01 | \$ 1,123.01 | \$ 916.75 | | \$ 1,123.01 | \$ 1,123.01 | | \$ 706.58 | \$ 706.58 | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | \$ 1,123.01 | \$ 1,123.01 | \$ 916.75 | | \$ 1,123.01 | \$ 1,123.01 | | \$ 706.58 | \$ 706.58 | |
| 224 | Anthem Blue Cross II | Retiree and Children | \$ 1,123.01 | \$ 1,123.01 | \$ 916.75 | | \$ 1,123.01 | | | \$ 706.58 | | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | \$ 916.75 | | | \$ 916.75 | | | \$ 916.75 |
| 240 | Anthem Blue Cross III | One Medicare | | | | | \$ 365.87 | | | \$ 365.87 | | |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | | | \$ 365.87 | \$ 365.87 | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | | | \$ 365.87 | \$ 365.87 | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 301 | Cigna Network Model Plan | Retiree Only | \$ 1,168.95 | | | | \$ 1,168.95 | | | \$ 691.27 | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | \$ 1,168.95 | \$ 1,168.95 | \$ 954.25 | | \$ 1,168.95 | \$ 1,168.95 | | \$ 691.27 | \$ 691.15 | |
| 303 | Cigna Network Model Plan | Retiree and Family | \$ 1,168.95 | \$ 1,168.95 | \$ 954.25 | | \$ 1,168.95 | \$ 1,168.95 | | \$ 691.27 | \$ 691.15 | |
| 304 | Cigna Network Model Plan | Retiree and Children | \$ 1,168.95 | \$ 1,168.95 | \$ 954.25 | | \$ 1,168.95 | | | \$ 691.27 | | |
| 305 | Cigna Network Model Plan | Minor Survivor | | | | \$ 954.25 | | | \$ 954.25 | | | |
| 321 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree Only | | | | | \$ 331.70 | | | \$ 331.70 | | |
| 322 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 324 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse (Both Risk) | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 325 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Children | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 327 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (1 Medicare) | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 329 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (2 Medicare) | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 401 | Kaiser (CA) | Retiree Basic (Under 65) | \$ 1,165.10 | | | | | | | \$ 361.30 | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | | | | \$ 215.12 | | | | | |
| 404 | Kaiser (CA) | Retiree Excess I | | | | | \$ 882.97 | | | | | |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | | | | | \$ 824.77 | | | | | |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | | \$ 1,464.41 | | | | | |
| 411 | Kaiser (CA) | Family Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | | | | \$ 279.73 | \$ 273.94 | |



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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 | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 215.12 | \$ 209.16 | | \$ 215.12 | \$ 273.94 | |
| 414 | Kaiser (CA) | One Excess I, One Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 882.97 | \$ 877.99 | | \$ 882.97 | \$ 273.94 | |
| 418 | Kaiser (CA) | Two+ Advantage | | | | | \$ 215.12 | \$ 209.16 | | | | |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | | \$ 549.05 | \$ 543.58 | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | | \$ 882.97 | \$ 877.99 | | | | |
| 421 | Kaiser (CA) | Survivor | | | | \$ 951.11 | | | \$ 951.11 | | | \$ 951.11 |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 824.77 | \$ 819.71 | | \$ 824.77 | \$ 273.94 | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 1,464.41 | \$ 1,460.30 | | \$ 1,464.41 | \$ 273.94 | |
| 426 | Kaiser (CA) | One Advantage, One Excess II - Part B | | | | | \$ 519.95 | \$ 514.44 | | | | |
| 427 | Kaiser (CA) | One Advantage, One Excess III (MNP) | | | | | \$ 839.77 | \$ 834.73 | | | | |
| 428 | Kaiser (CA) | One Excess, One Excess II - Part B | | | | | \$ 853.87 | \$ 848.85 | | | | |
| 429 | Kaiser (CA) | One Excess, One Excess III (MNP) | | | | | \$ 1,173.69 | \$ 1,169.15 | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | | \$ 824.77 | \$ 819.71 | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | | \$ 1,144.59 | \$ 1,140.01 | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | | \$ 1,464.41 | \$ 1,460.30 | | | | |
| 450 | Kaiser - Colorado Basic | Retiree Basic | \$ 1,133.12 | | | | | | | \$ 284.98 | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | | | | | \$ 284.98 | | | |
| 453 | Kaiser - Colorado | Retiree Basic (Two Party) | \$ 1,133.12 | \$ 1,534.53 | | | | | | \$ 284.98 | \$ 267.62 | |
| 454 | Kaiser - Colorado | Retiree Basic Family | \$ 1,133.12 | \$ 1,534.53 | \$ 2,975.22 | | | | | \$ 284.98 | \$ 267.62 | |
| 455 | Kaiser - Colorado | One Risk, One Basic | \$ 1,133.12 | \$ 1,238.57 | | | | | \$ 284.98 | \$ 267.62 | \$ 284.98 | \$ 279.12 |
| 457 | Kaiser - Colorado | Two Retiree Risk | | | | | | | \$ 284.98 | \$ 279.12 | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | \$ 1,133.12 | \$ 1,238.57 | \$ 3,479.74 | | | | \$ 284.98 | \$ 279.12 | \$ 284.98 | \$ 279.12 |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | \$ 3,756.28 | | | | \$ 284.98 | \$ 279.12 | \$ 284.98 | \$ 279.12 |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | \$ 913.47 | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | \$ 913.47 | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | | | | \$ 913.47 | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | \$ 913.47 | \$ 326.42 | | | | |
| 461 | Kaiser - Georgia Basic | Basic | \$ 1,360.68 | | | | | | | \$ 332.21 | | |
| 462 | Kaiser - Georgia | Retiree Risk | | | | | \$ 332.21 | | | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | \$ 1,360.68 | \$ 1,512.40 | \$ 4,586.76 | | \$ 332.21 | \$ 326.42 | | \$ 332.21 | \$ 326.42 | |
| 464 | Kaiser - Georgia | Retiree Basic Family | \$ 1,360.68 | \$ 1,512.40 | \$ 4,586.80 | | | | | \$ 332.21 | \$ 326.42 | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | \$ 494.85 | \$ 1,512.40 | \$ 4,586.76 | | \$ 332.21 | \$ 326.42 | | \$ 332.21 | \$ 326.42 | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | \$ 332.21 | \$ 326.42 | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | \$ 1,172.30 | | | | | | | \$ 342.07 | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | \$ 342.07 | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | \$ 1,291.58 | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | \$ 1,172.30 | \$ 1,301.57 | | | | | | \$ 342.07 | \$ 336.29 | |
| 475 | Kaiser - Hawaii | Retiree Basic Family (Under 65) | \$ 1,172.30 | \$ 1,301.57 | \$ 3,947.34 | | | | | \$ 342.07 | \$ 336.29 | |
| 476 | Kaiser - Hawaii | One Retiree Risk, One Basic | \$ 1,172.30 | \$ 1,301.57 | \$ 3,947.34 | | \$ 342.07 | \$ 336.29 | | \$ 342.07 | \$ 336.29 | |
| 477 | Kaiser - Hawaii | Over 65 without Medicare A&B, One Basic | \$ 1,172.30 | \$ 1,301.57 | \$ 3,947.34 | | \$ 1,291.58 | \$ 1,287.21 | | \$ 1,291.58 | \$ 1,287.21 | |
| 478 | Kaiser - Hawaii | Two Retiree Risk | | | | | \$ 342.07 | \$ 336.29 | | | | |



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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) | \$ 1,383.64 | | | | | | | | \$ 339.40 | | |
| 482 | Kaiser - Oregon | Retiree Risk | | | | | \$ 339.40 | | | | | | |
| 483 | Kaiser - Oregon | Retiree Over 65 unassigned Medicare A&B | | | | | \$ 996.30 | | | | | | |
| 484 | Kaiser - Oregon | Retiree Basic (Two Party) | \$ 1,383.64 | \$ 1,538.09 | | | | | | | \$ 339.40 | \$ 333.62 | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | \$ 1,383.64 | \$ 3,076.19 | \$ 4,664.70 | | | | | | \$ 339.40 | \$ 333.62 | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | \$ 1,383.64 | \$ 1,538.10 | \$ 4,664.70 | | \$ 339.40 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | | | | \$ 339.40 | \$ 333.62 | | | | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | \$ 839.69 | | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | \$ 839.69 | \$ 333.62 | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | \$ 1,484.07 | \$ 555.36 | | | \$ 996.30 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | \$ 1,383.64 | \$ 1,538.10 | | | \$ 339.40 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | \$ 1,383.64 | \$ 1,538.10 | \$ 4,664.70 | | \$ 339.40 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | \$ 996.30 | \$ 991.50 | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | \$ 839.69 | \$ 834.65 | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | \$ 1,383.64 | \$ 1,538.10 | | | \$ 839.69 | \$ 834.65 | | | \$ 839.69 | \$ 834.65 | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | \$ 1,383.64 | \$ 1,538.10 | | | \$ 996.30 | \$ 991.50 | | | \$ 996.30 | \$ 991.50 | |
| 611 | SCAN Health Plan | Retiree Only | | | | | \$ 231.09 | | | | | | |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | | | | | \$ 231.09 | \$ 231.09 | | | | | |
| 701 | United Healthcare | Retiree Only | \$ 1,344.31 | | | | \$ 289.73 | | | | \$ 289.73 | | |
| 702 | United Healthcare | Retiree & 1 Dependent (1 Medicare) | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 703 | United Healthcare | Retiree & 1 Dependent (2 Medicare) | | | | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 704 | United Healthcare | Retiree & 2 + Deps. (1 Medicare) | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 705 | United Healthcare | Retiree & 2 + Deps. (2 Medicare) | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 706 | United Healthcare | Minor Survivor | | | | \$ 1,097.40 | | | | \$ 1,097.40 | | | |
| 707 | United Healthcare | Single | \$ 1,344.31 | | | | | | | | \$ 340.02 | | |
| 708 | United Healthcare | Two-Party | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | | | | | \$ 340.02 | \$ 339.70 | |
| 709 | United Healthcare | Family | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | | | | | \$ 340.02 | \$ 339.70 | |



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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 | \$ 2,007.39 | | | | \$ 429.74 | | | \$ 429.74 | | |
| 802 | Firefighters' Local 1014 | Med-Member +1 under 65 | \$ 2,007.39 | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 803 | Firefighters' Local 1014 | Med-Member +2 under 65 | \$ 2,007.39 | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 804 | Firefighters' Local 1014 | Med-Member or Surviving Sp with Medicare | | | | | \$ 429.74 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 |
| 805 | Firefighters' Local 1014 | Med-Member +1; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 806 | Firefighters' Local 1014 | Med-Member +1; 2 MDC | | | | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 807 | Firefighters' Local 1014 | Med-Member +2; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 808 | Firefighters' Local 1014 | Med-Member +2; 2 MDC | | | | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 809 | Firefighters' Local 1014 | Med-Surv. Sp. Under 65 | | | | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 810 | Firefighters' Local 1014 | Med-Surv. Sp. +1 Under 65 | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 811 | Firefighters' Local 1014 | Med-Surv. Sp. +2 Under 65 | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 812 | Firefighters' Local 1014 | Med-Surv. Sp. With MDC | | | | | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 813 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 814 | Firefighters' Local 1014 | Med-Surv. Sp. +2; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 815 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |

Dental/Vision Male Retirees

| Deduction Code | Plan | Tier | Age 65 Adjusted Claim Costs | | |
|----------------|-------------------------------|----------------|-----------------------------|----------|----------|
| | | | Retiree | Sp/Dep | Surv |
| 501 | Cigna Indemnity Dental/Vision | Retiree Only | \$ 53.02 | | |
| 502 | Cigna Indemnity Dental/Vision | Family | \$ 53.02 | \$ 56.92 | |
| 503 | Cigna Indemnity Dental/Vision | Minor Survivor | | | \$ 54.77 |
| 901 | Cigna Dental HMO/Vision | Retiree Only | \$ 46.93 | | |
| 902 | Cigna Dental HMO/Vision | Family | \$ 46.93 | \$ 53.28 | |
| 903 | Cigna Dental HMO/Vision | Minor Survivor | | | \$ 48.48 |



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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 | \$ 736.96 | | | | \$ 736.96 | | | \$ 550.92 | | |
| 202 | Anthem Blue Cross Prudent Buyer | Retiree and Spouse | \$ 736.96 | \$ 736.96 | \$ 756.54 | | \$ 736.96 | \$ 736.96 | | \$ 550.92 | \$ 550.92 | |
| 203 | Anthem Blue Cross Prudent Buyer | Retiree and Family | \$ 736.96 | \$ 736.96 | \$ 756.54 | | \$ 736.96 | \$ 736.96 | | \$ 550.92 | \$ 550.92 | |
| 204 | Anthem Blue Cross Prudent Buyer | Retiree and Children | \$ 736.96 | \$ 736.96 | \$ 756.54 | | \$ 736.96 | | | \$ 550.92 | | |
| 205 | Anthem Blue Cross Prudent Buyer | Minor Survivor | | | | \$ 756.54 | | | \$ 756.54 | | | |
| 211 | Anthem Blue Cross I | Retiree Only | \$ 425.26 | | | | \$ 425.26 | | | \$ 382.33 | | |
| 212 | Anthem Blue Cross I | Retiree and Spouse | \$ 425.26 | \$ 425.25 | \$ 436.55 | | \$ 425.26 | \$ 425.26 | | \$ 382.33 | \$ 382.33 | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | \$ 425.26 | \$ 425.25 | \$ 436.55 | | \$ 425.26 | \$ 425.26 | | \$ 382.33 | \$ 382.33 | |
| 214 | Anthem Blue Cross I | Retiree and Children | \$ 425.26 | \$ 425.25 | \$ 436.55 | | \$ 425.26 | | | \$ 382.33 | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | \$ 436.55 | | | \$ 436.55 | | | \$ 436.55 |
| 221 | Anthem Blue Cross II | Retiree Only | \$ 1,078.11 | | | | \$ 1,078.11 | | | \$ 678.33 | | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | \$ 1,078.11 | \$ 1,078.11 | \$ 1,106.76 | | \$ 1,078.11 | \$ 1,078.11 | | \$ 678.33 | \$ 678.33 | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | \$ 1,078.11 | \$ 1,078.11 | \$ 1,106.76 | | \$ 1,078.11 | \$ 1,078.11 | | \$ 678.33 | \$ 678.33 | |
| 224 | Anthem Blue Cross II | Retiree and Children | \$ 1,078.11 | \$ 1,078.11 | \$ 1,106.76 | | \$ 1,078.11 | | | \$ 678.33 | | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | \$ 1,106.76 | | | \$ 1,106.76 | | | \$ 1,106.76 |
| 240 | Anthem Blue Cross III | One Medicare | | | | | \$ 351.24 | | | \$ 351.24 | | |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | | | \$ 351.24 | \$ 351.24 | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | | | \$ 351.24 | \$ 351.24 | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 301 | Cigna Network Model Plan | Retiree Only | \$ 1,122.22 | | | | \$ 1,122.22 | | | \$ 663.64 | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | \$ 1,122.22 | \$ 1,122.22 | \$ 1,152.04 | | \$ 1,122.22 | \$ 1,122.22 | | \$ 663.64 | \$ 663.52 | |
| 303 | Cigna Network Model Plan | Retiree and Family | \$ 1,122.22 | \$ 1,122.22 | \$ 1,152.04 | | \$ 1,122.22 | \$ 1,122.22 | | \$ 663.64 | \$ 663.52 | |
| 304 | Cigna Network Model Plan | Retiree and Children | \$ 1,122.22 | \$ 1,122.22 | \$ 1,152.04 | | \$ 1,122.22 | | | \$ 663.64 | | |
| 305 | Cigna Network Model Plan | Minor Survivor | | | | \$ 1,152.04 | | | \$ 1,152.04 | | | |
| 321 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree Only | | | | | \$ 318.44 | | | \$ 318.44 | | |
| 322 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 324 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse (Both Risk) | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 325 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Children | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 327 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (1 Medicare) | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 329 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (2 Medicare) | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 401 | Kaiser (CA) | Retiree Basic (Under 65) | \$ 1,118.52 | | | | | | | \$ 346.86 | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | | | | \$ 206.52 | | | | | |
| 404 | Kaiser (CA) | Retiree Excess I | | | | | \$ 847.67 | | | | | |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | | | | | \$ 791.80 | | | | | |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | | \$ 1,405.86 | | | | | |
| 411 | Kaiser (CA) | Family Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | | | | \$ 268.54 | \$ 262.99 | |



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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 | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 206.52 | \$ 200.79 | | \$ 206.52 | \$ 262.99 | |
| 414 | Kaiser (CA) | One Excess I, One Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 847.67 | \$ 842.89 | | \$ 847.67 | \$ 262.99 | |
| 418 | Kaiser (CA) | Two+ Advantage | | | | | \$ 206.52 | \$ 200.79 | | | | |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | | \$ 527.09 | \$ 521.84 | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | | \$ 847.67 | \$ 842.89 | | | | |
| 421 | Kaiser (CA) | Survivor | | | | \$ 1,148.24 | | | \$ 1,148.24 | | | \$ 1,148.24 |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 791.80 | \$ 786.94 | | \$ 791.80 | \$ 262.99 | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 1,405.86 | \$ 1,401.91 | | \$ 1,405.86 | \$ 262.99 | |
| 426 | Kaiser (CA) | One Advantage, One Excess II - Part B | | | | | \$ 499.16 | \$ 493.87 | | | | |
| 427 | Kaiser (CA) | One Advantage, One Excess III (MNP) | | | | | \$ 806.19 | \$ 801.35 | | | | |
| 428 | Kaiser (CA) | One Excess, One Excess II - Part B | | | | | \$ 819.73 | \$ 814.92 | | | | |
| 429 | Kaiser (CA) | One Excess, One Excess III (MNP) | | | | | \$ 1,126.76 | \$ 1,122.40 | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | | \$ 791.80 | \$ 786.94 | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | | \$ 1,098.83 | \$ 1,094.43 | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | | \$ 1,405.86 | \$ 1,401.91 | | | | |
| 450 | Kaiser - Colorado Basic | Retiree Basic | \$ 1,087.81 | | | | | | | \$ 273.59 | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | | | \$ 273.59 | | | | | |
| 453 | Kaiser - Colorado | Retiree Basic (Two Party) | \$ 1,087.81 | \$ 1,473.18 | | | | | | \$ 273.59 | \$ 256.92 | |
| 454 | Kaiser - Colorado | Retiree Basic Family | \$ 1,087.81 | \$ 1,473.18 | \$ 3,591.89 | | | | | \$ 273.59 | \$ 256.92 | |
| 455 | Kaiser - Colorado | One Risk, One Basic | \$ 1,087.81 | \$ 1,189.05 | | | \$ 273.59 | \$ 256.92 | | \$ 273.59 | \$ 267.96 | |
| 457 | Kaiser - Colorado | Two Retiree Risk | | | | | \$ 273.59 | \$ 267.96 | | | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | \$ 1,087.81 | \$ 1,189.05 | \$ 4,200.99 | | \$ 273.59 | \$ 267.96 | | \$ 273.59 | \$ 267.96 | |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | \$ 4,534.84 | | \$ 273.59 | \$ 267.96 | | \$ 273.59 | \$ 267.96 | |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | \$ 876.95 | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | \$ 876.95 | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | | | | \$ 876.95 | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | \$ 876.95 | \$ 313.37 | | | | |
| 461 | Kaiser - Georgia Basic | Basic | \$ 1,306.28 | | | | | | | \$ 318.93 | | |
| 462 | Kaiser - Georgia | Retiree Risk | | | | | \$ 318.93 | | | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | \$ 1,306.28 | \$ 1,451.94 | \$ 5,537.45 | | \$ 318.93 | \$ 313.37 | | \$ 318.93 | \$ 313.37 | |
| 464 | Kaiser - Georgia | Retiree Basic Family | \$ 1,306.28 | \$ 1,451.94 | \$ 5,537.50 | | | | | \$ 318.93 | \$ 313.37 | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | \$ 475.07 | \$ 1,451.94 | \$ 5,537.45 | | \$ 318.93 | \$ 313.37 | | \$ 318.93 | \$ 313.37 | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | \$ 318.93 | \$ 313.37 | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | \$ 1,125.43 | | | | | | | \$ 328.39 | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | \$ 328.39 | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | \$ 1,239.94 | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | \$ 1,125.43 | \$ 1,249.53 | | | | | | \$ 328.39 | \$ 322.85 | |
| 475 | Kaiser - Hawaii | Retiree Basic Family (Under 65) | \$ 1,125.43 | \$ 1,249.53 | \$ 4,765.50 | | | | | \$ 328.39 | \$ 322.85 | |
| 476 | Kaiser - Hawaii | One Retiree Risk, One Basic | \$ 1,125.43 | \$ 1,249.53 | \$ 4,765.50 | | \$ 328.39 | \$ 322.85 | | \$ 328.39 | \$ 322.85 | |
| 477 | Kaiser - Hawaii | Over 65 without Medicare A&B, One Basic | \$ 1,125.43 | \$ 1,249.53 | \$ 4,765.50 | | \$ 1,239.94 | \$ 1,235.75 | | \$ 1,239.94 | \$ 1,235.75 | |
| 478 | Kaiser - Hawaii | Two Retiree Risk | | | | | \$ 328.39 | \$ 322.85 | | | | |



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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) | \$ 1,328.32 | | | | | | | | \$ 325.83 | | |
| 482 | Kaiser - Oregon | Retiree Risk | | | | | \$ 325.83 | | | | | | |
| 483 | Kaiser - Oregon | Retiree Over 65 unassigned Medicare A&B | | | | | \$ 956.47 | | | | | | |
| 484 | Kaiser - Oregon | Retiree Basic (Two Party) | \$ 1,328.32 | \$ 1,476.60 | | | | | | | \$ 325.83 | \$ 320.28 | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | \$ 1,328.32 | \$ 2,953.21 | \$ 5,631.55 | | | | | | \$ 325.83 | \$ 320.28 | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | \$ 1,328.32 | \$ 1,476.61 | \$ 5,631.55 | | \$ 325.83 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | | | | \$ 325.83 | \$ 320.28 | | | | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | \$ 806.12 | | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | \$ 806.12 | \$ 320.28 | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | \$ 1,424.74 | \$ 533.16 | | | \$ 956.47 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | \$ 1,328.32 | \$ 1,476.61 | | | \$ 325.83 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | \$ 1,328.32 | \$ 1,476.61 | \$ 5,631.55 | | \$ 325.83 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | \$ 956.47 | \$ 951.86 | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | \$ 806.12 | \$ 801.28 | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | \$ 1,328.32 | \$ 1,476.61 | | | \$ 806.12 | \$ 801.28 | | | \$ 806.12 | \$ 801.28 | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | \$ 1,328.32 | \$ 1,476.61 | | | \$ 956.47 | \$ 951.86 | | | \$ 956.47 | \$ 951.86 | |
| 611 | SCAN Health Plan | Retiree Only | | | | | \$ 221.85 | | | | | | |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | | | | | \$ 221.85 | \$ 221.85 | | | | | |
| 701 | United Healthcare | Retiree Only | \$ 1,290.56 | | | | \$ 278.15 | | | | \$ 278.15 | | |
| 702 | United Healthcare | Retiree & 1 Dependent (1 Medicare) | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 703 | United Healthcare | Retiree & 1 Dependent (2 Medicare) | | | | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 704 | United Healthcare | Retiree & 2 + Deps. (1 Medicare) | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 705 | United Healthcare | Retiree & 2 + Deps. (2 Medicare) | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 706 | United Healthcare | Minor Survivor | | | | \$ 1,324.86 | | | \$ 1,324.86 | | | | |
| 707 | United Healthcare | Single | \$ 1,290.56 | | | | | | | | \$ 326.43 | | |
| 708 | United Healthcare | Two-Party | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | | | | | \$ 326.43 | \$ 326.12 | |
| 709 | United Healthcare | Family | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | | | | | \$ 326.43 | \$ 326.12 | |



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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 | \$ 1,927.13 | | | | \$ 412.56 | | | \$ 412.56 | | |
| 802 | Firefighters' Local 1014 | Med-Member +1 under 65 | \$ 1,927.13 | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 803 | Firefighters' Local 1014 | Med-Member +2 under 65 | \$ 1,927.13 | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 804 | Firefighters' Local 1014 | Med-Member or Surviving Sp with Medicare | | | | | \$ 412.56 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 |
| 805 | Firefighters' Local 1014 | Med-Member +1; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 806 | Firefighters' Local 1014 | Med-Member +1; 2 MDC | | | | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 807 | Firefighters' Local 1014 | Med-Member +2; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 808 | Firefighters' Local 1014 | Med-Member +2; 2 MDC | | | | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 809 | Firefighters' Local 1014 | Med-Surv. Sp. Under 65 | | | | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 810 | Firefighters' Local 1014 | Med-Surv. Sp. +1 Under 65 | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 811 | Firefighters' Local 1014 | Med-Surv. Sp. +2 Under 65 | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 812 | Firefighters' Local 1014 | Med-Surv. Sp. With MDC | | | | | \$ 412.56 | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 813 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 814 | Firefighters' Local 1014 | Med-Surv. Sp. +2; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 815 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | \$ 412.56 | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |

Dental/Vision Female Retirees

| Deduction Code | Plan | Tier | Age 65 Adjusted Claim Costs | | |
|----------------|-------------------------------|----------------|-----------------------------|----------|----------|
| | | | Retiree | Sp/Dep | Surv |
| 501 | Cigna Indemnity Dental/Vision | Retiree Only | \$ 52.54 | | |
| 502 | Cigna Indemnity Dental/Vision | Family | \$ 52.54 | \$ 56.40 | |
| 503 | Cigna Indemnity Dental/Vision | Minor Survivor | | | \$ 53.18 |
| 901 | Cigna Dental HMO/Vision | Retiree Only | \$ 46.50 | | |
| 902 | Cigna Dental HMO/Vision | Family | \$ 46.50 | \$ 52.79 | |
| 903 | Cigna Dental HMO/Vision | Minor Survivor | | | \$ 47.08 |



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Tier 2

A. Future Retirees Retiring Before Age 65

| Age | Retiree | | Spouse/Surv Spouse + Dependents | |
|--------------|-------------|-------------|---------------------------------|-------------|
| | Male | Female | Male | Female |
| 25 | \$ 404.08 | \$ 610.55 | \$ 347.06 | \$ 279.01 |
| 30 | \$ 486.94 | \$ 748.26 | \$ 319.50 | \$ 669.67 |
| 35 | \$ 598.33 | \$ 793.57 | \$ 392.59 | \$ 645.96 |
| 40 | \$ 741.02 | \$ 1,089.83 | \$ 439.31 | \$ 665.36 |
| 45 | \$ 807.23 | \$ 1,247.54 | \$ 552.72 | \$ 746.13 |
| 50 | \$ 862.24 | \$ 1,075.22 | \$ 708.30 | \$ 841.82 |
| 55 | \$ 942.95 | \$ 1,002.80 | \$ 860.69 | \$ 955.74 |
| 60 | \$ 1,009.06 | \$ 1,004.89 | \$ 1,095.61 | \$ 1,115.28 |
| 65 (Pre 65) | \$ 1,169.18 | \$ 1,128.17 | \$ 1,376.58 | \$ 1,336.03 |
| 65 (Post 65) | \$ 281.84 | \$ 251.53 | \$ 249.49 | \$ 264.55 |
| 70 | \$ 345.49 | \$ 303.43 | \$ 305.84 | \$ 319.13 |
| 75 | \$ 394.18 | \$ 338.12 | \$ 348.94 | \$ 355.62 |
| 80 | \$ 421.06 | \$ 353.96 | \$ 372.73 | \$ 372.28 |
| 85 | \$ 442.64 | \$ 368.91 | \$ 391.84 | \$ 388.00 |
| 90 | \$ 459.73 | \$ 381.72 | \$ 406.97 | \$ 401.48 |
| 95 | \$ 459.73 | \$ 381.72 | \$ 406.97 | \$ 401.48 |

B. Future Retirees Retiring After Age 65

| Age | Retiree | | Spouse/Dependents | |
|--------------|-----------|-----------|-------------------|-------------|
| | Male | Female | Male | Female |
| 25 | N/A | N/A | \$ 345.45 | \$ 276.94 |
| 30 | N/A | N/A | \$ 318.02 | \$ 664.71 |
| 35 | N/A | N/A | \$ 390.76 | \$ 641.17 |
| 40 | N/A | N/A | \$ 437.26 | \$ 660.43 |
| 45 | N/A | N/A | \$ 550.13 | \$ 740.60 |
| 50 | N/A | N/A | \$ 704.98 | \$ 835.58 |
| 55 | N/A | N/A | \$ 856.66 | \$ 948.65 |
| 60 | N/A | N/A | \$ 1,090.48 | \$ 1,107.01 |
| 65 (Pre 65) | N/A | N/A | \$ 1,370.13 | \$ 1,326.13 |
| 65 (Post 65) | \$ 266.81 | \$ 245.36 | \$ 250.68 | \$ 252.73 |
| 70 | \$ 327.07 | \$ 295.98 | \$ 307.29 | \$ 304.87 |
| 75 | \$ 373.16 | \$ 329.82 | \$ 350.59 | \$ 339.73 |
| 80 | \$ 398.60 | \$ 345.27 | \$ 374.50 | \$ 355.64 |
| 85 | \$ 419.03 | \$ 359.85 | \$ 393.70 | \$ 370.66 |
| 90 | \$ 435.21 | \$ 372.35 | \$ 408.90 | \$ 383.53 |
| 95 | \$ 435.21 | \$ 372.35 | \$ 408.90 | \$ 383.53 |

The Firefighters Local 1014 and dental/vision claim costs are shown in the tables on the following page.



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Tier 2

Firefighters Local 1014 Plan Monthly Medical Claim Costs

| Age | Retiree | | Spouse/Surv Spouse + Dependents | |
|--------------|-------------|-------------|---------------------------------|-------------|
| | Male | Female | Male | Female |
| 25 | \$ 693.77 | \$ 1,042.94 | \$ 566.98 | \$ 450.86 |
| 30 | \$ 836.04 | \$ 1,278.17 | \$ 521.96 | \$ 1,082.15 |
| 35 | \$ 1,027.28 | \$ 1,355.57 | \$ 641.35 | \$ 1,043.83 |
| 40 | \$ 1,272.27 | \$ 1,861.64 | \$ 717.68 | \$ 1,075.18 |
| 45 | \$ 1,385.94 | \$ 2,131.03 | \$ 902.94 | \$ 1,205.70 |
| 50 | \$ 1,480.39 | \$ 1,836.67 | \$ 1,157.11 | \$ 1,360.34 |
| 55 | \$ 1,618.96 | \$ 1,712.97 | \$ 1,406.07 | \$ 1,544.42 |
| 60 | \$ 1,732.47 | \$ 1,716.54 | \$ 1,789.84 | \$ 1,802.23 |
| 65 (Pre 65) | \$ 2,007.39 | \$ 1,927.13 | \$ 2,248.85 | \$ 2,158.94 |
| 65 (Post 65) | \$ 429.74 | \$ 412.56 | \$ 429.74 | \$ 412.56 |
| 70 | \$ 526.80 | \$ 497.69 | \$ 526.80 | \$ 497.69 |
| 75 | \$ 601.04 | \$ 554.59 | \$ 601.04 | \$ 554.59 |
| 80 | \$ 642.02 | \$ 580.57 | \$ 642.02 | \$ 580.57 |
| 85 | \$ 674.93 | \$ 605.09 | \$ 674.93 | \$ 605.09 |
| 90 | \$ 700.98 | \$ 626.11 | \$ 700.98 | \$ 626.11 |
| 95 | \$ 700.98 | \$ 626.11 | \$ 700.98 | \$ 626.11 |

Future Retirees Monthly Dental/Vision Claim Costs

| Age | Retiree | | Spouse/Surv Spouse + Dependents | |
|-----|----------|----------|---------------------------------|----------|
| | Male | Female | Male | Female |
| 25 | \$ 24.33 | \$ 31.04 | \$ 27.40 | \$ 27.98 |
| 30 | \$ 27.46 | \$ 32.87 | \$ 29.68 | \$ 35.60 |
| 35 | \$ 29.13 | \$ 34.42 | \$ 31.49 | \$ 37.27 |
| 40 | \$ 30.32 | \$ 35.62 | \$ 32.76 | \$ 38.58 |
| 45 | \$ 32.37 | \$ 37.38 | \$ 34.98 | \$ 40.48 |
| 50 | \$ 35.60 | \$ 40.48 | \$ 38.47 | \$ 43.84 |
| 55 | \$ 40.62 | \$ 44.51 | \$ 43.90 | \$ 48.21 |
| 60 | \$ 46.36 | \$ 48.58 | \$ 50.11 | \$ 52.62 |
| 65 | \$ 52.23 | \$ 51.69 | \$ 56.45 | \$ 55.98 |
| 70 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 75 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 80 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 85 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 90 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |
| 95 | \$ 57.42 | \$ 53.76 | \$ 62.06 | \$ 58.22 |

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 | \$ 767.65 | | | | \$ 767.65 | | | \$ 365.87 | | |
| 202 | Anthem Blue Cross Prudent Buyer | Retiree and Spouse | \$ 767.65 | \$ 767.65 | \$ 626.65 | | \$ 767.65 | \$ 767.65 | | \$ 365.87 | \$ 365.87 | |
| 203 | Anthem Blue Cross Prudent Buyer | Retiree and Family | \$ 767.65 | \$ 767.65 | \$ 626.65 | | \$ 767.65 | \$ 767.65 | | \$ 365.87 | \$ 365.87 | |
| 204 | Anthem Blue Cross Prudent Buyer | Retiree and Children | \$ 767.65 | \$ 767.65 | \$ 626.65 | | \$ 767.65 | | | \$ 365.87 | | |
| 205 | Anthem Blue Cross Prudent Buyer | Minor Survivor | | | | \$ 626.65 | | | \$ 626.65 | | | |
| 211 | Anthem Blue Cross I | Retiree Only | \$ 442.96 | | | | \$ 442.96 | | | \$ 365.87 | | |
| 212 | Anthem Blue Cross I | Retiree and Spouse | \$ 442.96 | \$ 442.96 | \$ 361.61 | | \$ 442.96 | \$ 442.96 | | \$ 365.87 | \$ 365.87 | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | \$ 442.96 | \$ 442.96 | \$ 361.61 | | \$ 442.96 | \$ 442.96 | | \$ 365.87 | \$ 365.87 | |
| 214 | Anthem Blue Cross I | Retiree and Children | \$ 442.96 | \$ 442.96 | \$ 361.61 | | \$ 442.96 | | | \$ 365.87 | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | \$ 361.61 | | | \$ 361.61 | | | \$ 361.61 |
| 221 | Anthem Blue Cross II | Retiree Only | \$ 1,123.01 | | | | \$ 1,123.01 | | | \$ 365.87 | | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | \$ 1,123.01 | \$ 1,123.01 | \$ 916.75 | | \$ 1,123.01 | \$ 1,123.01 | | \$ 365.87 | \$ 365.87 | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | \$ 1,123.01 | \$ 1,123.01 | \$ 916.75 | | \$ 1,123.01 | \$ 1,123.01 | | \$ 365.87 | \$ 365.87 | |
| 224 | Anthem Blue Cross II | Retiree and Children | \$ 1,123.01 | \$ 1,123.01 | \$ 916.75 | | \$ 1,123.01 | | | \$ 365.87 | | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | \$ 916.75 | | | \$ 916.75 | | | \$ 916.75 |
| 240 | Anthem Blue Cross III | One Medicare | | | | | \$ 365.87 | | | \$ 365.87 | | |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | | | \$ 365.87 | \$ 365.87 | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | | | \$ 365.87 | \$ 365.87 | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,180.05 | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | \$ 1,180.05 | \$ 963.31 | | \$ 365.87 | \$ 365.87 | | \$ 365.87 | \$ 365.87 | |
| 301 | Cigna Network Model Plan | Retiree Only | \$ 1,168.95 | | | | \$ 1,168.95 | | | \$ 307.24 | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | \$ 1,168.95 | \$ 1,168.95 | \$ 954.25 | | \$ 1,168.95 | \$ 1,168.95 | | \$ 307.24 | \$ 307.24 | |
| 303 | Cigna Network Model Plan | Retiree and Family | \$ 1,168.95 | \$ 1,168.95 | \$ 954.25 | | \$ 1,168.95 | \$ 1,168.95 | | \$ 307.24 | \$ 307.24 | |
| 304 | Cigna Network Model Plan | Retiree and Children | \$ 1,168.95 | \$ 1,168.95 | \$ 954.25 | | \$ 1,168.95 | | | \$ 307.24 | | |
| 305 | Cigna Network Model Plan | Minor Survivor | | | | \$ 954.25 | | | \$ 954.25 | | | |
| 321 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree Only | | | | | \$ 331.70 | | | | | |
| 322 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 324 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse (Both Risk) | | | | | \$ 331.70 | \$ 331.70 | | | | |
| 325 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Children | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 327 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (1 Medicare) | | | | | \$ 331.70 | \$ 331.70 | | \$ 331.70 | \$ 331.70 | |
| 329 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (2 Medicare) | | | | | \$ 331.70 | \$ 331.70 | | | | |
| 401 | Kaiser (CA) | Retiree Basic (Under 65) | \$ 1,165.10 | | | | | | | \$ 218.14 | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | | | | \$ 215.12 | | | | | |
| 404 | Kaiser (CA) | Retiree Excess I | | | | | \$ 882.97 | | | | | |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | | | | | \$ 824.77 | | | | | |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | | \$ 1,464.41 | | | | | |
| 411 | Kaiser (CA) | Family Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | | | | \$ 216.63 | \$ 210.72 | |



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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 | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 215.12 | \$ 209.16 | | \$ 215.12 | \$ 210.72 | |
| 414 | Kaiser (CA) | One Excess I, One Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 882.97 | \$ 877.99 | | \$ 882.97 | \$ 210.72 | |
| 418 | Kaiser (CA) | Two+ Advantage | | | | | \$ 215.12 | \$ 209.16 | | | | |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | | \$ 549.05 | \$ 543.58 | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | | \$ 882.97 | \$ 877.99 | | | | |
| 421 | Kaiser (CA) | Survivor | | | | \$ 951.11 | | | \$ 951.11 | | | \$ 951.11 |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 824.77 | \$ 819.71 | | \$ 824.77 | \$ 210.72 | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | \$ 1,165.10 | \$ 1,165.10 | \$ 951.11 | | \$ 1,464.41 | \$ 1,460.30 | | \$ 1,464.41 | \$ 210.72 | |
| 426 | Kaiser (CA) | One Advantage, One Excess II - Part B | | | | | \$ 519.95 | \$ 514.44 | | | | |
| 427 | Kaiser (CA) | One Advantage, One Excess III (MNP) | | | | | \$ 839.77 | \$ 834.73 | | | | |
| 428 | Kaiser (CA) | One Excess, One Excess II - Part B | | | | | \$ 853.87 | \$ 848.85 | | | | |
| 429 | Kaiser (CA) | One Excess, One Excess III (MNP) | | | | | \$ 1,173.69 | \$ 1,169.15 | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | | \$ 824.77 | \$ 819.71 | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | | \$ 1,144.59 | \$ 1,140.01 | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | | \$ 1,464.41 | \$ 1,460.30 | | | | |
| 450 | Kaiser - Colorado Basic | Retiree Basic | \$ 1,133.12 | | | | | | | \$ 284.98 | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | | | \$ 284.98 | | | | | |
| 453 | Kaiser - Colorado | Retiree Basic (Two Party) | \$ 1,133.12 | \$ 1,534.53 | | | | | | \$ 284.98 | \$ 267.62 | |
| 454 | Kaiser - Colorado | Retiree Basic Family | \$ 1,133.12 | \$ 1,534.53 | \$ 2,975.22 | | | | | \$ 284.98 | \$ 267.62 | |
| 455 | Kaiser - Colorado | One Risk, One Basic | \$ 1,133.12 | \$ 1,238.57 | | | \$ 284.98 | \$ 267.62 | | \$ 284.98 | \$ 279.12 | |
| 457 | Kaiser - Colorado | Two Retiree Risk | | | | | \$ 284.98 | \$ 279.12 | | | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | \$ 1,133.12 | \$ 1,238.57 | \$ 3,479.74 | | \$ 284.98 | \$ 279.12 | | \$ 284.98 | \$ 279.12 | |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | \$ 3,756.28 | | \$ 284.98 | \$ 279.12 | | \$ 284.98 | \$ 279.12 | |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | \$ 913.47 | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | \$ 913.47 | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | | | | \$ 913.47 | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | \$ 913.47 | \$ 326.42 | | | | |
| 461 | Kaiser - Georgia Basic | Basic | \$ 1,360.68 | | | | | | | \$ 332.21 | | |
| 462 | Kaiser - Georgia | Retiree Risk | | | | | \$ 332.21 | | | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | \$ 1,360.68 | \$ 1,512.40 | \$ 4,586.76 | | \$ 332.21 | \$ 326.42 | | \$ 332.21 | \$ 326.42 | |
| 464 | Kaiser - Georgia | Retiree Basic Family | \$ 1,360.68 | \$ 1,512.40 | \$ 4,586.80 | | | | | \$ 332.21 | \$ 326.42 | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | \$ 494.85 | \$ 1,512.40 | \$ 4,586.76 | | \$ 332.21 | \$ 326.42 | | \$ 332.21 | \$ 326.42 | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | \$ 332.21 | \$ 326.42 | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | \$ 1,172.30 | | | | | | | \$ 342.07 | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | \$ 342.07 | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | \$ 1,291.58 | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | \$ 1,172.30 | \$ 1,301.57 | | | | | | \$ 342.07 | \$ 336.29 | |
| 475 | Kaiser - Hawaii | Retiree Basic Family (Under 65) | \$ 1,172.30 | \$ 1,301.57 | \$ 3,947.34 | | | | | \$ 342.07 | \$ 336.29 | |
| 476 | Kaiser - Hawaii | One Retiree Risk, One Basic | \$ 1,172.30 | \$ 1,301.57 | \$ 3,947.34 | | \$ 342.07 | \$ 336.29 | | \$ 342.07 | \$ 336.29 | |
| 477 | Kaiser - Hawaii | Over 65 without Medicare A&B, One Basic | \$ 1,172.30 | \$ 1,301.57 | \$ 3,947.34 | | \$ 1,291.58 | \$ 1,287.21 | | \$ 1,291.58 | \$ 1,287.21 | |
| 478 | Kaiser - Hawaii | Two Retiree Risk | | | | | \$ 342.07 | \$ 336.29 | | | | |



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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) | \$ 1,383.64 | | | | | | | | | \$ 339.40 | | |
| 482 | Kaiser - Oregon | Retiree Risk | | | | | | \$ 339.40 | | | | | | |
| 483 | Kaiser - Oregon | Retiree Over 65 unassigned Medicare A&B | | | | | | \$ 996.30 | | | | | | |
| 484 | Kaiser - Oregon | Retiree Basic (Two Party) | \$ 1,383.64 | \$ 1,538.09 | | | | | | | | \$ 339.40 | \$ 333.62 | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | \$ 1,383.64 | \$ 3,076.19 | \$ 4,664.70 | | | | | | | \$ 339.40 | \$ 333.62 | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | \$ 1,383.64 | \$ 1,538.10 | \$ 4,664.70 | | | \$ 339.40 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | | | | | \$ 339.40 | \$ 333.62 | | | | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | | \$ 839.69 | | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | | \$ 839.69 | \$ 333.62 | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | \$ 1,484.07 | \$ 555.36 | | | | \$ 996.30 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | \$ 1,383.64 | \$ 1,538.10 | | | | \$ 339.40 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | \$ 1,383.64 | \$ 1,538.10 | \$ 4,664.70 | | | \$ 339.40 | \$ 333.62 | | | \$ 339.40 | \$ 333.62 | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | | \$ 996.30 | \$ 991.50 | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | | \$ 839.69 | \$ 834.65 | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | \$ 1,383.64 | \$ 1,538.10 | | | | \$ 839.69 | \$ 834.65 | | | \$ 839.69 | \$ 834.65 | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | \$ 1,383.64 | \$ 1,538.10 | | | | \$ 996.30 | \$ 991.50 | | | \$ 996.30 | \$ 991.50 | |
| 611 | SCAN Health Plan | Retiree Only | | | | | | \$ 231.09 | | | | | | |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | | | | | | \$ 231.09 | \$ 231.09 | | | | | |
| 701 | United Healthcare | Retiree Only | \$ 1,344.31 | | | | | \$ 289.73 | | | | \$ 289.73 | | |
| 702 | United Healthcare | Retiree & 1 Dependent (1 Medicare) | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 703 | United Healthcare | Retiree & 1 Dependent (2 Medicare) | | | | | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 704 | United Healthcare | Retiree & 2 + Deps. (1 Medicare) | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 705 | United Healthcare | Retiree & 2 + Deps. (2 Medicare) | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | | \$ 289.73 | \$ 289.73 | | | \$ 289.73 | \$ 289.73 | |
| 706 | United Healthcare | Minor Survivor | | | | \$ 1,097.40 | | | | \$ 1,097.40 | | | | |
| 707 | United Healthcare | Single | \$ 1,344.31 | | | | | | | | | \$ 291.70 | | |
| 708 | United Healthcare | Two-Party | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | | | | | | \$ 291.70 | \$ 291.34 | |
| 709 | United Healthcare | Family | \$ 1,344.31 | \$ 1,344.31 | \$ 1,097.40 | | | | | | | \$ 291.70 | \$ 291.34 | |



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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 | \$ 2,007.39 | | | | \$ 429.74 | | | \$ 429.74 | | |
| 802 | Firefighters' Local 1014 | Med-Member +1 under 65 | \$ 2,007.39 | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 803 | Firefighters' Local 1014 | Med-Member +2 under 65 | \$ 2,007.39 | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 804 | Firefighters' Local 1014 | Med-Member or Surviving Sp with Medicare | | | | | \$ 429.74 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 |
| 805 | Firefighters' Local 1014 | Med-Member +1; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 806 | Firefighters' Local 1014 | Med-Member +1; 2 MDC | | | | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 807 | Firefighters' Local 1014 | Med-Member +2; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 808 | Firefighters' Local 1014 | Med-Member +2; 2 MDC | | | | | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 | \$ 429.74 |
| 809 | Firefighters' Local 1014 | Med-Surv. Sp. Under 65 | | | | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 810 | Firefighters' Local 1014 | Med-Surv. Sp. +1 Under 65 | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 811 | Firefighters' Local 1014 | Med-Surv. Sp. +2 Under 65 | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 812 | Firefighters' Local 1014 | Med-Surv. Sp. With MDC | | | | | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 813 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 814 | Firefighters' Local 1014 | Med-Surv. Sp. +2; 1 MDC | | \$ 2,007.39 | \$ 1,638.69 | \$ 2,007.39 | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |
| 815 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | | \$ 429.74 | \$ 429.74 | | \$ 429.74 | \$ 429.74 |

Dental/Vision Male Retirees

| Deduction Code | Plan | Tier | Age 65 Adjusted Claim Costs | | |
|----------------|-------------------------------|----------------|-----------------------------|----------|----------|
| | | | Retiree | Sp/Dep | Surv |
| 501 | Cigna Indemnity Dental/Vision | Retiree Only | \$ 53.02 | | |
| 502 | Cigna Indemnity Dental/Vision | Family | \$ 53.02 | \$ 56.92 | |
| 503 | Cigna Indemnity Dental/Vision | Minor Survivor | | | \$ 54.77 |
| 901 | Cigna Dental HMO/Vision | Retiree Only | \$ 46.93 | | |
| 902 | Cigna Dental HMO/Vision | Family | \$ 46.93 | \$ 53.28 | |
| 903 | Cigna Dental HMO/Vision | Minor Survivor | | | \$ 48.48 |



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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 |
| 201 | Anthem Blue Cross Prudent Buyer | Retiree Only | \$ 736.96 | | | | \$ 736.96 | | | \$ 351.24 | | |
| 202 | Anthem Blue Cross Prudent Buyer | Retiree and Spouse | \$ 736.96 | \$ 736.96 | \$ 756.54 | | \$ 736.96 | \$ 736.96 | | \$ 351.24 | \$ 351.24 | |
| 203 | Anthem Blue Cross Prudent Buyer | Retiree and Family | \$ 736.96 | \$ 736.96 | \$ 756.54 | | \$ 736.96 | \$ 736.96 | | \$ 351.24 | \$ 351.24 | |
| 204 | Anthem Blue Cross Prudent Buyer | Retiree and Children | \$ 736.96 | \$ 736.96 | \$ 756.54 | | \$ 736.96 | | | \$ 351.24 | | |
| 205 | Anthem Blue Cross Prudent Buyer | Minor Survivor | | | | \$ 756.54 | | | \$ 756.54 | | | |
| 211 | Anthem Blue Cross I | Retiree Only | \$ 425.26 | | | | \$ 425.26 | | | \$ 351.24 | | |
| 212 | Anthem Blue Cross I | Retiree and Spouse | \$ 425.26 | \$ 425.25 | \$ 436.55 | | \$ 425.26 | \$ 425.26 | | \$ 351.24 | \$ 351.24 | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | \$ 425.26 | \$ 425.25 | \$ 436.55 | | \$ 425.26 | \$ 425.26 | | \$ 351.24 | \$ 351.24 | |
| 214 | Anthem Blue Cross I | Retiree and Children | \$ 425.26 | \$ 425.25 | \$ 436.55 | | \$ 425.26 | | | \$ 351.24 | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | \$ 436.55 | | | \$ 436.55 | | | \$ 436.55 |
| 221 | Anthem Blue Cross II | Retiree Only | \$ 1,078.11 | | | | \$ 1,078.11 | | | \$ 351.24 | | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | \$ 1,078.11 | \$ 1,078.11 | \$ 1,106.76 | | \$ 1,078.11 | \$ 1,078.11 | | \$ 351.24 | \$ 351.24 | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | \$ 1,078.11 | \$ 1,078.11 | \$ 1,106.76 | | \$ 1,078.11 | \$ 1,078.11 | | \$ 351.24 | \$ 351.24 | |
| 224 | Anthem Blue Cross II | Retiree and Children | \$ 1,078.11 | \$ 1,078.11 | \$ 1,106.76 | | \$ 1,078.11 | | | \$ 351.24 | | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | \$ 1,106.76 | | | \$ 1,106.76 | | | \$ 1,106.76 |
| 240 | Anthem Blue Cross III | One Medicare | | | | | \$ 351.24 | | | \$ 351.24 | | |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | | | \$ 351.24 | \$ 351.24 | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | | | \$ 351.24 | \$ 351.24 | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | \$ 1,132.87 | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | \$ 1,132.87 | \$ 1,162.97 | | \$ 351.24 | \$ 351.24 | | \$ 351.24 | \$ 351.24 | |
| 301 | Cigna Network Model Plan | Retiree Only | \$ 1,122.22 | | | | \$ 1,122.22 | | | \$ 294.96 | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | \$ 1,122.22 | \$ 1,122.22 | \$ 1,152.04 | | \$ 1,122.22 | \$ 1,122.22 | | \$ 294.96 | \$ 294.96 | |
| 303 | Cigna Network Model Plan | Retiree and Family | \$ 1,122.22 | \$ 1,122.22 | \$ 1,152.04 | | \$ 1,122.22 | \$ 1,122.22 | | \$ 294.96 | \$ 294.96 | |
| 304 | Cigna Network Model Plan | Retiree and Children | \$ 1,122.22 | \$ 1,122.22 | \$ 1,152.04 | | \$ 1,122.22 | | | \$ 294.96 | | |
| 305 | Cigna Network Model Plan | Minor Survivor | | | | \$ 1,152.04 | | | \$ 1,152.04 | | | |
| 321 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree Only | | | | | \$ 318.44 | | | | | |
| 322 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 324 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse (Both Risk) | | | | | \$ 318.44 | \$ 318.44 | | | | |
| 325 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Children | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 327 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (1 Medicare) | | | | | \$ 318.44 | \$ 318.44 | | \$ 318.44 | \$ 318.44 | |
| 329 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (2 Medicare) | | | | | \$ 318.44 | \$ 318.44 | | | | |
| 401 | Kaiser (CA) | Retiree Basic (Under 65) | \$ 1,118.52 | | | | | | | \$ 209.42 | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | | | | \$ 206.52 | | | | | |
| 404 | Kaiser (CA) | Retiree Excess I | | | | | \$ 847.67 | | | | | |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | | | | | \$ 791.80 | | | | | |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | | \$ 1,405.86 | | | | | |
| 411 | Kaiser (CA) | Family Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | | | | \$ 207.97 | \$ 202.30 | |



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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 | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 206.52 | \$ 200.79 | | \$ 206.52 | \$ 202.30 | |
| 414 | Kaiser (CA) | One Excess I, One Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 847.67 | \$ 842.89 | | \$ 847.67 | \$ 202.30 | |
| 418 | Kaiser (CA) | Two+ Advantage | | | | | \$ 206.52 | \$ 200.79 | | | | |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | | \$ 527.09 | \$ 521.84 | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | | \$ 847.67 | \$ 842.89 | | | | |
| 421 | Kaiser (CA) | Survivor | | | | \$ 1,148.24 | | | \$ 1,148.24 | | | \$ 1,148.24 |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 791.80 | \$ 786.94 | | \$ 791.80 | \$ 202.30 | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | \$ 1,118.52 | \$ 1,118.52 | \$ 1,148.24 | | \$ 1,405.86 | \$ 1,401.91 | | \$ 1,405.86 | \$ 202.30 | |
| 426 | Kaiser (CA) | One Advantage, One Excess II - Part B | | | | | \$ 499.16 | \$ 493.87 | | | | |
| 427 | Kaiser (CA) | One Advantage, One Excess III (MNP) | | | | | \$ 806.19 | \$ 801.35 | | | | |
| 428 | Kaiser (CA) | One Excess, One Excess II - Part B | | | | | \$ 819.73 | \$ 814.92 | | | | |
| 429 | Kaiser (CA) | One Excess, One Excess III (MNP) | | | | | \$ 1,126.76 | \$ 1,122.40 | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | | \$ 791.80 | \$ 786.94 | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | | \$ 1,098.83 | \$ 1,094.43 | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | | \$ 1,405.86 | \$ 1,401.91 | | | | |
| 450 | Kaiser - Colorado Basic | Retiree Basic | \$ 1,087.81 | | | | | | | \$ 273.59 | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | | | \$ 273.59 | | | | | |
| 453 | Kaiser - Colorado | Retiree Basic (Two Party) | \$ 1,087.81 | \$ 1,473.18 | | | | | | \$ 273.59 | \$ 256.92 | |
| 454 | Kaiser - Colorado | Retiree Basic Family | \$ 1,087.81 | \$ 1,473.18 | \$ 3,591.89 | | | | | \$ 273.59 | \$ 256.92 | |
| 455 | Kaiser - Colorado | One Risk, One Basic | \$ 1,087.81 | \$ 1,189.05 | | | \$ 273.59 | \$ 256.92 | | \$ 273.59 | \$ 267.96 | |
| 457 | Kaiser - Colorado | Two Retiree Risk | | | | | \$ 273.59 | \$ 267.96 | | | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | \$ 1,087.81 | \$ 1,189.05 | \$ 4,200.99 | | \$ 273.59 | \$ 267.96 | | \$ 273.59 | \$ 267.96 | |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | \$ 4,534.84 | | \$ 273.59 | \$ 267.96 | | \$ 273.59 | \$ 267.96 | |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | \$ 876.95 | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | \$ 876.95 | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | | | | \$ 876.95 | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | \$ 876.95 | \$ 313.37 | | | | |
| 461 | Kaiser - Georgia Basic | Basic | \$ 1,306.28 | | | | | | | \$ 318.93 | | |
| 462 | Kaiser - Georgia | Retiree Risk | | | | | \$ 318.93 | | | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | \$ 1,306.28 | \$ 1,451.94 | \$ 5,537.45 | | \$ 318.93 | \$ 313.37 | | \$ 318.93 | \$ 313.37 | |
| 464 | Kaiser - Georgia | Retiree Basic Family | \$ 1,306.28 | \$ 1,451.94 | \$ 5,537.50 | | | | | \$ 318.93 | \$ 313.37 | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | \$ 475.07 | \$ 1,451.94 | \$ 5,537.45 | | \$ 318.93 | \$ 313.37 | | \$ 318.93 | \$ 313.37 | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | \$ 318.93 | \$ 313.37 | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | \$ 1,125.43 | | | | | | | \$ 328.39 | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | \$ 328.39 | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | \$ 1,239.94 | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | \$ 1,125.43 | \$ 1,249.53 | | | | | | \$ 328.39 | \$ 322.85 | |
| 475 | Kaiser - Hawaii | Retiree Basic Family (Under 65) | \$ 1,125.43 | \$ 1,249.53 | \$ 4,765.50 | | | | | \$ 328.39 | \$ 322.85 | |
| 476 | Kaiser - Hawaii | One Retiree Risk, One Basic | \$ 1,125.43 | \$ 1,249.53 | \$ 4,765.50 | | \$ 328.39 | \$ 322.85 | | \$ 328.39 | \$ 322.85 | |
| 477 | Kaiser - Hawaii | Over 65 without Medicare A&B, One Basic | \$ 1,125.43 | \$ 1,249.53 | \$ 4,765.50 | | \$ 1,239.94 | \$ 1,235.75 | | \$ 1,239.94 | \$ 1,235.75 | |
| 478 | Kaiser - Hawaii | Two Retiree Risk | | | | | \$ 328.39 | \$ 322.85 | | | | |



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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) | \$ 1,328.32 | | | | | | | | \$ 325.83 | | |
| 482 | Kaiser - Oregon | Retiree Risk | | | | | \$ 325.83 | | | | | | |
| 483 | Kaiser - Oregon | Retiree Over 65 unassigned Medicare A&B | | | | | \$ 956.47 | | | | | | |
| 484 | Kaiser - Oregon | Retiree Basic (Two Party) | \$ 1,328.32 | \$ 1,476.60 | | | | | | | \$ 325.83 | \$ 320.28 | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | \$ 1,328.32 | \$ 2,953.21 | \$ 5,631.55 | | | | | | \$ 325.83 | \$ 320.28 | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | \$ 1,328.32 | \$ 1,476.61 | \$ 5,631.55 | | \$ 325.83 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | | | | \$ 325.83 | \$ 320.28 | | | | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | \$ 806.12 | | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | \$ 806.12 | \$ 320.28 | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | \$ 1,424.74 | \$ 533.16 | | | \$ 956.47 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | \$ 1,328.32 | \$ 1,476.61 | | | \$ 325.83 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | \$ 1,328.32 | \$ 1,476.61 | \$ 5,631.55 | | \$ 325.83 | \$ 320.28 | | | \$ 325.83 | \$ 320.28 | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | \$ 956.47 | \$ 951.86 | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | \$ 806.12 | \$ 801.28 | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | \$ 1,328.32 | \$ 1,476.61 | | | \$ 806.12 | \$ 801.28 | | | \$ 806.12 | \$ 801.28 | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | \$ 1,328.32 | \$ 1,476.61 | | | \$ 956.47 | \$ 951.86 | | | \$ 956.47 | \$ 951.86 | |
| 611 | SCAN Health Plan | Retiree Only | | | | | \$ 221.85 | | | | | | |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | | | | | \$ 221.85 | \$ 221.85 | | | | | |
| 701 | United Healthcare | Retiree Only | \$ 1,290.56 | | | | \$ 278.15 | | | | \$ 278.15 | | |
| 702 | United Healthcare | Retiree & 1 Dependent (1 Medicare) | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 703 | United Healthcare | Retiree & 1 Dependent (2 Medicare) | | | | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 704 | United Healthcare | Retiree & 2 + Deps. (1 Medicare) | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 705 | United Healthcare | Retiree & 2 + Deps. (2 Medicare) | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | \$ 278.15 | \$ 278.15 | | | \$ 278.15 | \$ 278.15 | |
| 706 | United Healthcare | Minor Survivor | | | | | \$ 1,324.86 | | | \$ 1,324.86 | | | |
| 707 | United Healthcare | Single | \$ 1,290.56 | | | | | | | | \$ 280.04 | | |
| 708 | United Healthcare | Two-Party | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | | | | | \$ 280.04 | \$ 279.69 | |
| 709 | United Healthcare | Family | \$ 1,290.56 | \$ 1,290.56 | \$ 1,324.86 | | | | | | \$ 280.04 | \$ 279.69 | |



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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 | \$ 1,927.13 | | | | \$ 412.56 | | | \$ 412.56 | | |
| 802 | Firefighters' Local 1014 | Med-Member +1 under 65 | \$ 1,927.13 | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 803 | Firefighters' Local 1014 | Med-Member +2 under 65 | \$ 1,927.13 | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 804 | Firefighters' Local 1014 | Med-Member or Surviving Sp with Medicare | | | | | \$ 412.56 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 |
| 805 | Firefighters' Local 1014 | Med-Member +1; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 806 | Firefighters' Local 1014 | Med-Member +1; 2 MDC | | | | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 807 | Firefighters' Local 1014 | Med-Member +2; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 808 | Firefighters' Local 1014 | Med-Member +2; 2 MDC | | | | | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 | \$ 412.56 |
| 809 | Firefighters' Local 1014 | Med-Surv. Sp. Under 65 | | | | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 810 | Firefighters' Local 1014 | Med-Surv. Sp. +1 Under 65 | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 811 | Firefighters' Local 1014 | Med-Surv. Sp. +2 Under 65 | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 812 | Firefighters' Local 1014 | Med-Surv. Sp. With MDC | | | | | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 813 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 814 | Firefighters' Local 1014 | Med-Surv. Sp. +2; 1 MDC | | \$ 1,927.13 | \$ 1,978.34 | \$ 1,927.13 | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |
| 815 | Firefighters' Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | | \$ 412.56 | \$ 412.56 | | \$ 412.56 | \$ 412.56 |

Dental/Vision Female Retirees

| Deduction Code | Plan | Tier | Age 65 Adjusted Claim Costs | | |
|----------------|-------------------------------|----------------|-----------------------------|----------|----------|
| | | | Retiree | Sp/Dep | Surv |
| 501 | Cigna Indemnity Dental/Vision | Retiree Only | \$ 52.54 | | |
| 502 | Cigna Indemnity Dental/Vision | Family | \$ 52.54 | \$ 56.40 | |
| 503 | Cigna Indemnity Dental/Vision | Minor Survivor | | | \$ 53.18 |
| 901 | Cigna Dental HMO/Vision | Retiree Only | \$ 46.50 | | |
| 902 | Cigna Dental HMO/Vision | Family | \$ 46.50 | \$ 52.79 | |
| 903 | Cigna Dental HMO/Vision | Minor Survivor | | | \$ 47.08 |



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, 2017 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, updated in October of 2018. The following website provides more information: <https://www.soa.org/resources/research-reports/2016/research-hlthcare-trends/>. 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, 2019 renewals. ACA fees including the Patient Centered Outcomes Research Institute (PCORI) fee 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 2018 Medicare Trustees Report from CMS dated June 5, 2018. 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 with 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, 2029, 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. The medical trend remains at 4.40% beginning with the medical trend from fiscal year ending June 30, 2099 to fiscal year ending June 30, 2100.

| Fiscal Year Ending | | LACERA Medical | | Part B Premiums | Dental Under and Over 65 | Weighted Average Trend |
|--------------------|-----------|----------------|---------|--------------------|-----------------------------|------------------------------|
| From | To | Under 65 | Over 65 | | | |
| 6/30/2019 | 6/30/2020 | 3.30% | 2.90% | 9.40% | 0.00% | 3.53% |
| 6/30/2020 | 6/30/2021 | 6.40% | 6.30% | 4.70% | 4.50% | 6.02% |
| 6/30/2021 | 6/30/2022 | 5.70% | 6.00% | 4.60% | 3.00% | 5.54% |
| 6/30/2022 | 6/30/2023 | 5.60% | 5.90% | 4.90% | 2.90% | 5.49% |
| 6/30/2023 | 6/30/2024 | 5.20% | 5.10% | 5.90% | 2.90% | 5.08% |
| 6/30/2024 | 6/30/2025 | 5.20% | 5.20% | 5.70% | 2.90% | 5.11% |
| 6/30/2025 | 6/30/2026 | 5.30% | 5.30% | 5.00% | 2.90% | 5.12% |
| 6/30/2026 | 6/30/2027 | 5.40% | 5.30% | 5.40% | 2.90% | 5.20% |
| 6/30/2027 | 6/30/2028 | 5.60% | 5.30% | 5.90% | 2.80% | 5.32% |
| 6/30/2028 | 6/30/2029 | 5.70% | 5.30% | 5.60% | 2.80% | 5.31% |
| 6/30/2038 | 6/30/2039 | 5.90% | 5.40% | 5.10% | 2.60% | 5.35% |
| 6/30/2048 | 6/30/2049 | 5.60% | 5.30% | 4.50% | 2.40% | 5.14% |
| 6/30/2058 | 6/30/2059 | 5.30% | 5.70% | 4.40% | 2.50% | 5.39% |
| 6/30/2068 | 6/30/2069 | 4.90% | 5.10% | 4.40% | 2.80% | 4.94% |
| 6/30/2078 | 6/30/2079 | 4.40% | 4.50% | 4.40% | 3.00% | 4.45% |
| 6/30/2088 | 6/30/2089 | 4.40% | 4.50% | 4.30% | 3.30% | 4.45% |
| 6/30/2098 | 6/30/2099 | 4.40% | 4.50% | 4.30% | 3.50% | 4.45% |
| 6/30/2104 | 6/30/2105 | 4.40% | 4.50% | 4.30% | 3.70% | 4.46% |



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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% | 40.00% |
| 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 | 21.00% | 0.00% | 25.00% |
| 51 | 6.00% | 0.00% | 11.00% |
| 52 | 6.00% | 0.00% | 20.00% |
| 53 | 6.00% | 0.00% | 13.00% |
| 54 | 6.00% | 0.00% | 21.00% |
| 55 | 10.00% | 27.00% | 30.00% |
| 56 | 8.00% | 6.00% | 18.00% |
| 57 | 8.00% | 6.00% | 22.00% |
| 58 | 8.00% | 6.00% | 24.00% |
| 59 | 10.00% | 6.00% | 22.00% |
| 60 | 12.00% | 7.00% | 22.00% |
| 61 | 12.00% | 8.00% | 30.00% |
| 62 | 15.00% | 8.00% | 30.00% |
| 63 | 20.00% | 8.00% | 30.00% |
| 64 | 20.00% | 24.00% | 32.00% |
| 65 | 28.00% | 39.00% | 100.00% |
| 66 | 26.00% | 14.00% | 100.00% |
| 67 | 24.00% | 8.00% | 100.00% |
| 68 | 26.00% | 10.00% | 100.00% |
| 69 | 28.00% | 13.00% | 100.00% |
| 70 | 40.00% | 17.00% | 100.00% |
| 71 | 40.00% | 24.00% | 100.00% |
| 72 | 40.00% | 16.00% | 100.00% |
| 73 | 40.00% | 16.00% | 100.00% |
| 74 | 40.00% | 20.00% | 100.00% |
| 75 | 100.00% | 100.00% | 100.00% |
| 75 or older | 100.00% | 100.00% | 100.00% |

These factors were used for current vested terminated members. For retirement of future vested terminated members (i.e. members that are currently active and may become vested terminated in the future), these factors were simplified into five year factors for ease of application in the valuation system. Spouses of future vested terminated members were assumed to commence benefits at age 60.



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

Appendix B: Summary of Program Provisions



The following description of retiree 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, firefighters 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.

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 at the end of this Appendix B 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.

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

Tier 1 is for employees who are hired before July 1, 2014 and are eligible for LACERA membership. 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.

Tier 2 is for employees who are hired after June 30, 2014 and are eligible for LACERA membership. The Tier 2 subsidy is the same as Tier 1 except that the benchmark plan is different. The table below shows the benchmark plans for Tier 1 and Tier 2.

| <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 |

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. If the Tier 2 benchmark is less than the premium for the retiree-only tier, the retiree subsidy would be lower and there would be no spouse subsidy.

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, 2018 was supplied to us by LACERA's Systems Division staff. Active and vested terminated data is used from the 2018 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, 2018 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, Spouses and Dependents in Medical Plans
- Exhibit C-7: Age and Service Distributions of Retired Members, Spouses and Dependents in Dental/Vision Plans
- Exhibit C-8: Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 1
- Exhibit C-9: Medical and Dental/Vision Plan Distributions of Retired Members, Survivors, Spouses, and Dependents Pre and Post Age 65 for Tier 2
- Exhibit C-10: Treatment of Incomplete Data

Note that Exhibits C-1 through C-7 were prepared using an "age nearest birthday" basis for calculating ages as used by our valuation system. Exhibit C-8 and C-9 were prepared using an "attained age" basis to reflect when someone becomes 65.

Exhibit C-1: Summary of Active Members

| | Members | | Annual Salary | Average Age | Average Credited Service |
|-------------------------------------|----------------|---------------|----------------------|--------------------|---------------------------------|
| | Tier 1 | Tier 2 | | | |
| County | | | | | |
| General | 63,095 | 17,646 | \$ 6,237,658,920 | 47.1 | 14.2 |
| Safety | 10,724 | 2,046 | 1,451,326,572 | 42.2 | 15.3 |
| Total | 73,819 | 19,692 | \$ 7,688,985,492 | 46.5 | 14.4 |
| Superior Court | | | | | |
| General | 3,562 | 952 | \$ 327,267,816 | 49.0 | 17.5 |
| Safety | - | - | - | - | - |
| Total | 3,562 | 952 | \$ 327,267,816 | 49.0 | 17.5 |
| LACERA | | | | | |
| General | 292 | 90 | \$ 39,209,868 | 48.2 | 13.3 |
| Safety | - | - | - | - | - |
| Total | 292 | 90 | \$ 39,209,868 | 48.2 | 13.3 |
| Outside Districts | | | | | |
| General | 8 | - | \$ 640,356 | 49.0 | 10.9 |
| Safety | - | - | - | - | - |
| Total | 8 | - | \$ 640,356 | 49.0 | 10.9 |
| Grand Total | | | | | |
| General | 66,957 | 18,688 | \$ 6,604,776,960 | 47.2 | 14.4 |
| Safety | 10,724 | 2,046 | 1,451,326,572 | 42.2 | 15.3 |
| Total | 77,681 | 20,734 | \$ 8,056,103,532 | 46.6 | 14.5 |
| Grand Total (Tiers Combined) | 98,415 | | | | |

This excludes 59 active pension members who are receiving retiree healthcare benefits.

Exhibit C-2: Summary of Vested Terminated Members

| | <u>Members</u> | | <u>Average Age</u> |
|-------------------------------------|----------------|---------------|------------------------|
| | <u>Tier 1</u> | <u>Tier 2</u> | |
| County | | | |
| General | 7,093 | 84 | 51.5 |
| Safety | 590 | 12 | 43.4 |
| Total | 7,683 | 96 | 50.9 |
| Superior Court | | | |
| General | 607 | 8 | 52.3 |
| Safety | - | - | - |
| Total | 607 | 8 | 52.3 |
| LACERA | | | |
| General | - | - | - |
| Safety | - | - | - |
| Total | - | - | - |
| Outside Districts | | | |
| General | 38 | 2 | 50.0 |
| Safety | - | - | - |
| Total | 38 | 2 | 50.0 |
| Grand Total | 8,328 | 106 | 51.0 |
| Grand Total (Tiers Combined) | 8,434 | | |

Pension data includes 6,446 non vested terminated members.

This excludes 24 vested terminated pension members who are receiving retiree healthcare

This also excludes 2 records of members who died before 7/1/2018.

Exhibit C-3: Summary of Current Retirees, Survivors, Spouses, and Dependents

Medical

| | 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 | | | | |
| County | 47,780 | 1 | 26,380 | - | 74,161 | 73.3 | 59.4 | 68.4 |
| Superior Court | 2,251 | - | 951 | - | 3,202 | 73.1 | 62.2 | 69.9 |
| LACERA | 137 | - | 66 | - | 203 | 72.0 | 63.1 | 69.1 |
| Outside Districts | 102 | - | 37 | - | 139 | 82.4 | 72.2 | 79.7 |
| Total Medical | 50,270 | 1 | 27,434 | - | 77,705 | 73.3 | 59.5 | 68.5 |
| Tiers Combined | 50,271 | | 27,434 | | | | | |

Dental/Vision

| | 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 | | | | |
| County | 48,905 | 2 | 26,662 | - | 75,569 | 73.2 | 60.8 | 68.8 |
| Superior Court | 2,283 | - | 987 | - | 3,270 | 73.1 | 64.7 | 70.5 |
| LACERA | 138 | - | 58 | - | 196 | 71.7 | 68.5 | 70.7 |
| Outside Districts | 94 | - | 37 | - | 131 | 82.9 | 71.0 | 79.5 |
| Total Dental/Vision | 51,420 | 2 | 27,744 | - | 79,166 | 73.2 | 61.0 | 68.9 |
| Tiers Combined | 51,422 | | 27,744 | | | | | |

Death Benefit*

| | Count | | | | | Average Age | | |
|---------------------|----------|--------|------------------------|--------|--------|-------------|------------------------|-------|
| | Retirees | | Spouses and Dependents | | Total | Retirees | Spouses and Dependents | Total |
| | Tier 1 | Tier 2 | Tier 1 | Tier 2 | | | | |
| County | 52,576 | 6 | NA | NA | 52,582 | 72.2 | NA | 72.2 |
| Superior Court | 2,740 | 1 | NA | NA | 2,741 | 71.7 | NA | 71.7 |
| LACERA | 162 | - | NA | NA | 162 | 70.5 | NA | 70.5 |
| Outside Districts | 117 | - | NA | NA | 117 | 79.8 | NA | 79.8 |
| Total Death Benefit | 55,595 | 7 | NA | NA | 55,602 | 72.1 | NA | 72.1 |
| Tiers Combined | 55,602 | | NA | | | | | |

* Totals do not include 419 people that are both a Retiree and a Survivor, but have elected their Retiree Medical benefits as a Survivor.

Exhibit C-4: Age and Service Distribution of Active Members

| Age | Members' Years of Service | | | | | | | | Total Count |
|--------------------|---------------------------|--------|--------|--------|-------|-------|-------|------------|-------------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35 & Above | |
| Under 18 | - | - | - | - | - | - | - | - | - |
| 18-19 | 4 | - | - | - | - | - | - | - | 4 |
| 20-24 | 876 | 1 | - | - | - | - | - | - | 877 |
| 25-29 | 5,784 | 447 | 19 | 1 | - | - | - | - | 6,251 |
| 30-34 | 6,561 | 2,469 | 1,404 | 40 | - | - | - | - | 10,474 |
| 35-39 | 4,229 | 2,672 | 4,451 | 963 | 53 | 2 | - | - | 12,370 |
| 40-44 | 2,637 | 1,737 | 3,966 | 3,664 | 867 | 74 | - | - | 12,945 |
| 45-49 | 1,868 | 1,244 | 2,926 | 3,826 | 2,689 | 1,368 | 128 | 2 | 14,051 |
| 50-54 | 1,366 | 892 | 2,067 | 2,770 | 2,302 | 3,457 | 1,493 | 165 | 14,512 |
| 55-59 | 951 | 743 | 1,738 | 2,117 | 1,529 | 2,434 | 2,100 | 922 | 12,534 |
| 60-64 | 469 | 531 | 1,188 | 1,571 | 1,124 | 1,426 | 1,321 | 1,487 | 9,117 |
| 65-69 | 145 | 240 | 581 | 775 | 533 | 531 | 387 | 563 | 3,755 |
| 70-74 | 27 | 54 | 189 | 273 | 189 | 157 | 89 | 165 | 1,143 |
| 75-79 | 2 | 8 | 28 | 75 | 50 | 46 | 35 | 39 | 283 |
| 80-84 | - | - | 6 | 14 | 17 | 12 | 10 | 23 | 82 |
| 85 & Over | - | 1 | 2 | 1 | 1 | 1 | 1 | 10 | 17 |
| Total Count | 24,919 | 11,039 | 18,565 | 16,090 | 9,354 | 9,508 | 5,564 | 3,376 | 98,415 |

This excludes 59 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 | 2 | - | - | - | - | - | - | - | 2 |
| 25-29 | 38 | 17 | - | - | - | - | - | - | 55 |
| 30-34 | 126 | 177 | 32 | 2 | - | - | - | - | 337 |
| 35-39 | 186 | 422 | 159 | 22 | 1 | - | - | - | 790 |
| 40-44 | 256 | 538 | 250 | 77 | 10 | - | - | - | 1,131 |
| 45-49 | 211 | 566 | 405 | 186 | 42 | 19 | 1 | - | 1,430 |
| 50-54 | 176 | 427 | 575 | 229 | 122 | 52 | 16 | 2 | 1,599 |
| 55-59 | 115 | 270 | 473 | 229 | 95 | 75 | 37 | 7 | 1,301 |
| 60-64 | 74 | 193 | 402 | 141 | 62 | 73 | 39 | 51 | 1,035 |
| 65-69 | 41 | 98 | 255 | 83 | 19 | 16 | 7 | 16 | 535 |
| 70-74 | 10 | 20 | 85 | 43 | 9 | 1 | 1 | 1 | 170 |
| 75-79 | 4 | 3 | 16 | 6 | 4 | 1 | - | 1 | 35 |
| 80-84 | 4 | 1 | 3 | 1 | - | 1 | 1 | - | 11 |
| 85 & Over | 1 | 1 | - | - | - | - | 1 | - | 3 |
| Total Count | 1,244 | 2,733 | 2,655 | 1,019 | 364 | 238 | 103 | 78 | 8,434 |

Retirement program data includes 6,446 non vested terminated members.
 This excludes 24 vested terminated pension members who are receiving retiree healthcare benefits.
 This also excludes 2 records of members who died before 7/1/2018.

Exhibit C-6
All Members
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 | 4 | 3 | 1 | 13 | 22 |
| 35-39 | - | - | - | - | - | - | - | 15 | 15 |
| 40-44 | - | - | - | - | - | 3 | 3 | 50 | 56 |
| 45-49 | - | - | 3 | 1 | 7 | 6 | 2 | 116 | 135 |
| 50-54 | - | - | 20 | 29 | 59 | 119 | 59 | 346 | 632 |
| 55-59 | - | 1 | 47 | 74 | 141 | 566 | 712 | 926 | 2,467 |
| 60-64 | 2 | 2 | 132 | 200 | 340 | 1,177 | 1,863 | 1,244 | 4,960 |
| 65-69 | 3 | 25 | 373 | 550 | 684 | 1,890 | 4,749 | 1,241 | 9,515 |
| 70-74 | 8 | 26 | 514 | 720 | 925 | 2,079 | 4,976 | 1,785 | 11,033 |
| 75-79 | 6 | 21 | 467 | 623 | 792 | 1,886 | 3,407 | 1,472 | 8,674 |
| 80-84 | 8 | 21 | 340 | 493 | 665 | 1,456 | 2,011 | 1,018 | 6,012 |
| 85-89 | 5 | 19 | 261 | 418 | 579 | 991 | 1,122 | 667 | 4,062 |
| 90-94 | 1 | 12 | 155 | 236 | 304 | 424 | 626 | 260 | 2,018 |
| 95-99 | - | - | 76 | 100 | 87 | 105 | 174 | 57 | 599 |
| 100 & Over | - | 1 | 12 | 12 | 15 | 13 | 11 | 7 | 71 |
| Total Count | 33 | 128 | 2,400 | 3,457 | 4,602 | 10,718 | 19,716 | 9,217 | 50,271 |

All Members
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 | 2 | 1 | 104 | 148 | 294 | 1,133 | 1,636 | 1,742 | 5,060 |
| 35-39 | - | 1 | - | 1 | 9 | 16 | 39 | 30 | 96 |
| 40-44 | - | - | 1 | 6 | 14 | 32 | 41 | 56 | 150 |
| 45-49 | - | - | 8 | 12 | 24 | 71 | 119 | 143 | 377 |
| 50-54 | - | - | 15 | 32 | 62 | 246 | 354 | 413 | 1,122 |
| 55-59 | 1 | - | 39 | 52 | 107 | 500 | 834 | 778 | 2,311 |
| 60-64 | 1 | 8 | 67 | 107 | 197 | 815 | 1,399 | 771 | 3,365 |
| 65-69 | 3 | 6 | 157 | 210 | 302 | 900 | 2,176 | 797 | 4,551 |
| 70-74 | 3 | 12 | 186 | 295 | 369 | 846 | 1,951 | 825 | 4,487 |
| 75-79 | 2 | 7 | 154 | 235 | 318 | 692 | 1,258 | 506 | 3,172 |
| 80-84 | - | 4 | 92 | 130 | 213 | 412 | 601 | 254 | 1,706 |
| 85-89 | - | 2 | 27 | 65 | 80 | 200 | 256 | 100 | 730 |
| 90-94 | - | 1 | 16 | 30 | 33 | 64 | 92 | 17 | 253 |
| 95-99 | 1 | - | 6 | 7 | 9 | 12 | 14 | 4 | 53 |
| 100 & Over | - | - | - | - | - | - | 1 | - | 1 |
| Total Count | 13 | 42 | 872 | 1,330 | 2,031 | 5,939 | 10,771 | 6,436 | 27,434 |



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**Exhibit C-7
All Members
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 | - | - | - | 1 | 4 | 3 | 1 | 14 | 23 |
| 35-39 | - | - | - | - | - | - | - | 18 | 18 |
| 40-44 | - | - | 1 | - | - | 3 | 3 | 68 | 75 |
| 45-49 | - | - | 3 | 1 | 7 | 6 | 2 | 135 | 154 |
| 50-54 | 1 | 1 | 20 | 34 | 61 | 119 | 59 | 395 | 690 |
| 55-59 | 1 | 3 | 66 | 96 | 149 | 569 | 711 | 996 | 2,591 |
| 60-64 | 2 | 10 | 171 | 242 | 355 | 1,177 | 1,855 | 1,313 | 5,125 |
| 65-69 | 5 | 28 | 424 | 594 | 714 | 1,908 | 4,753 | 1,301 | 9,727 |
| 70-74 | 7 | 39 | 564 | 751 | 969 | 2,086 | 4,995 | 1,857 | 11,268 |
| 75-79 | 11 | 28 | 479 | 654 | 825 | 1,903 | 3,425 | 1,516 | 8,841 |
| 80-84 | 5 | 35 | 329 | 522 | 688 | 1,470 | 2,022 | 1,029 | 6,100 |
| 85-89 | 5 | 20 | 275 | 418 | 586 | 992 | 1,140 | 667 | 4,103 |
| 90-94 | 5 | 12 | 170 | 233 | 312 | 433 | 632 | 245 | 2,042 |
| 95-99 | 1 | 2 | 83 | 100 | 86 | 101 | 173 | 52 | 598 |
| 100 & Over | - | - | 9 | 10 | 17 | 12 | 11 | 8 | 67 |
| Total Count | 43 | 178 | 2,594 | 3,656 | 4,773 | 10,782 | 19,782 | 9,614 | 51,422 |

**All Members
Spouses and Dependents 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 | 3 | 7 | 119 | 138 | 234 | 935 | 1,350 | 1,619 | 4,405 |
| 35-39 | - | 1 | - | - | 8 | 13 | 32 | 42 | 96 |
| 40-44 | - | - | 2 | 6 | 11 | 34 | 46 | 69 | 168 |
| 45-49 | - | 1 | 11 | 15 | 26 | 72 | 119 | 172 | 416 |
| 50-54 | - | - | 17 | 29 | 59 | 236 | 323 | 405 | 1,069 |
| 55-59 | 3 | 2 | 43 | 60 | 102 | 475 | 811 | 732 | 2,228 |
| 60-64 | 2 | 7 | 76 | 128 | 215 | 795 | 1,362 | 820 | 3,405 |
| 65-69 | 3 | 6 | 189 | 239 | 337 | 942 | 2,237 | 839 | 4,792 |
| 70-74 | 3 | 18 | 205 | 341 | 395 | 904 | 2,050 | 870 | 4,786 |
| 75-79 | - | 4 | 165 | 245 | 334 | 737 | 1,338 | 555 | 3,378 |
| 80-84 | 3 | 4 | 98 | 153 | 244 | 450 | 635 | 261 | 1,848 |
| 85-89 | 1 | 5 | 37 | 84 | 84 | 209 | 279 | 105 | 804 |
| 90-94 | - | 1 | 18 | 37 | 42 | 68 | 96 | 23 | 285 |
| 95-99 | - | - | 7 | 10 | 13 | 14 | 17 | 2 | 63 |
| 100 & Over | - | - | - | - | - | - | 1 | - | 1 |
| Total Count | 18 | 56 | 987 | 1,485 | 2,104 | 5,884 | 10,696 | 6,514 | 27,744 |



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Exhibit C-8: Summary of Data for Current Retirees, Survivors, Spouses, and Dependents 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 | 180 | 988 | 1,168 | 253 | 224 | 477 | 433 | 1,212 | 1,645 |
| Blue Cross II | 2,088 | 2,770 | 4,858 | 2,865 | 989 | 3,854 | 4,953 | 3,759 | 8,712 |
| Blue Cross III | 266 | 11,473 | 11,739 | 1,069 | 4,330 | 5,399 | 1,335 | 15,803 | 17,138 |
| Blue Cross Prudent Buyer Plan | 323 | 804 | 1,127 | 426 | 230 | 656 | 749 | 1,034 | 1,783 |
| CIGNA Healthcare for Seniors | 2 | 53 | 55 | 11 | 19 | 30 | 13 | 72 | 85 |
| CIGNA Network Model Plan | 91 | 415 | 506 | 116 | 105 | 221 | 207 | 520 | 727 |
| Kaiser (Other) | 45 | 332 | 377 | 39 | 103 | 142 | 84 | 435 | 519 |
| Kaiser (CA) | 3,918 | 19,982 | 23,900 | 5,181 | 6,769 | 11,950 | 9,099 | 26,751 | 35,850 |
| United Healthcare | 1,378 | 2,884 | 4,262 | 1,796 | 1,065 | 2,861 | 3,174 | 3,949 | 7,123 |
| SCAN Health Plan | 2 | 405 | 407 | 1 | 104 | 105 | 3 | 509 | 512 |
| Firefighters' Local 1014 | 696 | 1,175 | 1,871 | 1,131 | 608 | 1,739 | 1,827 | 1,783 | 3,610 |
| Total | 8,989 | 41,281 | 50,270 | 12,888 | 14,546 | 27,434 | 21,877 | 55,827 | 77,704 |
| <u>Medicare Part B Coverage</u> | | | | | | | | | |
| All Members | | | | | | | | | |
| Receiving Reimbursement | 372 | 33,722 | 34,094 | 414 | 11,296 | 11,710 | 786 | 45,018 | 45,804 |
| Not Receiving Reimbursement | 8,617 | 7,559 | 16,176 | 12,475 | 3,249 | 15,724 | 21,092 | 10,808 | 31,900 |
| Total | 8,989 | 41,281 | 50,270 | 12,889 | 14,545 | 27,434 | 21,878 | 55,826 | 77,704 |
| <u>Dental/Vision Plans</u> | | | | | | | | | |
| All Members | | | | | | | | | |
| Cigna Indemnity Dental/Vision | 7,987 | 37,792 | 45,779 | 10,638 | 14,303 | 24,941 | 18,625 | 52,095 | 70,720 |
| Cigna Dental HMO/Vision | 1,410 | 4,231 | 5,641 | 1,578 | 1,225 | 2,803 | 2,988 | 5,456 | 8,444 |
| Total | 9,397 | 42,023 | 51,420 | 12,216 | 15,528 | 27,744 | 21,613 | 57,551 | 79,164 |
| <u>Death Benefit*</u> | | | | | | | | | |
| Total | 11,862 | 43,733 | 55,595 | NA | NA | NA | 11,862 | 43,733 | 55,595 |

* Totals do not include 419 people that are both a Retiree and a Survivor, but have elected their Retiree Medical benefits as a Survivor.

Exhibit C-9: Summary of Data for Current Retirees, Survivors, Spouses, and Dependents for Tier 2

| | Retirees and Survivors | | | Spouses and Dependents | | | Total | | |
|---------------------------------|------------------------|----------|----------|------------------------|-----------|-----------|----------|----------|----------|
| | Pre 65 | Post 65 | Total | Pre 65 | Post 65 | Total | Pre 65 | Post 65 | Total |
| <u>Medical Plans</u> | | | | | | | | | |
| Blue Cross I | - | - | - | - | - | - | - | - | - |
| Blue Cross II | - | - | - | - | - | - | - | - | - |
| Blue Cross III | - | - | - | - | - | - | - | - | - |
| Blue Cross Prudent Buyer Plan | 1 | - | 1 | - | - | - | 1 | - | 1 |
| CIGNA Healthcare for Seniors | - | - | - | - | - | - | - | - | - |
| CIGNA Network Model Plan | - | - | - | - | - | - | - | - | - |
| Kaiser (Other) | - | - | - | - | - | - | - | - | - |
| Kaiser (CA) | - | - | - | - | - | - | - | - | - |
| United Healthcare | - | - | - | - | - | - | - | - | - |
| SCAN Health Plan | - | - | - | - | - | - | - | - | - |
| Firefighters' Local 1014 | - | - | - | - | - | - | - | - | - |
| Total | 1 | - | 1 | - | - | - | 1 | - | 1 |
| <u>Medicare Part B Coverage</u> | | | | | | | | | |
| All Members | | | | | | | | | |
| Receiving Reimbursement | - | - | - | - | - | - | - | - | - |
| Not Receiving Reimbursement | 1 | - | 1 | - | - | - | 1 | - | 1 |
| Total | 1 | - | 1 | - | - | - | 1 | - | 1 |
| <u>Dental/Vision Plans</u> | | | | | | | | | |
| All Members | | | | | | | | | |
| Cigna Indemnity Dental/Vision | 1 | - | 1 | - | - | - | 1 | - | 1 |
| Cigna Dental HMO/Vision | 1 | - | 1 | - | - | - | 1 | - | 1 |
| Total | 2 | - | 2 | - | - | - | 2 | - | 2 |
| <u>Death Benefit</u> | | | | | | | | | |
| Total | 4 | 3 | 7 | NA | NA | NA | 4 | 3 | 7 |



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Exhibit C-10: Treatment of Incomplete Data

| ID | Size | Situation | Assumption and Resolution |
|----|---|--|---|
| 1 | 432 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. |
| 2 | 1,701 medical 260 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. |
| 3 | 205 medical 215 dental 90 death benefit only 2 vested terminated | Members were deceased before 7/1/2018. | Removed records from data. |
| 4 | 1 medical 1 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.

| | |
|---|--|
| Actuarially Determined Contributions (“ADC”) | 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



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E-1

COMPARISON OF MEDICAL PLANS

Effective July 1, 2018

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; CA limited to 100 days per contract year; AZ limited to 60 days per contract year |
| 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; CA limited to 100 days per contract year; AZ limited to 60 days per contract year. Includes outpatient Private Duty Nursing subject to medical necessity. |
| 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, 2018

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 |

| 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 |

*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 | \$150 credit toward the purchase of lenses, frames, and/or contact lenses every 24 months |
| \$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, 2018

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 |
| 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 | SCAN¹ | 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 \$600 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.
- SilverSneakers by Tivity Health 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.

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



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G-1

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 (one pair or single purchase up to allowed amount with one lifetime maximum) | | |
| ■ 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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Los Angeles County Employees Retirement Association

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Search by Topic**MEDICARE PARTS A & B ELIGIBILITY****Brochures & Forms****HEALTHCARE****ALERT - Medicare Part D****Medicare Parts A & B Eligibility****Medicare Part B Reimbursement****The Value of Medicare Part B****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 2019, the Medicare Part A premium amount increased to \$437.00 per month (\$422.00 in 2018) for people who are not eligible for premium-free hospital insurance and have fewer than 40 quarters of Medicare-covered employment. Visit [Medicare](#) for more information.

ELIGIBILITY REQUIREMENTS FOR MEDICARE PART B

(Supplementary medical insurance coverage for physicians, labs, testing)

When you enroll in Medicare Part A, you are **automatically enrolled** in Medicare Part B unless you decline it. This rule applies to persons age 65 or older and also to those who are disabled under age 65.

If you pay a premium for Plan A, you must enroll in Part B if you also desire that coverage. The Part B coverage is ordinarily deducted from your Social Security benefit.

If you select a LACERA-administered Medicare plan, you **may be reimbursed** by LACERA for the Part B premium amount. This reimbursement program is subject to annual review by the Board of Supervisors.

If you or your spouse has fewer than 40 quarters of Medicare-covered employment, you must pay a monthly premium for Part A.

On December 18, 2018, the Board of Supervisors approved continuing the Medicare Part B Premium Reimbursement Program for 2019 for LACERA-administered Medicare Plan enrollees.

[Read more about Part B.](#)

MEDICARE PART B

[County Reimbursements](#)

STOP MEDICARE FRAUD

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



Retiree Healthcare Brochures & Forms Page

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12/27/18

Call Center: 800-786-6464 (M-F 7 AM - 5:30 PM) • Fax: 626-564-6155 • Email: welcome@lacera.com
 Member Service Center: (M-F 7 AM - 5 PM) • [Appointment and Workshop Reservation System](#)
 Location: 300 N. Lake Ave. Pasadena, CA 91101 [Map](#) • Mailing Address: PO Box 7060 Pasadena, CA 91109-7060

Appendix I: Historical Information



This section presents historical statistical information on LACERA's membership, liabilities, assets, and costs. There is also a history of changes.

Table I-1: Membership Data

| Valuation Date (July 1) | Membership | | | Payroll (Millions) |
|-------------------------------|------------|-----------------------|---|-----------------------|
| | Actives | Vested Terminateds | Retirees and Survivors with Medical | |
| 2006 | 88,581 | 7,450 | 39,078 | \$ 5,307.2 |
| 2008 | 94,415 | 8,074 | 40,444 | \$ 6,259.2 |
| 2010 | 94,343 | 7,917 | 41,786 | \$ 6,732.7 |
| 2012 | 91,898 | 7,835 | 43,897 | \$ 6,630.0 |
| 2014 | 92,393 | 8,069 | 45,825 | \$ 6,764.0 |
| 2016 | 95,295 | 8,207 | 47,903 | \$ 7,268.6 |
| 2017 | 97,149 | 8,302 | 49,109 | \$ 7,743.0 |
| 2018 | 98,415 | 8,434 | 50,271 | \$ 7,880.3 |

**Table I-2: Liabilities, Assets, and Costs
(All Dollar Amounts in Millions)**

| <u>Valuation Year</u> | <u>Actuarial Accrued Liability</u> | <u>Assets</u> | <u>Unfunded Actuarial Accrued Liability</u> | <u>ARC/ADC¹</u> | <u>Funded Ratio</u> | <u>ARC/ADC as a % of Pay</u> |
|-----------------------|--|---------------|---|----------------------------|-------------------------|----------------------------------|
| 2006 | \$ 21,215.8 | \$ - | \$ 21,215.8 | \$ 1,630.7 | 0.00% | 30.73% |
| 2008 | \$ 21,863.6 | \$ - | \$ 21,863.6 | \$ 1,737.0 | 0.00% | 27.75% |
| 2010 | \$ 24,031.0 | \$ - | \$ 24,031.0 | \$ 1,938.4 | 0.00% | 28.79% |
| 2012 | \$ 26,952.7 | \$ - | \$ 26,952.7 | \$ 2,126.1 | 0.00% | 32.07% |
| 2014 | \$ 28,546.6 | \$ 483.8 | \$ 28,062.8 | \$ 2,152.3 | 1.69% | 31.82% |
| 2016 | \$ 25,912.6 | \$ 560.8 | \$ 25,351.8 | \$ 1,964.4 | 2.16% | 27.03% |
| 2017 | \$ 26,300.8 | \$ 742.9 | \$ 25,557.9 | \$ 1,979.8 | 2.82% | 25.57% |
| 2018 | \$ 21,066.8 | \$ 941.0 | \$ 20,125.8 | \$ 1,620.2 | 4.47% | 20.56% |

¹ Annual Required Contribution (ARC) through 2017 and Actuarially Determined Contribution (ADC) thereafter

Table I-3: Change History

| Valuation Year | Investment Return Assumption | | Changes |
|----------------|------------------------------|-------------------|--|
| | Prefunding Agents | Outside Districts | |
| 2006 | 5.00% | 5.00% | Initial OPEB Valuation and Segal actuarial review |
| 2008 | 5.00% | 5.00% | Investigation of Experience Study |
| 2010 | 5.00% | 5.00% | Investigation of Experience Study and Segal actuarial review |
| 2012 | 4.35% | 4.35% | 2013 Investigation of Experience Study |
| 2014 | 3.75% | 3.75% | Initial Valuation with OPEB Trust assets |
| 2016 | 4.50% | 4.50% | Initial Valuation reflecting Tier 2, Investigation of Experience Study and Segal actuarial review |
| 2017 | 4.50% | 4.50% | Beginning of annual valuations |
| 2018 | 6.00% | 3.69% | Initial agent Valuation, 2018 Investigation of Experience Study and Cavanaugh Macdonald actuarial review |



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Attachment 2

Milliman's OPEB Experience Study report
as of July 1, 2018 Final



Los Angeles County Other Postemployment Benefits Program

2018 Investigation of Experience for Other Postemployment Benefits Assumptions

Prepared by:

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

Janet O. Jennings, ASA, MAAA
Associate Actuary

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June 25, 2019

Mr. Steven Rice
Chief Counsel
Los Angeles County Employees Retirement Association
300 North Lake Avenue
Pasadena, CA 91101-4199

Dear Steven:

It is a pleasure to submit this report of our investigation of the experience of the Los Angeles County Retirement Association (LACERA) Other Postemployment Benefits (OPEB) Program for the period ending June 30, 2018. It has been two years since the last 2016 OPEB experience Study. The results of this investigation are the basis for recommended changes in OPEB related actuarial assumptions for the actuarial valuation to be performed as of July 1, 2018.

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

We have provided financial information showing the estimated hypothetical impact of the recommended assumptions if they had been used in the July 1, 2017 actuarial OPEB valuation. We believe the recommended assumptions provide a reasonable estimate of anticipated experience affecting LACERA. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions.

In preparing this report, we relied without audit on information (some oral and some in writing) supplied by LACERA's staff; Segal, LACERA's Health Care Benefits Consultant; and Meketa Investment Group, LACERA's general investment consultant. This information includes, but is not limited to benefit descriptions, membership data, and financial information. We used LACERA's benefit provisions as summarized in our July 1, 2017 OPEB Actuarial Valuation report. In our examination, after discussion with LACERA and making certain adjustments, we have found the data to be reasonably consistent and comparable with data used for other purposes. Since the experience study results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our determinations might need to be revised.

Components of ACA are reflected in the trend assumption, which is evaluated in this experience study. The trend will be updated for the July 1, 2018 valuation to reflect the July 1, 2019 final renewals.

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We certify that the assumptions developed in this report satisfy Actuarial Standards Board (ASB) Standards of Practice, in particular, No. 6 (Measuring Retiree Group Benefit Obligations). The assumptions used in this OPEB Investigation of Experience are derived from a combination of assumptions identified during the 2016 LACERA Investigation of Experience for Retirement Benefit Assumptions and collaboration among a group of stakeholder representatives. Demographic assumptions from the latest 2016 Retirement Benefit Investigation of Experience, conducted by Milliman and approved by LACERA's Board of Investments, are integrated into the OPEB Investigation of Experience. Assumptions unique to OPEB are identified, evaluated, and agreed upon collaboratively by the actuaries and consultants representing the OPEB program stakeholders including: Milliman, LACERA's actuary; 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. Types of OPEB specific assumptions include: initial enrollment, plan and tier selection, spouse age difference, and re-enrollment assumptions. The claim cost assumptions and final trend rates reflecting the July 1, 2019 renewals will be developed and agreed upon collaboratively with the same LACERA stakeholders during the July 1, 2018 valuation.

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

Actuarial computations under 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 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 County, LACERA, and the Superior Courts are prefunding through the OPEB Trust. Additionally, the benefit payments flow through LACERA's financial accounts. 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):

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

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

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

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

Respectfully submitted,

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

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

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

Janet O. Jennings, ASA, MAAA
Associate Actuary

RLS/JOJ/bh

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Section 1 Executive Summary and Recommendations

Overview



This is a study of the OPEB related assumptions of the Los Angeles County OPEB Program for the period ending June 30, 2018. It includes a discussion of the OPEB- related demographic actuarial assumptions. These assumptions were set initially for the July 1, 2006 inaugural OPEB valuation. An Investigation of Experience was conducted in 2008 for the July 1, 2008 OPEB valuation, in 2010 for the July 1, 2010 and July 1, 2012 OPEB valuations, in 2013 for the July, 1, 2014 OPEB Valuation, in 2016 for the July 1, 2016 and July 1, 2017 OPEB Valuations. Now that two additional years have passed since the 2016 Investigation of Experience, we have more information with which to test the validity of the assumptions of the program. In addition, the retirement benefit related assumptions used for pension benefits were studied in 2016. Some of those assumptions are also used in the OPEB valuations. For consistency, changes to those assumptions will continue to be made for the July 1, 2018 OPEB valuation. The next retirement benefit investigation of experience study is scheduled for 2019.

The OPEB funding valuations starting with the July 1, 2018 report will be under an agent structure with results shown by agent. This 2018 OPEB Investigation of Experience Study reviews experience for all agents combined. Assumptions are also on a combined basis.

This report recommends several assumption changes that result in an Actuarially Determined Contribution (ADC) rate decrease of 6.85% of payroll. This report also recommends a cost method change that results in an ADC increase of 0.38% of payroll. Where the recommended assumptions are different from the current assumptions, the recommended assumptions are highlighted in **yellow**.

Summary

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

Healthcare Tier

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

Section 2 Introduction

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

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

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

Section 3 Initial Enrollment

Section 3 discusses the probability of initial enrollment of current active and vested terminated Tier 1 members who are anticipated to retire in the future for both medical and dental/vision coverage. We are recommending adjustments from the current assumptions to reflect recent experience while achieving an actual-to-expected enrollment ratio of 100% for both medical and dental/vision. We recommend the same initial enrollment assumptions for both Tier 1 and Tier 2.

Section 4 Plan and Tier Selections

Section 4 discusses the probability of medical and dental/vision plan and tier selection upon retirement and attainment of age 65 for healthcare Tiers 1 and 2. We are recommending changes to these assumptions to reflect recent plan and tier selection patterns.

Section 5 Retirement of Vested Terminated Members

Section 5 discusses the assumption for retirement of vested terminated members. For all groups including General Plans A, B, C, and D, General Plan E, and Safety Plans A and B, the actual retirements have been lower than our assumptions, and we recommend small changes to these assumptions. There is insufficient data to separately analyze experience for General Plan G and Safety Plan C for the retirement of vested terminated member’s assumption. We recommend these plans use the same assumptions as General Plans A, B, C and D and Safety Plans A and B respectively. Experience from the five year period ended June 30, 2018 was used. We recommend the same assumptions for both Tier 1 and Tier 2.

Section 6 Other OPEB Demographic Assumptions

Section 6 discusses the following other OPEB demographic assumptions:

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

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

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

Section 7 OPEB Economic Assumptions

Section 7 discusses the investment earnings and health cost trend assumptions. Based on a decision made by the Board of Investments in December 2016 to use economic alternative #1, we are proposing continuing to use retirement alternative #1 inflation and general wage increases of 2.75% and 3.25% respectively. This is consistent with the July 1, 2018 retirement funding valuation. The OPEB investment earnings assumption for agents that are prefunding through the OPEB Trust is 6.00%. The investment earnings assumption for the portion of the agents that are funded by the County will also be the OPEB Trust expected return of 6.00%. The portion of the agents that are not funded by the County and that are not prefunding through the OPEB Trust will have an investment earnings assumption of the County's general funds expected return of 3.69%. For the health cost trend rates, we utilized the updated version of the Getzen trend model sponsored by the Society of Actuaries. Based on this information, we are recommending changes to the trend assumptions. The first year trend assumptions will be updated to reflect the final July 1, 2019 renewals.

Financial Impact

The assumption changes in total are projected to decrease the Actuarial Accrued Liability (AAL) by 26.7%, decrease the Normal Cost Rate by 5.13% of payroll, and decrease the Actuarially Determined Contribution (ADC) by 6.85% of payroll. The change in cost method from Projected Unit Credit to Entry Age Normal is projected to increase the AAL by 2.25%, increase the Normal Cost Rate by 0.10% of payroll and increase the ADC by 0.38% of payroll.

Exhibit 1-1 summarizes the financial impact of the assumption changes. It shows the impact on the Actuarial Accrued Liability, Normal Cost Rate, and Actuarially Determined Contribution of each individual assumption change. This is based solely on the impact the new assumptions would have had on the July 1, 2017 OPEB valuation results with Excise tax. Note that the relative impact of the various assumption changes by component is somewhat dependent on the order in which they are evaluated. For this study, the impact from the 2016 retirement demographic assumption changes are not applicable because the assumptions based on the 2016 Retirement Benefit Investigation of Experience for LACERA have already been reflected in the July 1, 2017 OPEB valuation results.

Upon request from LACERA we have also shown the effect of changing the actuarial cost method from Projected Unit Credit (PUC) to Entry Age Normal (EAN). We recommend changing the actuarial cost method to EAN. The funding valuations would then be on a consistent basis as the Government Accounting Standards Board (GASB) Statements Numbers 74 and 75 that require EAN.

**Exhibit 1-1
 Hypothetical Results of July 1, 2017 Valuation
 With Proposed Assumptions**

| | Actuarial Accrued Liability ⁽¹⁾ | (Assets) ⁽¹⁾ | Unfunded Actuarial Accrued Liability ⁽¹⁾ | Normal Cost Rate ⁽²⁾ | ADC Percentage ⁽²⁾ |
|---|--|-------------------------|--|------------------------------------|----------------------------------|
| July 1, 2017 Valuation | \$ 27,707.7 | \$ (742.9) | \$ 26,964.8 | 13.68% | 27.42% |
| Assumption Changes | | | | | |
| Retirement Demographic | \$ - | \$ - | \$ - | 0.00% | 0.00% |
| Initial Enrollment | (11.7) | - | (11.7) | (0.03%) | (0.03%) |
| Plan and Tier Selection | 231.5 | - | 231.5 | 0.18% | 0.30% |
| Vested Terminated Commencement | (16.9) | - | (16.9) | (0.01%) | (0.02%) |
| Other OPEB Demographic | (155.7) | - | (155.7) | (0.11%) | (0.19%) |
| Trend - Without 1st Year Renewal Adjustment | (640.3) | - | (640.3) | (0.52%) | (0.85%) |
| Discount Rate | (6,801.0) | - | (6,801.0) | (4.64%) | (6.06%) |
| Total Assumption Changes | \$ (7,394.1) | \$ - | \$ (7,394.1) | (5.13%) | (6.85%) |
| July 1, 2017 Valuation with Assumption Changes | \$ 20,313.6 | \$ (742.9) | \$ 19,570.7 | 8.55% | 20.57% |
| Entry Age Normal | \$ 457.9 | \$ - | 457.9 | 0.10% | 0.38% |
| July 1, 2017 Valuation with Assumption and Cost Method Changes | \$ 20,771.5 | \$ (742.9) | \$ 20,028.6 | 8.65% | 20.95% |

(1) In millions of dollars

(2) Expressed as a percentage of payroll

Section 2 Introduction



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

OPEB actuarial assumptions can be broken into three broad groups:

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

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

The history of assumption studies for this program is shown below.

| <u>Year</u> | <u>Assumptions Studied</u> |
|-------------|---|
| 2006 | OPEB Demographic and Economic Assumptions |
| 2008 | OPEB Demographic and Economic Assumptions |
| 2010 | OPEB Demographic and Economic Assumptions |
| 2013 | OPEB Demographic Assumptions |
| 2014 | OPEB Economic Assumptions |
| 2016 | OPEB Demographic and Economic Assumptions |
| 2017 | OPEB Economic Assumptions |
| 2018 | OPEB Demographic and Economic Assumptions |

Due to the timing requirements of GASB 74 and 75 along with the audit schedule, the experience study is performed on a two year cycle, from 2016 to 2018 and 2018 to 2020. After 2020, we will return to a three year cycle. These OPEB experience studies will be one year after the study of assumptions for LACERA's retirement benefit program beginning with year 2020.

Funding and Valuation Principles and “Actuarial Risk”

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

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

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

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

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

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

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

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

Overview

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

Throughout this report, we refer to “expected” and “proposed” actuarial assumptions. The “expected” assumptions are those used for our actuarial valuation of the County OPEB program dated July 1, 2017. They may also be referred to as the “current” or “old” assumptions. The “proposed” or “recommended” assumptions are those we recommend for use in the OPEB valuation dated July 1, 2018 and for subsequent valuations until further changes are made.

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

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

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

For the graphical exhibits, the actual rates and actual rates from the prior 2016 study are shown as bars on the graphs on either a years-of-service basis, or, in the case of retirement rates, on an age-by-age basis. The current, or “expected”, rates used in the July 1, 2017 OPEB valuation and the new proposed assumptions are as lines on the graphs. Therefore, the assumption changes we are proposing are illustrated by the difference between the two lines in each exhibit.

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

Our Philosophy

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

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

Actuarial Standard of Practice No. 6

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

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

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

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

ASOP No. 35 Steps

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

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

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

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

ASOP 35 General Considerations and Application

Each individual demographic assumption should satisfy the criteria of ASOP No. 35. In selecting demographic assumptions, the actuary should also consider: the internal consistency between the assumptions, materiality, cost effectiveness, and the combined effect of all assumptions. At each measurement date the actuary should consider whether the selected assumptions continue to be reasonable, but the actuary is not required to do a complete assumption study at each measurement date. In our opinion, the demographic assumptions recommended in this report have been developed in accordance with ASOP No. 35.

Actuarial Standard of Practice No. 27

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

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

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

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

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

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

Section 3 Initial Enrollment



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

Exhibits 3-1 and 3-2 show a comparison of actual medical enrollees to assumed enrollees for the three-year period ending June 30, 2018 separately for males and females. The results show those who both enrolled at the time of retirement and those who enrolled sometime after retirement.

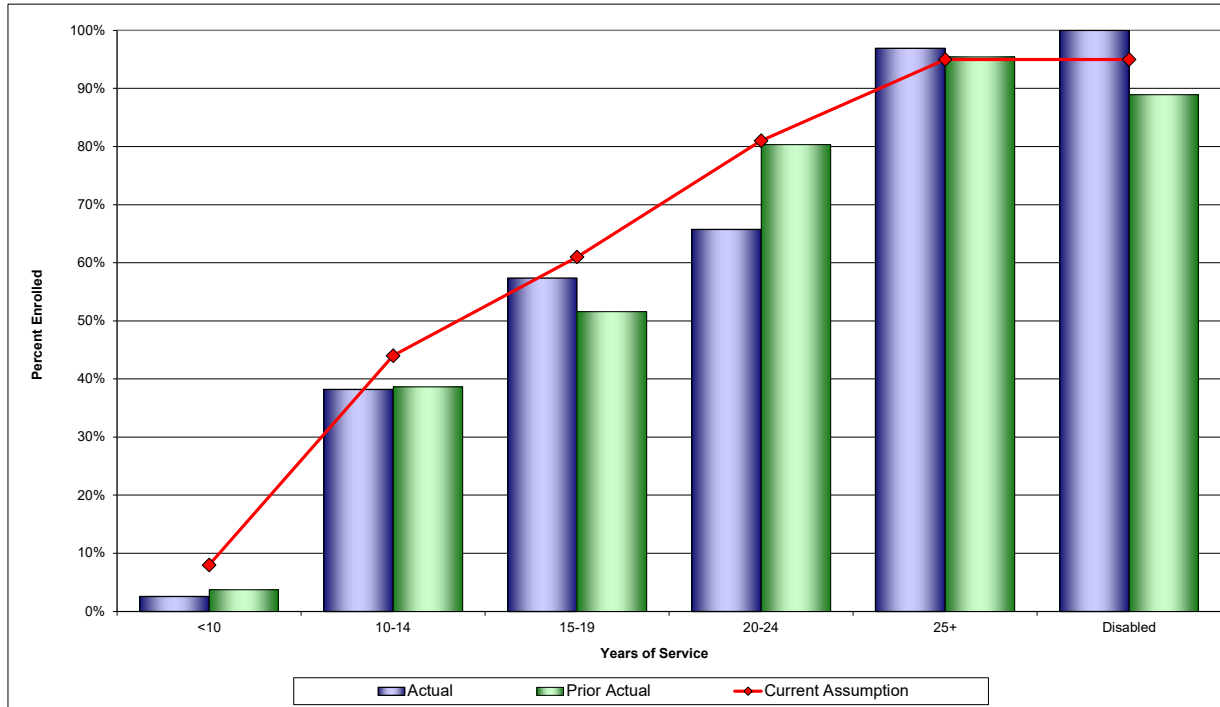
The exhibits show that patterns for males and females are similar. Therefore, we recommend using combined male/female assumptions.

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

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

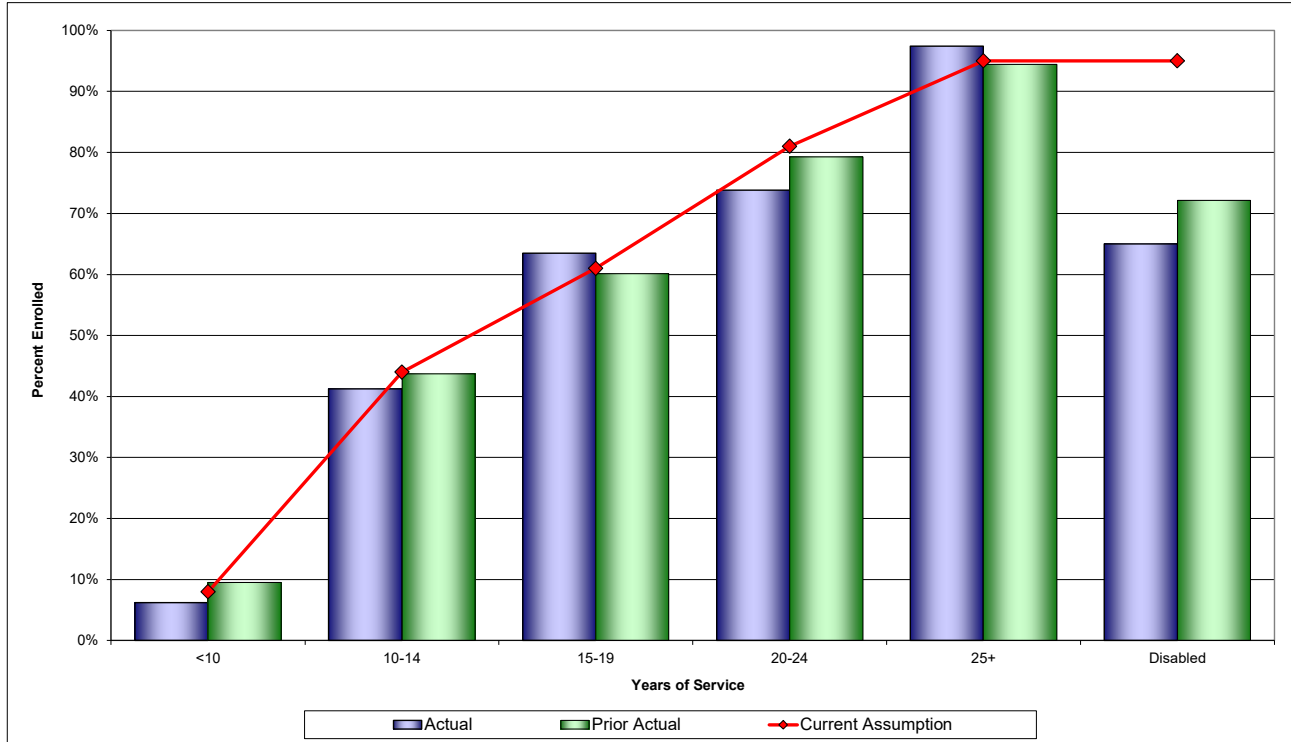
Due to lack of credible experience with respect to Tier 2 enrollees, we recommend the same initial enrollment assumptions for Tier 1 and Tier 2 enrollees. We will monitor Tier 2 as experience develops.

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



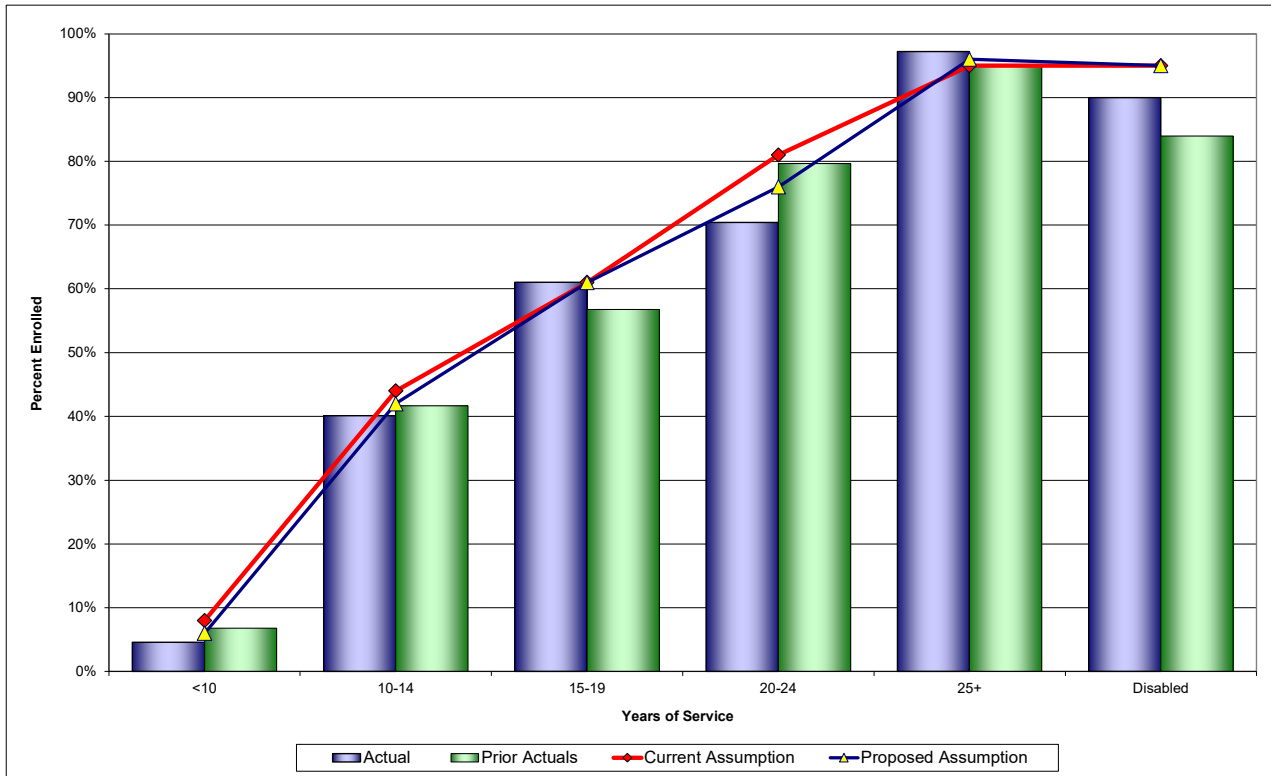
| All Enrollees | Current Assumption | Actual |
|-------------------|--------------------|--------|
| Total Count | 3,146 | 3,117 |
| Actual / Expected | 99% | |

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



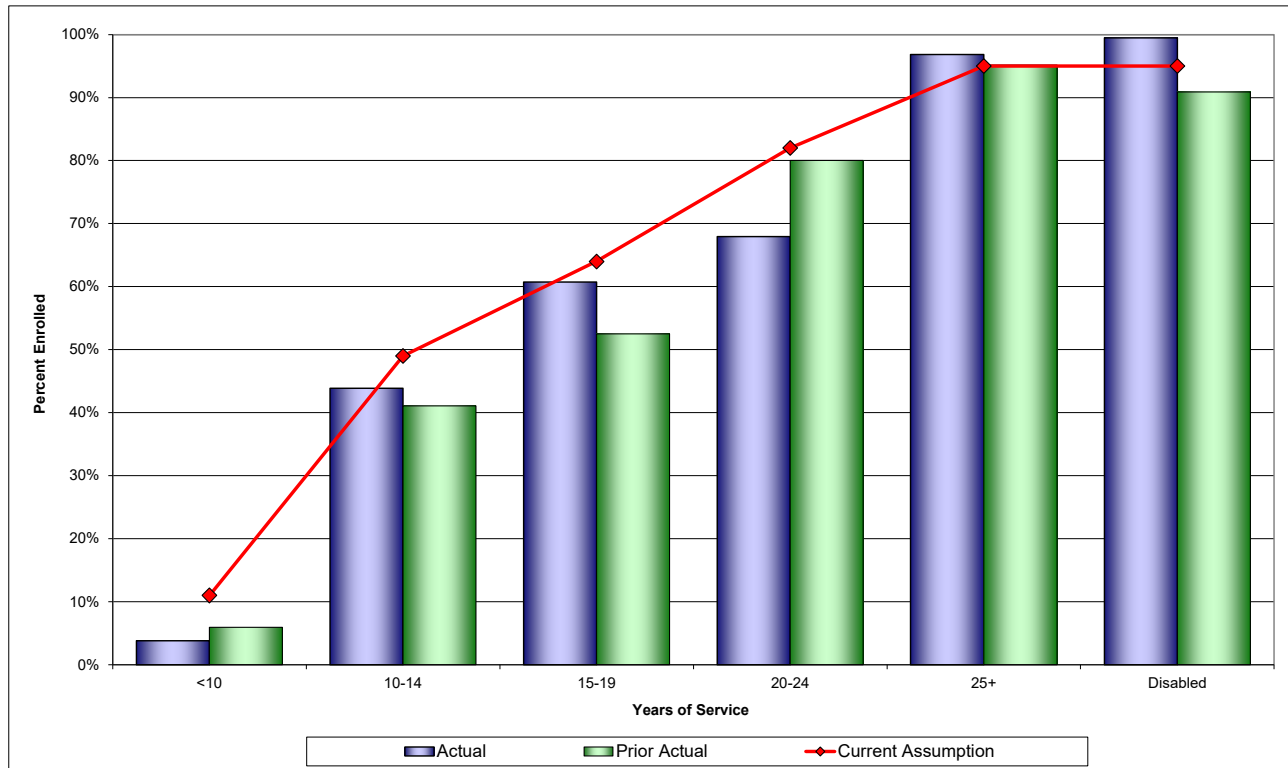
| All Enrollees | Current Assumption | Actual |
|-------------------|--------------------|--------|
| Total Count | 4,045 | 4,039 |
| Actual / Expected | 100% | |

Exhibit 3-3
Initial Medical Enrollment – Males and Females



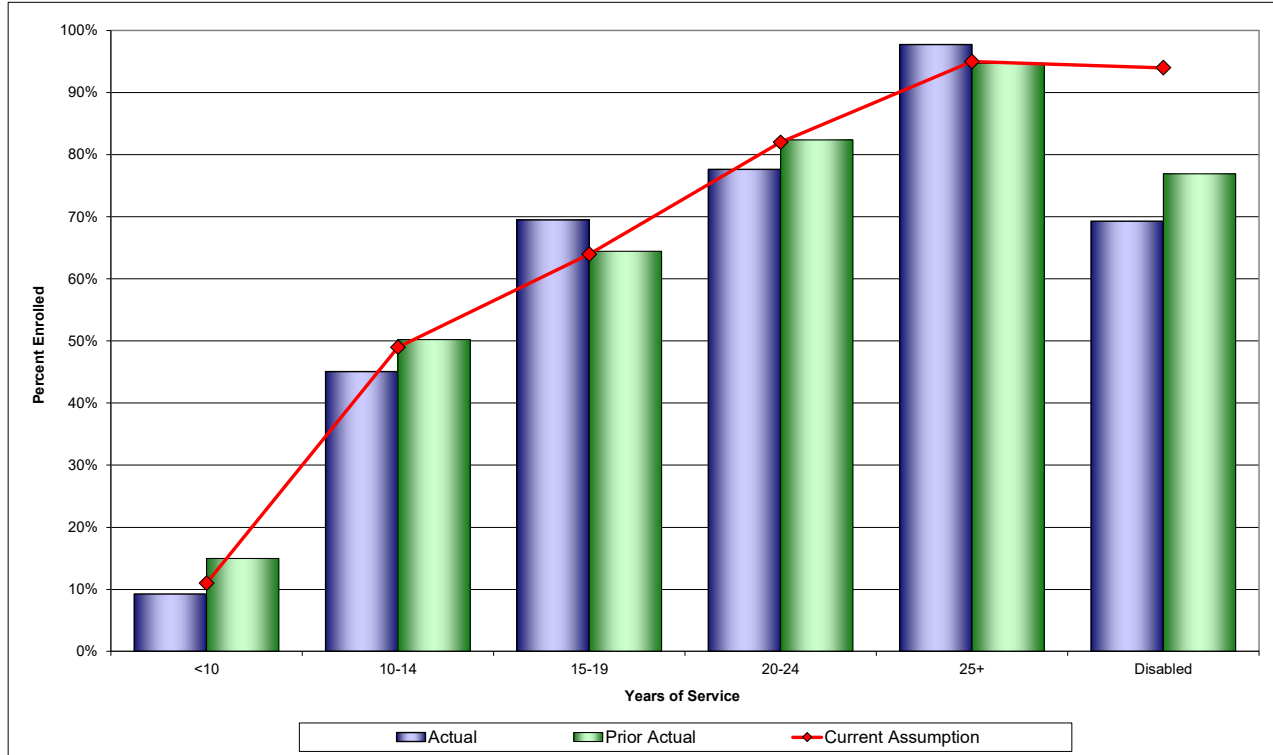
| All Enrollees | Current Assumption | Actual | Proposed Assumption |
|-------------------|--------------------|--------|---------------------|
| Total Count | 7,191 | 7,156 | 7,165 |
| Actual / Expected | 100% | | 100% |

Exhibit 3-4
Initial Dental/Vision Enrollment – Males



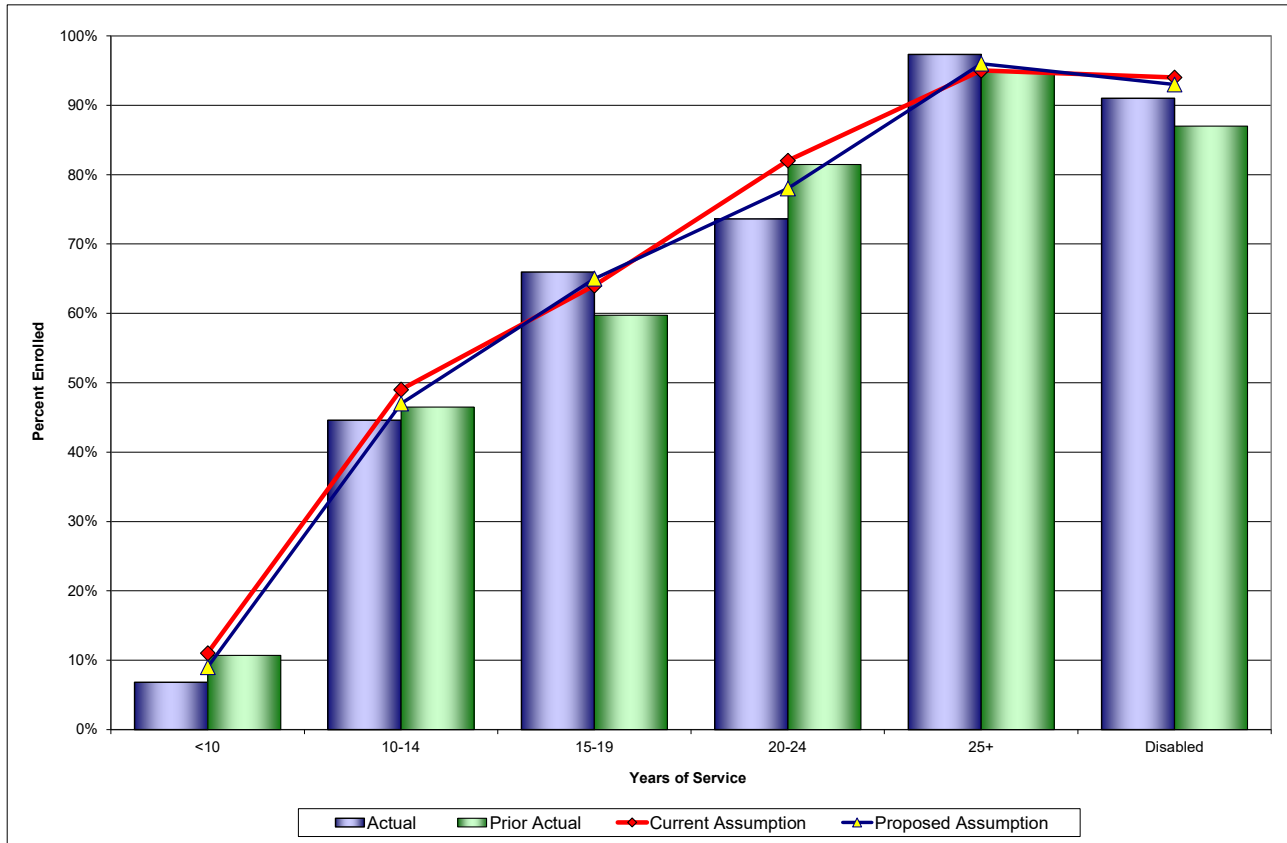
| All Enrollees | Current Assumption | Actual |
|-------------------|--------------------|--------|
| Total Count | 3,180 | 3,154 |
| Actual / Expected | 99% | |

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



| All Enrollees | Current Assumption | Actual |
|-------------------|--------------------|--------|
| Total Count | 4,099 | 4,133 |
| Actual / Expected | 101% | |

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



| All Enrollees | Current Assumption | Actual | Proposed Assumption |
|-------------------|--------------------|--------|---------------------|
| Total Count | 7,279 | 7,287 | 7,274 |
| Actual / Expected | 100% | | 100% |

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Section 4 Plan and Tier Selection



The plan and tier selection assumption is used to model the range of possible selections for new enrollees. In our July 1, 2017 OPEB valuation, the selections were indexed by deduction code and gender separately for pre-65 and post-65 enrollees. We include only Tier 1 members in this evaluation since there is not yet sufficient experience for Tier 2 members. To determine Tier 2 members plan and tier selection, we considered the fact that the Tier 2 benchmark is based on the Blue Cross III retiree only premium for Medicare-eligible retirees and that it is possible that more retirees could enroll in lower cost plans such as Kaiser or United Healthcare. We also considered the fact that the benchmarks are based on Blue Cross I and Blue Cross II premiums for all retirees of Tier 1 and non-Medicare eligible retirees of Tier 2. The Tier 2 benchmark is for the retiree-only tier and the Tier 1 benchmark is for the tier that the member selects.

Medical Selection Upon Enrollment

Exhibits 4-1 and 4-2 examine the medical plan and tier selection separately for males and females who enrolled before age 65, between July 1, 2016 and June 30, 2018. The plan and tier options were constant throughout the study period. The actual experience is compared to the expected results, along with new proposed assumptions. When the proposed assumptions differ from the current assumptions, changes are highlighted in yellow. At the bottom of the exhibits, the total enrollment for the non-single tiers is totaled. This represents the probability of enrolling at least one dependent.

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

Dental/Vision Selection Upon Enrollment

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

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

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

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

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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual | Actual | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|--------------|--------|----------------------------|----------------------------|
| 201 | Anthem Blue Cross Prudent Buyer Plan | Retiree Only | 0.5% | 0.6% | 0.2% | 0.5% | 0.5% |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | 1.5% | 1.3% | 0.2% | 0.5% | 0.5% |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | 1.0% | 1.0% | 1.2% | 1.0% | 1.0% |
| 204 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Children | | 0.1% | | | |
| 205 | Anthem Blue Cross Prudent Buyer Plan | Minor Survivor | | | | | |
| 211 | Anthem Blue Cross I | Retiree Only | 0.5% | 0.3% | 0.1% | 0.5% | 0.5% |
| 212 | Anthem Blue Cross I | Retiree and Spouse | | 0.4% | 0.1% | | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | 0.5% | 0.2% | 0.6% | 0.5% | 0.5% |
| 214 | Anthem Blue Cross I | Retiree and Children | | 0.1% | 0.1% | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | | |
| 221 | Anthem Blue Cross II | Retiree Only | 5.5% | 5.4% | 4.2% | 4.5% | 4.5% |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 14.0% | 15.2% | 10.1% | 12.5% | 12.5% |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | 10.5% | 9.6% | 14.0% | 12.5% | 12.5% |
| 224 | Anthem Blue Cross II | Retiree and Children | 1.0% | 0.8% | 1.7% | 1.5% | 1.5% |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | | |
| 240 | Anthem Blue Cross III | One Medicare | | 0.1% | | | |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | | |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | 0.1% | | | |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | | | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | 0.1% | | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | | | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | | | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | | | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | | | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | | | | |
| 301 | Cigna Network Model Plan | Retiree Only | | 0.2% | 0.2% | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | | 0.4% | 0.3% | 0.5% | 0.5% |
| 303 | Cigna Network Model Plan | Retiree and Family | | 0.3% | 0.1% | | |
| 304 | Cigna Network Model Plan | Retiree and Children | | 0.1% | | | |
| 305 | Cigna Network Model Plan | Minor Survivor | | | | | |
| 321 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree Only | | | | | |
| 322 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse | | | | | |
| 324 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse (Both Risk) | | | | | |
| 325 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Children | | | | | |
| 327 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (1 Medicare) | | | | | |
| 329 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (2 Medicare) | | | | | |
| 401 | Kaiser (CA) | Retiree Basic (Under 65) | 12.5% | 12.5% | 10.5% | 12.0% | 12.0% |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | | 0.3% | | |
| 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% | 36.5% | 32.1% | 35.0% | 35.0% |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | | | 1.7% | | |
| 414 | Kaiser (CA) | One Excess I, Others Basic | | | | | |
| 415 | Kaiser (CA) | Two+ Cost ("M" Coverage) | | | | | |
| 416 | Kaiser (CA) | One Advantage, One Cost ("M" Coverage) | | | | | |
| 417 | Kaiser (CA) | One Excess I, One Cost ("M" Coverage) | | | | | |
| 418 | Kaiser (CA) | Two+ Advantage | | 0.1% | | | |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | | |
| 421 | Kaiser (CA) | Survivor | | 0.1% | | | |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | | 0.2% | | | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | | | 0.1% | | |
| 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) | | | | | |



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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|----------------|---------------|----------------------------|----------------------------|
| 450 | Kaiser - Colorado Basic | Retiree Basic | | | | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | | | |
| 452 | Kaiser (Other) | Retiree Only | | | | | |
| 453 | Kaiser - Colorado | Retiree Basic (Two Party) | | | | | |
| 454 | Kaiser - Colorado | Retiree Basic Family | | | 0.1% | | |
| 455 | Kaiser - Colorado | One Risk, One Basic | | | | | |
| 456 | Kaiser (Other) | Retiree and Spouse | | | | | |
| 457 | Kaiser - Colorado | Two Retiree Risk | | | | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | | | | | |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | | | |
| 460 | Kaiser (Other) | Retiree and Spouse | | | | | |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | | | | |
| 443 | Kaiser - Georgia | One Medicare Member (Renal Failure) | | | | | |
| 444 | Kaiser - Georgia | One Medicare Member + One Medicare with Part B only | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | |
| 446 | Kaiser - Georgia | One Medicare Member + One Medicare without Part A&B | | | | | |
| 461 | Kaiser - Georgia Basic | Basic | | 0.1% | | | |
| 462 | Kaiser - Georgia | Retiree Risk | | | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | | 0.1% | 0.1% | | |
| 464 | Kaiser - Georgia | Retiree Basic Family | | | | | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | | | | | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | |
| 467 | Kaiser - Georgia | One Retiree Risk, Two Retiree Basic | | | | | |
| 468 | Kaiser - Georgia | Two Retiree Risk, One Basic | | | | | |
| 469 | Kaiser - Georgia | Three Retiree Risk, One Basic | | | | | |
| 470 | Kaiser - Georgia | Any other Family, at least one Retiree Risk | | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | | 0.1% | | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | | | 0.1% | | |
| 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) | | | 0.1% | | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | | 0.1% | | | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | | | | | |
| 487 | Kaiser - Oregon | Retiree Cost | | | | | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | | | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | |
| 490 | Kaiser - Oregon | Retiree w/ Part B only | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | | | | | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | | | | | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | | | | | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | | | | | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | | | | | |
| 611 | SCAN Health Plan | Retiree Only | | 0.1% | | | |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | | | | | |
| 701 | United Healthcare Medicare Advantage | Retiree Only | | 0.1% | | | |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 0.5% | 0.3% | 0.5% | 0.5% | 0.5% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | | | 0.1% | | |
| 704 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (1 Medicare) | | | 0.2% | | |
| 705 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (2 Medicare) | | | | | |
| 706 | United Healthcare Medicare Advantage | Minor Survivor | | | | | |
| 707 | United Healthcare | Single | 3.5% | 3.4% | 3.6% | 3.5% | 3.5% |
| 708 | United Healthcare | Two-Party | 7.0% | 6.8% | 7.4% | 7.0% | 7.0% |
| 709 | United Healthcare | Family | 5.5% | 3.3% | 9.9% | 7.5% | 7.5% |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Probability of enrolling at least one dependent | 77.5% | 76.9% | 80.8% | 79.0% | 79.0% |
| Total New Enrollees | | 1,552 | 1,718 | | |

* May not total to 100% due to rounding.

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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|-------------------------|---------------------------|--------------------|----------------|----------|----------------------------|----------------------------|
| 801 | Firefighters Local 1014 | Med-Member under 65 | 7.0% | 5.1% | 7.3% | 7.0% | 7.0% |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | 47.0% | 55.0% | 30.4% | 39.0% | 39.0% |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | 46.0% | 38.4% | 62.3% | 54.0% | 54.0% |
| 804 | Firefighters Local 1014 | Med-Member with Medicare | | | | | |
| 805 | Firefighters Local 1014 | Med-Member +1; 1 MDC | | 1.5% | | | |
| 806 | Firefighters Local 1014 | Med-Member +1; 2 MDC | | | | | |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | | | | | |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Probability of enrolling at least one dependent | 93.0% | 94.9% | 92.7% | 93.0% | 93.0% |
| Total New Enrollees | | 221 | 276 | | |

* May not total to 100% due to rounding.

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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual | Actual | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|--------------|--------|----------------------------|----------------------------|
| 201 | Anthem Blue Cross Prudent Buyer Plan | Retiree Only | 1.0% | 1.1% | 0.5% | 0.5% | 0.5% |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | 0.5% | 0.2% | 0.2% | 0.5% | 0.5% |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | | | 0.2% | 0.5% | 0.5% |
| 204 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Children | | 0.2% | 0.2% | | |
| 205 | Anthem Blue Cross Prudent Buyer Plan | Minor Survivor | | | | | |
| 211 | Anthem Blue Cross I | Retiree Only | 0.5% | 1.0% | 0.5% | 0.5% | 0.5% |
| 212 | Anthem Blue Cross I | Retiree and Spouse | 0.5% | 0.5% | 0.2% | 0.5% | 0.5% |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | | | 0.1% | | |
| 214 | Anthem Blue Cross I | Retiree and Children | | | 0.2% | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | | |
| 221 | Anthem Blue Cross II | Retiree Only | 8.0% | 8.3% | 7.2% | 7.5% | 7.5% |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 7.0% | 6.7% | 5.9% | 6.5% | 6.5% |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | 2.0% | 1.1% | 2.6% | 2.5% | 2.5% |
| 224 | Anthem Blue Cross II | Retiree and Children | 1.0% | 0.9% | 1.5% | 1.5% | 1.5% |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | | |
| 240 | Anthem Blue Cross III | One Medicare | 0.5% | 0.3% | 0.2% | 0.5% | 0.5% |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | | |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | 0.1% | | |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | | | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | | | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | | | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | 0.1% | 0.2% | | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | | | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | | | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | | | | |
| 301 | Cigna Network Model Plan | Retiree Only | | 0.2% | 0.2% | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | 0.5% | | 0.1% | | |
| 303 | Cigna Network Model Plan | Retiree and Family | | | | | |
| 304 | Cigna Network Model Plan | Retiree and Children | | 0.1% | 0.1% | | |
| 305 | Cigna Network Model Plan | Minor Survivor | | | | | |
| 321 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree Only | | | | | |
| 322 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse | | | | | |
| 324 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Spouse (Both Risk) | | | | | |
| 325 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Children | | | | | |
| 327 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (1 Medicare) | | | | | |
| 329 | Cigna Medicare Select Plus Rx (AZ) | Risk-Retiree & Family (2 Medicare) | | | | | |
| 401 | Kaiser (CA) | Retiree Basic (Under 65) | 31.0% | 32.4% | 26.4% | 28.5% | 28.5% |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | 0.5% | 0.7% | 0.5% | 0.5% |
| 404 | Kaiser (CA) | Retiree Excess I | | | 0.1% | | |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | | | | | |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | | |
| 411 | Kaiser (CA) | Family Basic | 30.0% | 28.8% | 22.8% | 30.5% | 30.5% |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | | | 7.6% | | |
| 414 | Kaiser (CA) | One Excess I, Others Basic | | | 0.2% | | |
| 415 | Kaiser (CA) | Two+ Cost ("M" Coverage) | | | | | |
| 416 | Kaiser (CA) | One Advantage, One Cost ("M" Coverage) | | | | | |
| 417 | Kaiser (CA) | One Excess I, One Cost ("M" Coverage) | | | | | |
| 418 | Kaiser (CA) | Two+ Advantage | | 0.3% | 0.1% | | |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | | |
| 421 | Kaiser (CA) | Survivor | | | | | |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | | 0.2% | 0.2% | | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | | | | | |
| 424 | Kaiser (CA) | One Cost ("M" Coverage), One Excess II - Part B | | | | | |
| 425 | Kaiser (CA) | One Cost ("M" Coverage), One Excess III (MNP) | | | | | |
| 426 | Kaiser (CA) | One Risk, One Excess II - Part B | | | | | |
| 427 | Kaiser (CA) | One Risk, One Excess III (MNP) | | | | | |
| 428 | Kaiser (CA) | One Excess I, One Excess II - Part B | | | | | |
| 429 | Kaiser (CA) | One Excess I, One Excess III (MNP) | | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | | |



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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|----------------|---------------|----------------------------|----------------------------|
| 450 | Kaiser - Colorado Basic | Retiree Basic | | | 0.2% | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | | | |
| 452 | Kaiser (Other) | Retiree Only | | | | | |
| 453 | Kaiser - Colorado | Retiree Basic (Two Party) | | | | | |
| 454 | Kaiser - Colorado | Retiree Basic Family | | | | | |
| 455 | Kaiser - Colorado | One Risk, One Basic | | | | | |
| 456 | Kaiser (Other) | Retiree and Spouse | | | | | |
| 457 | Kaiser - Colorado | Two Retiree Risk | | | | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | | | | | |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | | | |
| 460 | Kaiser (Other) | Retiree and Spouse | | | | | |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | | | | |
| 443 | Kaiser - Georgia | One Medicare Member (Renal Failure) | | | | | |
| 444 | Kaiser - Georgia | One Medicare Member + One Medicare with Part B only | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | |
| 446 | Kaiser - Georgia | One Medicare Member + One Medicare without Part A&B | | | | | |
| 461 | Kaiser - Georgia Basic | Basic | | 0.2% | 0.1% | | |
| 462 | Kaiser - Georgia | Retiree Risk | | | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | | | 0.1% | | |
| 464 | Kaiser - Georgia | Retiree Basic Family | | | | | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | | | | | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | |
| 467 | Kaiser - Georgia | One Retiree Risk, Two Retiree Basic | | | | | |
| 468 | Kaiser - Georgia | Two Retiree Risk, One Basic | | | | | |
| 469 | Kaiser - Georgia | Three Retiree Risk, One Basic | | | | | |
| 470 | Kaiser - Georgia | Any other Family, at least one Retiree Risk | | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | | | 0.1% | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | | | | | |
| 475 | Kaiser - Hawaii | Retiree Basic Family (Under 65) | | | | | |
| 476 | Kaiser - Hawaii | One Retiree Risk, One Basic | | | | | |
| 477 | Kaiser - Hawaii | Over 65 without Medicare A&B, One Basic | | | | | |
| 478 | Kaiser - Hawaii | Two Retiree Risk | | | | | |
| 479 | Kaiser - Hawaii | One Risk, One Over 65 without Medicare A&B | | | | | |
| 481 | Kaiser - Oregon | Retiree Basic (Under 65) | | 0.1% | | | |
| 482 | Kaiser - Oregon | Retiree Risk | | | | | |
| 483 | Kaiser - Oregon | Retiree Over 65 unassigned Medicare A&B | | | | | |
| 484 | Kaiser - Oregon | Retiree Basic (Two Party) | | | | | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | | | | | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | | | | | |
| 487 | Kaiser - Oregon | Retiree Cost | | | | | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | | | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | |
| 490 | Kaiser - Oregon | Retiree w/ Part B only | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | | | | | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | | | | | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | | | | | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | | | | | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | | | | | |
| 611 | SCAN Health Plan | Retiree Only | | | 0.1% | | |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | | | | | |
| 701 | United Healthcare Medicare Advantage | Retiree Only | | 0.1% | 0.2% | | |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 2.0% | 1.8% | 2.1% | 2.0% | 2.0% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | | 0.1% | 0.2% | | |
| 704 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (1 Medicare) | 0.5% | 0.1% | 0.4% | 0.5% | 0.5% |
| 705 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (2 Medicare) | | | | | |
| 706 | United Healthcare Medicare Advantage | Minor Survivor | | | | | |
| 707 | United Healthcare | Single | 9.0% | 9.5% | 9.1% | 9.0% | 9.0% |
| 708 | United Healthcare | Two-Party | 5.0% | 4.1% | 5.7% | 5.5% | 5.5% |
| 709 | United Healthcare | Family | 1.0% | 1.1% | 3.4% | 2.5% | 2.5% |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Probability of enrolling at least one dependent | 50.0% | 46.3% | 54.4% | 53.0% | 53.0% |
| Total New Enrollees | | 1,875 | 1,988 | | |

* May not total to 100% due to rounding.



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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|-------------------------|---------------------------|--------------------|----------------|----------|----------------------------|----------------------------|
| 801 | Firefighters Local 1014 | Med-Member under 65 | 7.0% | | 66.7% | 7.0% | 7.0% |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | 47.0% | | | 39.0% | 39.0% |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | 46.0% | 20.0% | 33.3% | 54.0% | 54.0% |
| 804 | Firefighters Local 1014 | Med-Member with Medicare | | | | | |
| 805 | Firefighters Local 1014 | Med-Member +1; 1 MDC | | 20.0% | | | |
| 806 | Firefighters Local 1014 | Med-Member +1; 2 MDC | | | | | |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | | | | | |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | 60.0% | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Probability of enrolling at least one dependent | 93.0% | 40.0% | 33.3% | 93.0% | 93.0% |
| Total New Enrollees | | 0 | 3 | | |

* May not total to 100% due to rounding.

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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual | Actual | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|--------------|--------|----------------------------|----------------------------|
| 201 | Anthem Blue Cross Prudent Buyer Plan | Retiree Only | | 0.2% | 0.1% | | |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | | 0.2% | 0.1% | | |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | | 0.1% | 0.1% | | |
| 204 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Children | | | | | |
| 205 | Anthem Blue Cross Prudent Buyer Plan | Minor Survivor | | | | | |
| 211 | Anthem Blue Cross I | Retiree Only | | | 0.2% | 0.5% | |
| 212 | Anthem Blue Cross I | Retiree and Spouse | | 0.2% | | | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | | | | | |
| 214 | Anthem Blue Cross I | Retiree and Children | | | | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | | |
| 221 | Anthem Blue Cross II | Retiree Only | 1.0% | 1.2% | 0.8% | 1.0% | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 3.5% | 3.3% | 2.4% | 2.5% | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | 1.0% | 0.8% | 0.9% | 1.0% | |
| 224 | Anthem Blue Cross II | Retiree and Children | | 0.1% | 0.2% | 0.5% | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | | |
| 240 | Anthem Blue Cross III | One Medicare | 6.5% | 6.0% | 7.2% | 7.0% | 8.5% |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | 0.2% | 0.2% | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | 6.5% | 6.3% | 5.3% | 5.5% | 8.0% |
| 243 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | 6.5% | 6.6% | 7.1% | 7.0% | 7.0% |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | 0.1% | | | |
| 245 | Anthem Blue Cross III | Retiree and Children 2 Medicare | 0.5% | 0.3% | 0.4% | 0.5% | 1.0% |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | 0.1% | | | |
| 247 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | 1.1% | 1.2% | 1.0% | 2.0% |
| 248 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | 0.1% | 0.1% | | |
| 249 | Anthem Blue Cross III | Retiree and Family 4 Medicare | | 0.2% | 0.5% | 0.5% | 0.5% |
| 250 | Anthem Blue Cross III | Retiree and Family 5 Medicare | | 0.1% | 0.3% | 0.5% | 0.5% |
| 301 | Cigna Network Model Plan | Retiree Only | | 0.1% | 0.1% | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | | 0.2% | 0.1% | | |
| 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 | | | 0.1% | | |
| 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) | | 1.9% | 1.2% | | |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | 20.0% | 15.8% | 17.1% | 18.0% | 19.5% |
| 404 | Kaiser (CA) | Retiree Excess I | 1.0% | 0.6% | 0.3% | 0.5% | |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | 2.0% | 1.1% | 1.2% | 1.0% | |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | 0.1% | | |
| 411 | Kaiser (CA) | Family Basic | | 1.8% | 2.0% | | |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | 19.5% | 20.9% | 21.5% | 21.0% | 22.5% |
| 414 | Kaiser (CA) | One Excess I, Others Basic | 1.0% | 0.6% | 0.3% | 0.5% | |
| 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% | 13.7% | 13.1% | 16.0% | 16.0% |
| 419 | Kaiser (CA) | One Excess I, One Advantage | 0.5% | 0.1% | 0.1% | | |
| 420 | Kaiser (CA) | Two+ Excess I | 0.5% | 0.2% | | | |
| 421 | Kaiser (CA) | Survivor | | | | | |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | 2.0% | 1.5% | 0.9% | 1.0% | |
| 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) | | 0.2% | | | |
| 428 | Kaiser (CA) | One Excess I, One Excess II - Part B | | | | | |
| 429 | Kaiser (CA) | One Excess I, One Excess III (MNP) | | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | 0.2% | 0.2% | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | 0.1% | | | |



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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|----------------|----------|----------------------------|----------------------------|
| 450 | Kaiser - Colorado Basic | Retiree Basic | | | | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | | | |
| 452 | Kaiser (Other) | Retiree Only | | | | | |
| 453 | Kaiser - Colorado | Retiree Basic (Two Party) | | | | | |
| 454 | Kaiser - Colorado | Retiree Basic Family | | | | | |
| 455 | Kaiser - Colorado | One Risk, One Basic | | | | | |
| 456 | Kaiser (Other) | Retiree and Spouse | | | | | |
| 457 | Kaiser - Colorado | Two Retiree Risk | | | | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | | | | | |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | | | |
| 460 | Kaiser (Other) | Retiree and Spouse | | | | | |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | 0.1% | | | |
| 443 | Kaiser - Georgia | One Medicare Member (Renal Failure) | | | | | |
| 444 | Kaiser - Georgia | One Medicare Member + One Medicare with Part B only | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | |
| 446 | Kaiser - Georgia | One Medicare Member + One Medicare without Part A&B | | | | | |
| 461 | Kaiser - Georgia Basic | Basic | | | | | |
| 462 | Kaiser - Georgia | Retiree Risk | | | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | | | | | |
| 464 | Kaiser - Georgia | Retiree Basic Family | | 0.1% | | | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | | | | | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | |
| 467 | Kaiser - Georgia | One Retiree Risk, Two Retiree Basic | | | | | |
| 468 | Kaiser - Georgia | Two Retiree Risk, One Basic | | | | | |
| 469 | Kaiser - Georgia | Three Retiree Risk, One Basic | | | | | |
| 470 | Kaiser - Georgia | Any other Family, at least one Retiree Risk | | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | | | | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | | | | | |
| 475 | Kaiser - Hawaii | Retiree Basic Family (Under 65) | | | | | |
| 476 | Kaiser - Hawaii | One Retiree Risk, One Basic | | | | | |
| 477 | Kaiser - Hawaii | Over 65 without Medicare A&B, One Basic | | | | | |
| 478 | Kaiser - Hawaii | Two Retiree Risk | | | | | |
| 479 | Kaiser - Hawaii | One Risk, One Over 65 without Medicare A&B | | | | | |
| 481 | Kaiser - Oregon | Retiree Basic (Under 65) | | | | | |
| 482 | Kaiser - Oregon | Retiree Risk | | | | | |
| 483 | Kaiser - Oregon | Retiree Over 65 unassigned Medicare A&B | | | | | |
| 484 | Kaiser - Oregon | Retiree Basic (Two Party) | | | | | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | | | | | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | | | | | |
| 487 | Kaiser - Oregon | Retiree Cost | | | | | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | 0.1% | 0.1% | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | |
| 490 | Kaiser - Oregon | Retiree w/ Part B only | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | | | | | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | | | | | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | | | | | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | | | | | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | | | | | |
| 611 | SCAN Health Plan | Retiree Only | 0.5% | 0.2% | 0.3% | 0.5% | 0.5% |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | 0.5% | 0.7% | 0.4% | 0.5% | 0.5% |
| 701 | United Healthcare Medicare Advantage | Retiree Only | 3.0% | 3.2% | 4.2% | 4.0% | 4.0% |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 3.5% | 3.8% | 4.6% | 4.5% | 4.5% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | 3.5% | 3.9% | 3.1% | 3.0% | 3.0% |
| 704 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (1 Medicare) | 1.5% | 1.6% | 1.6% | 1.5% | 1.5% |
| 705 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (2 Medicare) | 0.5% | 0.2% | 0.3% | 0.5% | 0.5% |
| 706 | United Healthcare Medicare Advantage | Minor Survivor | | | | | |
| 707 | United Healthcare | Single | | | | | |
| 708 | United Healthcare | Two-Party | | | | | |
| 709 | United Healthcare | Family | | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Probability of enrolling at least one dependent | 66.0% | 69.5% | 67.1% | 67.5% | 67.5% |
| Total New Enrollees | | 1,003 | 1,117 | | |

* May not total to 100% due to rounding.



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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|-------------------------|---------------------------|--------------------|----------------|----------|----------------------------|----------------------------|
| 801 | Firefighters Local 1014 | Med-Member under 65 | | | | | |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | | | | | |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | | | | | |
| 804 | Firefighters Local 1014 | Med-Member with Medicare | 7.0% | | | 7.0% | 7.0% |
| 805 | Firefighters Local 1014 | Med-Member +1; 1 MDC | | | 50.0% | | |
| 806 | Firefighters Local 1014 | Med-Member +1; 2 MDC | 47.0% | | 16.7% | 39.0% | 39.0% |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | 33.3% | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | 46.0% | | | 54.0% | 54.0% |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | |
| Total | | | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|-------------|---------------|--------------|--------------|
| Probability of enrolling at least one dependent | 93.0% | 0.0% | 100.0% | 93.0% | 93.0% |
| Total New Enrollees | | 6 | 6 | | |

* May not total to 100% due to rounding.

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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual | Actual | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|--------------|--------|----------------------------|----------------------------|
| 201 | Anthem Blue Cross Prudent Buyer Plan | Retiree Only | | 0.4% | 0.1% | | |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | | 0.1% | | | |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | | | | | |
| 204 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Children | | | | | |
| 205 | Anthem Blue Cross Prudent Buyer Plan | Minor Survivor | | | | | |
| 211 | Anthem Blue Cross I | Retiree Only | 0.5% | 0.2% | 0.1% | | |
| 212 | Anthem Blue Cross I | Retiree and Spouse | | 0.2% | | | |
| 213 | Anthem Blue Cross I | Retiree, Spouse and Children | | | | | |
| 214 | Anthem Blue Cross I | Retiree and Children | | | | | |
| 215 | Anthem Blue Cross I | Minor Survivor | | | | | |
| 221 | Anthem Blue Cross II | Retiree Only | 2.0% | 1.5% | 1.6% | 1.5% | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 1.0% | 0.5% | 0.8% | 1.0% | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | | | 0.1% | | |
| 224 | Anthem Blue Cross II | Retiree and Children | | | | | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | | |
| 240 | Anthem Blue Cross III | One Medicare | 10.5% | 10.5% | 11.8% | 11.5% | 13.0% |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | 0.1% | 0.1% | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | 1.0% | 0.9% | 1.2% | 1.0% | 2.0% |
| 243 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | 4.0% | 3.7% | 4.5% | 4.5% | 4.5% |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | 0.1% | 0.1% | | |
| 245 | Anthem Blue Cross III | Retiree and Children 2 Medicare | | 0.1% | 0.1% | | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | | | |
| 247 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | 0.1% | | |
| 248 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | 0.2% | 0.1% | | |
| 249 | Anthem Blue Cross III | Retiree and Family 4 Medicare | | | | | |
| 250 | Anthem Blue Cross III | Retiree and Family 5 Medicare | | | | | |
| 301 | Cigna Network Model Plan | Retiree Only | | 0.1% | | | |
| 302 | Cigna Network Model Plan | Retiree and Spouse | | | | | |
| 303 | Cigna Network Model Plan | Retiree and Family | | | | | |
| 304 | Cigna Network Model Plan | Retiree and Children | | | | | |
| 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) | | 3.4% | 2.9% | | |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | 39.5% | 37.2% | 34.1% | 38.5% | 42.0% |
| 404 | Kaiser (CA) | Retiree Excess I | 2.0% | 1.3% | 0.8% | 1.0% | |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | 3.0% | 1.8% | 2.7% | 2.5% | |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | | |
| 411 | Kaiser (CA) | Family Basic | | 0.4% | 0.7% | | |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | 4.5% | 5.1% | 4.9% | 5.0% | 5.5% |
| 414 | Kaiser (CA) | One Excess I, Others Basic | | 0.2% | 0.1% | | |
| 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 | 15.5% | 15.7% | 15.9% | 16.5% | 17.0% |
| 419 | Kaiser (CA) | One Excess I, One Advantage | 0.5% | 0.1% | 0.1% | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | | |
| 421 | Kaiser (CA) | Survivor | | | | | |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | 0.5% | 0.3% | 0.5% | 0.5% | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | | | | | |
| 424 | Kaiser (CA) | One Cost ("M" Coverage), One Excess II - Part B | | | | | |
| 425 | Kaiser (CA) | One Cost ("M" Coverage), One Excess III (MNP) | | | | | |
| 426 | Kaiser (CA) | One Risk, One Excess II - Part B | | 0.2% | 0.2% | 0.5% | |
| 427 | Kaiser (CA) | One Risk, One Excess III (MNP) | | 0.1% | | | |
| 428 | Kaiser (CA) | One Excess I, One Excess II - Part B | | | | | |
| 429 | Kaiser (CA) | One Excess I, One Excess III (MNP) | | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | 0.1% | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | | |



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

Non Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|--------------------------------------|---|--------------------|----------------|----------|----------------------------|----------------------------|
| 450 | Kaiser - Colorado Basic | Retiree Basic | | | | | |
| 451 | Kaiser - Colorado | Retiree Risk | | | 0.1% | | |
| 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 | | 0.1% | | | |
| 458 | Kaiser - Colorado | One Risk, Two or More Dependents | | | | | |
| 459 | Kaiser - Colorado | Two Risk, Two or More Dependents | | | | | |
| 460 | Kaiser (Other) | Retiree and Spouse | | | | | |
| 440 | Kaiser - Georgia | One Medicare Member with Part B only | | | | | |
| 441 | Kaiser - Georgia | One Medicare Member with Part A only | | | | | |
| 442 | Kaiser - Georgia | One Member without Medicare Part A&B | | 0.1% | | | |
| 443 | Kaiser - Georgia | One Medicare Member (Renal Failure) | | | | | |
| 444 | Kaiser - Georgia | One Medicare Member + One Medicare with Part B only | | | | | |
| 445 | Kaiser - Georgia | One Medicare Member + One Medicare with Part A only | | | | | |
| 446 | Kaiser - Georgia | One Medicare Member + One Medicare without Part A&B | | | | | |
| 461 | Kaiser - Georgia Basic | Basic | | | | | |
| 462 | Kaiser - Georgia | Retiree Risk | | 0.1% | | | |
| 463 | Kaiser - Georgia | Retiree (Two Party) | | | | | |
| 464 | Kaiser - Georgia | Retiree Basic Family | | | | | |
| 465 | Kaiser - Georgia | One Retiree Risk, One Basic | | | | | |
| 466 | Kaiser - Georgia | Two Retiree Risk | | | | | |
| 467 | Kaiser - Georgia | One Retiree Risk, Two Retiree Basic | | | | | |
| 468 | Kaiser - Georgia | Two Retiree Risk, One Basic | | | | | |
| 469 | Kaiser - Georgia | Three Retiree Risk, One Basic | | | | | |
| 470 | Kaiser - Georgia | Any other Family, at least one Retiree Risk | | | | | |
| 471 | Kaiser - Hawaii | Retiree Basic (Under 65) | | | | | |
| 472 | Kaiser - Hawaii | Retiree Risk | | | | | |
| 473 | Kaiser - Hawaii | Retiree Over 65 without Medicare A&B | | | | | |
| 474 | Kaiser - Hawaii Basic | Retiree Basic (Two Party) | | | | | |
| 475 | Kaiser - Hawaii | Retiree Basic Family (Under 65) | | | | | |
| 476 | Kaiser - Hawaii | One Retiree Risk, One Basic | | | | | |
| 477 | Kaiser - Hawaii | Over 65 without Medicare A&B, One Basic | | | | | |
| 478 | Kaiser - Hawaii | Two Retiree Risk | | | | | |
| 479 | Kaiser - Hawaii | One Risk, One Over 65 without Medicare A&B | | | | | |
| 481 | Kaiser - Oregon | Retiree Basic (Under 65) | | | | | |
| 482 | Kaiser - Oregon | Retiree Risk | | | | | |
| 483 | Kaiser - Oregon | Retiree Over 65 unassigned Medicare A&B | | | | | |
| 484 | Kaiser - Oregon | Retiree Basic (Two Party) | | | | | |
| 485 | Kaiser - Oregon Basic | Retiree Basic Family (Under 65) | | | | | |
| 486 | Kaiser - Oregon | One Retiree Risk, One Basic | | | | | |
| 487 | Kaiser - Oregon | Retiree Cost | | | | | |
| 488 | Kaiser - Oregon | Two Retiree Risk | | | | | |
| 489 | Kaiser - Oregon | Retiree w/ Part A only | | | | | |
| 490 | Kaiser - Oregon | Retiree w/ Part B only | | | | | |
| 491 | Kaiser - Oregon | One Risk, One Medicare Part A only | | | | | |
| 492 | Kaiser - Oregon | One Risk, One Over 65 No Medicare | | | | | |
| 493 | Kaiser - Oregon | One Risk, Two Basic | | | | | |
| 494 | Kaiser - Oregon | Two Risk, One Basic | | | | | |
| 495 | Kaiser - Oregon | Two Over 65 unassigned Medicare | | | | | |
| 496 | Kaiser - Oregon | Two Medicare Part A only | | | | | |
| 497 | Kaiser - Oregon | One Basic, One Medicare Part A only | | | | | |
| 498 | Kaiser - Oregon | One Basic, One over 65 unassigned Medicare A&B | | | | | |
| 611 | SCAN Health Plan | Retiree Only | 1.0% | 0.6% | 0.8% | 1.0% | 1.0% |
| 613 | SCAN Health Plan | Retiree & 1 Dependent (2 Medicare) | 0.5% | 0.4% | 0.5% | 0.5% | 0.5% |
| 701 | United Healthcare Medicare Advantage | Retiree Only | 9.5% | 9.5% | 9.3% | 9.5% | 9.5% |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 1.0% | 1.2% | 1.3% | 1.0% | 1.0% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | 3.5% | 3.2% | 4.0% | 4.0% | 4.0% |
| 704 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (1 Medicare) | | 0.1% | 0.2% | | |
| 705 | United Healthcare Medicare Advantage | Retiree & 2 + Deps. (2 Medicare) | | 0.1% | 0.2% | | |
| 706 | United Healthcare Medicare Advantage | Minor Survivor | | | | | |
| 707 | United Healthcare | Single | | 0.1% | | | |
| 708 | United Healthcare | Two-Party | | | | | |
| 709 | United Healthcare | Family | | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Probability of enrolling at least one dependent | 32.0% | 33.2% | 35.7% | 34.5% | 34.5% |
| Total New Enrollees | | 1,709 | 2,046 | | |

* May not total to 100% due to rounding.



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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Current Assumption | Prior Actual * | Actual * | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
|----------------|-------------------------|---------------------------|--------------------|----------------|----------|----------------------------|----------------------------|
| 801 | Firefighters Local 1014 | Med-Member under 65 | | | | | |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | | | | | |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | | | | | |
| 804 | Firefighters Local 1014 | Med-Member with Medicare | 7.0% | | 50.0% | 7.0% | 7.0% |
| 805 | Firefighters Local 1014 | Med-Member +1; 1 MDC | | | 50.0% | | |
| 806 | Firefighters Local 1014 | Med-Member +1; 2 MDC | 47.0% | | | 39.0% | 39.0% |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | 46.0% | | | 54.0% | 54.0% |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | | |
| Total | | | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |

| | | | | | |
|--|--------------|-------------|--------------|--------------|--------------|
| Probability of enrolling at least one dependent | 93.0% | 0.0% | 50.0% | 93.0% | 93.0% |
| Total New Enrollees | | 3 | 2 | | |

* May not total to 100% due to rounding.

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

| Tier Deduction Code | CIGNA Indemnity Dental/Vision | | | CIGNA HMO Dental/Vision | | |
|---------------------------------------|-------------------------------|------------------------|----------|-------------------------|------------------------|----------|
| | Retiree Only | Retiree and Dependents | Survivor | Retiree Only | Retiree and Dependents | Survivor |
| | 501 | 502 | 503 | 901 | 902 | 903 |
| Current Assumption Percentage: | | | | | | |
| Males | 20% | 67% | 0% | 4% | 9% | 0% |
| Females | 46% | 39% | 0% | 9% | 6% | 0% |

Prior Actual:

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

Actual:

| Tier Deduction Code | Cigna Indemnity Dental/Vision | | | CIGNA HMO Dental/Vision | | |
|---------------------------|-------------------------------|------------------------|----------|-------------------------|------------------------|----------|
| | Retiree Only | Retiree and Dependents | Survivor | Retiree Only | Retiree and Dependents | Survivor |
| | 501 | 502 | 503 | 901 | 902 | 903 |
| Male | | | | | | |
| Count | 590 | 2,178 | 0 | 119 | 267 | 0 |
| Percentage | 18.7% | 69.0% | 0.0% | 3.8% | 8.5% | 0.0% |
| Female | | | | | | |
| Count | 1,874 | 1,718 | 0 | 321 | 220 | 0 |
| Percentage | 45.3% | 41.6% | 0.0% | 7.8% | 5.3% | 0.0% |

Proposed Assumption Percentage:

| Tier Deduction Code | Cigna Indemnity Dental/Vision | | | CIGNA HMO Dental/Vision | | |
|---------------------------|-------------------------------|------------------------|----------|-------------------------|------------------------|----------|
| | Retiree Only | Retiree and Dependents | Survivor | Retiree Only | Retiree and Dependents | Survivor |
| | 501 | 502 | 503 | 901 | 902 | 903 |
| Male | 19% | 68% | 0% | 4% | 9% | 0% |
| Female | 46% | 40% | 0% | 8% | 6% | 0% |



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

| Pre-Medicare Elig Plan | Count | Post-Medicare Elig Plan | Tier 1 | | | | Tier 2 | |
|--------------------------------------|---|-------------------------|---|--|---|---|---|---|
| | | | Current Assumptions | Prior Actual | Actual | Proposed Assumptions | Current Assumptions | Proposed Assumptions Tier 2 |
| Anthem Blue Cross I | 32 Anthem Blue Cross I 0 Anthem Blue Cross II 42 Anthem Blue Cross III 1 Other 75 Total | | 40.0% 0.0% 60.0% 0.0% | 37.8% 2.4% 58.2% 1.6% | 42.7% 0.0% 56.0% 1.3% | 42.0% 0.0% 58.0% 0.0% | 0.0% 0.0% 100.0% 0.0% | 0.0% 0.0% 100.0% 100.0% |
| Anthem Blue Cross II | 0 Anthem Blue Cross I 324 Anthem Blue Cross II 404 Anthem Blue Cross III 0 United Healthcare 0 Excess II 1 2+ Advantage 7 Other 736 Total | | 0.0% 45.0% 55.0% 0.0% 0.0% 0.0% 0.0% | 0.0% 47.1% 51.4% 0.0% 0.1% 0.1% 1.3% | 0.0% 44.0% 54.9% 0.0% 0.0% 0.1% 1.0% | 0.0% 45.0% 55.0% 0.0% 0.0% 0.0% 0.0% | 0.0% 0.0% 100.0% 0.0% 0.0% 0.0% 0.0% | 0.0% 0.0% 100.0% 0.0% 0.0% 0.0% 100.0% |
| Anthem Blue Cross Prudent Buyer Plan | 0 Anthem Blue Cross I 4 Anthem Blue Cross II 54 Anthem Blue Cross III 43 Anthem Blue Cross Prudent Buyer Plan 1 Other 102 Total | | 0.0% 0.0% 45.0% 55.0% 0.0% | 0.0% 1.4% 42.8% 55.2% 0.7% | 0.0% 3.9% 52.9% 42.2% 1.0% | 0.0% 2.0% 50.0% 48.0% 0.0% | 0.0% 0.0% 100.0% 0.0% 0.0% | 0.0% 0.0% 100.0% 0.0% 100.0% |
| CIGNA Network Model Plan | 0 Anthem Blue Cross I 0 Anthem Blue Cross II 12 Anthem Blue Cross III 4 Cigna Medicare Select Plus Rx (AZ) 21 CIGNA Network Model Plan 7 United Healthcare Medicare Advantage 1 Senior Advantage 0 One Advantage, Others Basic 4 SCAN Health Plan 0 Other 49 Total | | 1.0% 1.0% 18.0% 6.0% 46.0% 18.0% 4.0% 0.0% 6.0% 0.0% | 1.4% 1.4% 20.0% 8.6% 43.0% 15.7% 1.4% 1.4% 7.1% 0.0% | 0.0% 0.0% 24.5% 8.2% 42.8% 14.3% 2.0% 0.0% 8.2% 0.0% | 0.0% 0.0% 23.0% 8.0% 44.0% 15.0% 2.0% 0.0% 8.0% 0.0% | 0.0% 0.0% 20.0% 0.0% 0.0% 80.0% 0.0% 0.0% 0.0% 0.0% | 0.0% 0.0% 23.0% 0.0% 0.0% 77.0% 0.0% 0.0% 0.0% 0.0% |
| United Healthcare | 281 United Healthcare Medicare Advantage 2 CIGNA Network Model Plan 1 Anthem Blue Cross I 7 Anthem Blue Cross II 32 Anthem Blue Cross III 8 SCAN Health Plan 8 Senior Advantage 0 One Advantage, Others Basic 0 One Advantage, One Excess II 11 Excess II 8 One Excess II, One Basic 0 One Excess III (MNP), One Basic 4 Other 362 Total | | 85.0% 2.0% 0.0% 2.0% 6.0% 2.0% 2.0% 0.0% 0.0% 1.0% 0.0% 0.0% 0.0% | 84.5% 0.6% 0.3% 2.5% 7.8% 1.1% 0.6% 0.6% 0.8% 0.6% 0.8% 0.6% 0.9% | 77.6% 0.7% 0.3% 1.9% 8.8% 2.2% 2.2% 2.2% 3.0% 2.2% 2.2% 0.9% | 81.0% 1.0% 0.0% 2.0% 8.0% 2.0% 2.0% 2.0% 3.0% 3.0% 1.0% 0.0% 0.0% | 87.0% 0.0% 0.0% 0.0% 8.0% 2.0% 3.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 82.0% 0.0% 0.0% 0.0% 10.0% 2.0% 2.0% 2.0% 6.0% 0.0% 0.0% 0.0% 0.0% |
| Kaiser Retiree Basic | 777 Senior Advantage 30 Excess I 134 Excess II 32 Excess III (MNP) 1 Anthem Blue Cross I 19 Anthem Blue Cross III 0 United Healthcare Medicare Advantage 9 Kaiser Retiree Basic 6 One Advantage, Others Basic 0 One Excess III (MNP), One Basic 13 Other 1,021 Total | | 81.0% 4.0% 9.0% 4.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 80.4% 3.4% 9.6% 2.9% 0.2% 1.5% 0.1% 0.5% 0.5% 0.0% 0.9% | 76.1% 2.9% 13.1% 3.1% 0.1% 1.9% 0.1% 0.9% 0.6% 0.0% 1.3% | 79.0% 3.0% 12.0% 4.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 98.0% 0.0% 0.0% 0.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 98.0% 0.0% 0.0% 0.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% |
| Kaiser Family Basic | 91 2+ Advantage 1 One Advantage, One Excess II 3 One Advantage, One Excess III (MNP) 400 One Advantage, Others Basic 4 One Excess I, One Advantage 30 One Excess I, Others Basic 1 One Excess I, Others Excess II 79 One Excess II, One Basic 0 One Excess II, Others Excess III (MNP) 21 One Excess III (MNP), One Basic 1 Two+ Excess II- Part B 0 CIGNA Network Model Plan 4 Excess II 1 Excess III (MNP) 8 Anthem Blue Cross III 0 United Healthcare Medicare Advantage 22 Senior Advantage 1 Kaiser Family Basic 14 Other 681 Total | | 82.0% 8.0% 6.0% 0.0% 2.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.5% 0.0% 0.0% 0.0% 0.0% 0.5% 0.0% 0.0% 0.0% 0.0% | 15.0% 0.3% 0.1% 58.8% 0.7% 3.3% 0.0% 9.3% 0.0% 2.5% 0.6% 0.0% 2.4% 1.4% 0.1% 1.4% 0.1% 3.1% 0.8% 1.7% | 13.3% 0.1% 0.7% 58.7% 0.7% 4.4% 0.1% 11.6% 0.0% 3.1% 0.1% 0.0% 0.6% 0.1% 1.2% 1.0% 0.0% 3.2% 0.1% 2.1% | 82.0% 8.5% 3.0% 4.5% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.5% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 99.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 99.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% |
| One Advantage, Others Basic | 2 Senior Advantage 308 2+ Advantage 7 One Advantage, One Excess II 1 One Advantage, One Excess III (MNP) 41 One Advantage, Others Basic 7 One Excess I, One Advantage 3 Anthem Blue Cross III 0 Anthem Blue Cross I 0 Anthem Blue Cross II 0 Excess III (MNP) 1 One Excess III (MNP), One Basic 5 Other 381 Total | | 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 1.5% 80.9% 0.7% 1.5% 0.0% 0.2% 0.5% 0.0% 0.0% 1.2% 2.5% | 0.5% 80.9% 1.8% 1.8% 10.8% 1.8% 0.8% 0.0% 0.0% 0.3% 1.3% | 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% | 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% |
| Firefighters Local 1014 | 155 Firefighters Local 1014 0 Other 155 Total | | 100.0% 0.0% | 98.6% 0.7% | 100.0% 0.0% | 100.0% 0.0% | 100.0% 0.0% | 100.0% 0.0% |

*Tiers with both a pre- and post-65 member were encompassed in a pure post-65 tier. The results from the One Advantage, Others Basic section is included in the results of the Kaiser Family Basic section.



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Section 5 Retirement of Vested Terminated Members



The exhibits in this section present comparisons of actual retirements from vested terminated status during the five-year period ending June 30, 2018 with those expected to retire according to the actuarial assumptions used in our 2017 OPEB valuation.

Assumption Format

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

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

Results and Recommendations

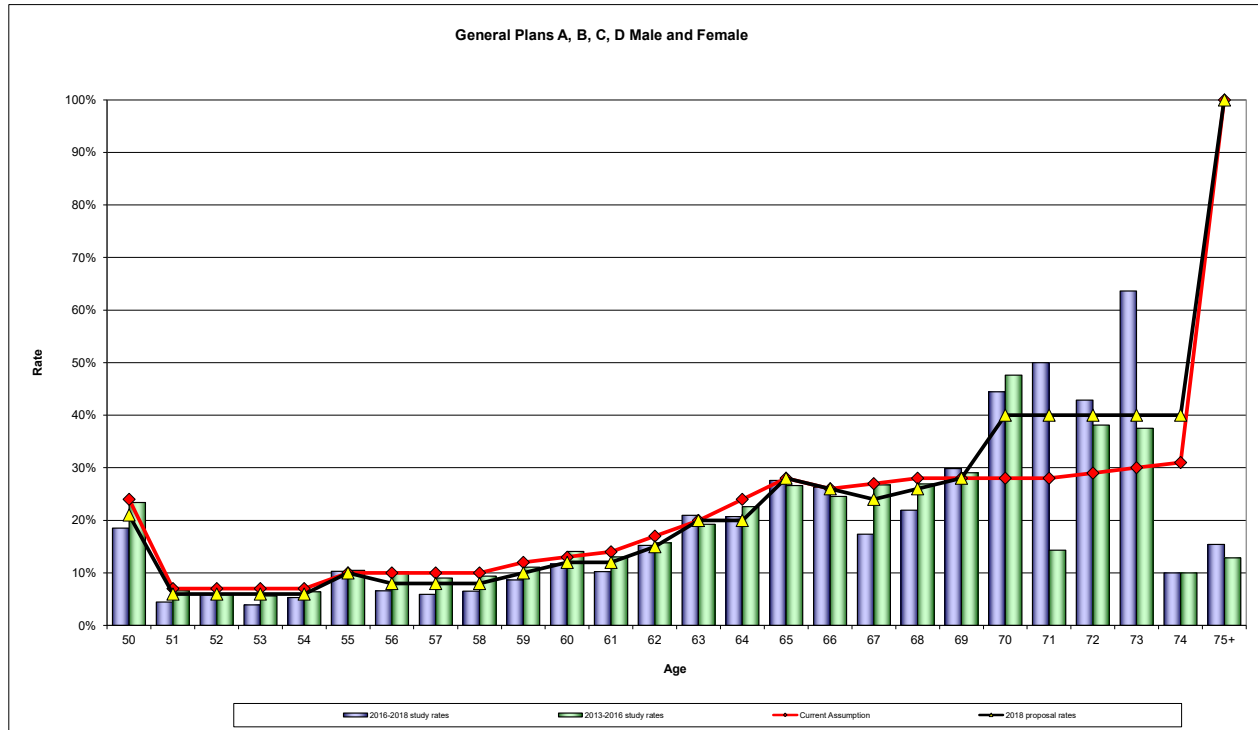
Over the five year period ended June 30, 2018, retirements from vested terminated status were slightly lower than our assumptions. In addition, there has been some variation in the retirement patterns by age compared to our assumptions. Based on this, we are recommending adjustments to the age based rates to bring the actual to expected ratios closer to 100%. The table below summarizes the results which are presented by age on Exhibits 5-1, 5-2, and 5-3.

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

| Retirement of Vested Terminated Members | | | | | | |
|---|-----------------------|--------------|--------|----------|-------------------|----------|
| Class of Members | Number of Retirements | | | | Actual / Expected | |
| | Current Assump. | Prior Actual | Actual | Proposed | Current | Proposed |
| General A,B,C,D | 1,042 | 1,017 | 830 | 949 | 80% | 87% |
| General E | 1,431 | 1,460 | 1,151 | 1,325 | 80% | 87% |
| Safety A,B | 118 | 119 | 99 | 116 | 84% | 85% |
| Total | 2,591 | 2,596 | 2,080 | 2,390 | 80% | 87% |

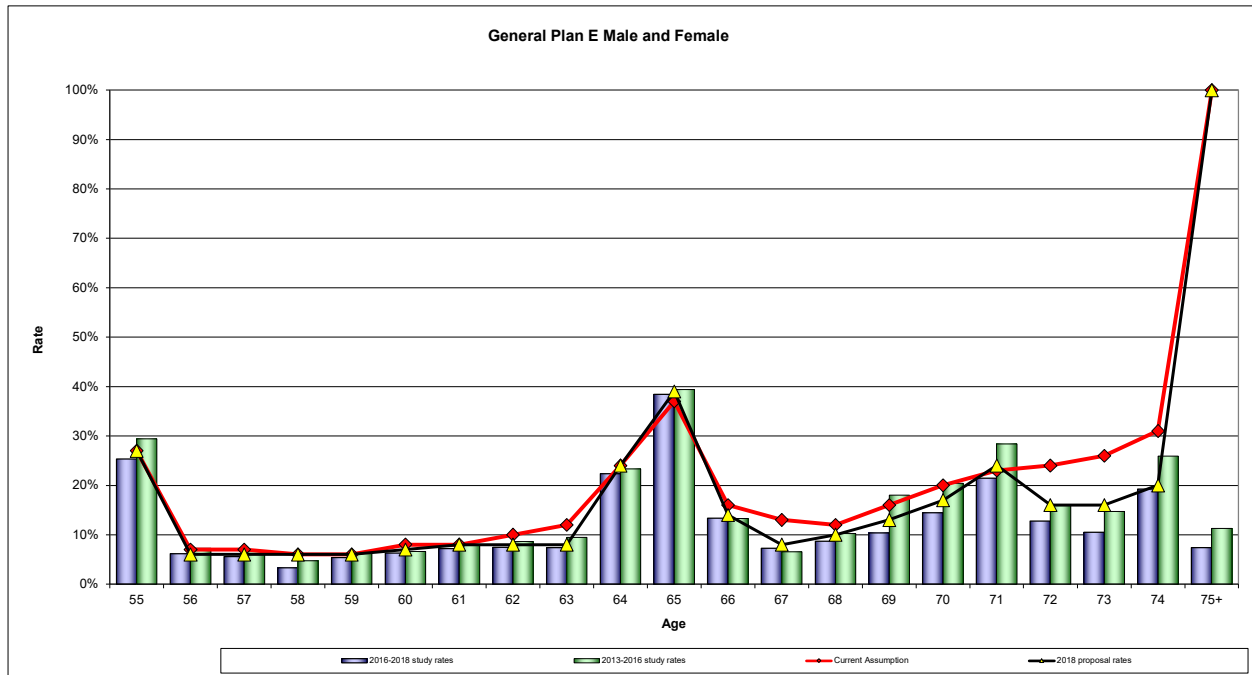
The charts in Exhibits 5-1, 5-2, and 5-3 include results for ages below the assumed certain retirement age, since a considerable number of vested terminated members retire later than that.

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



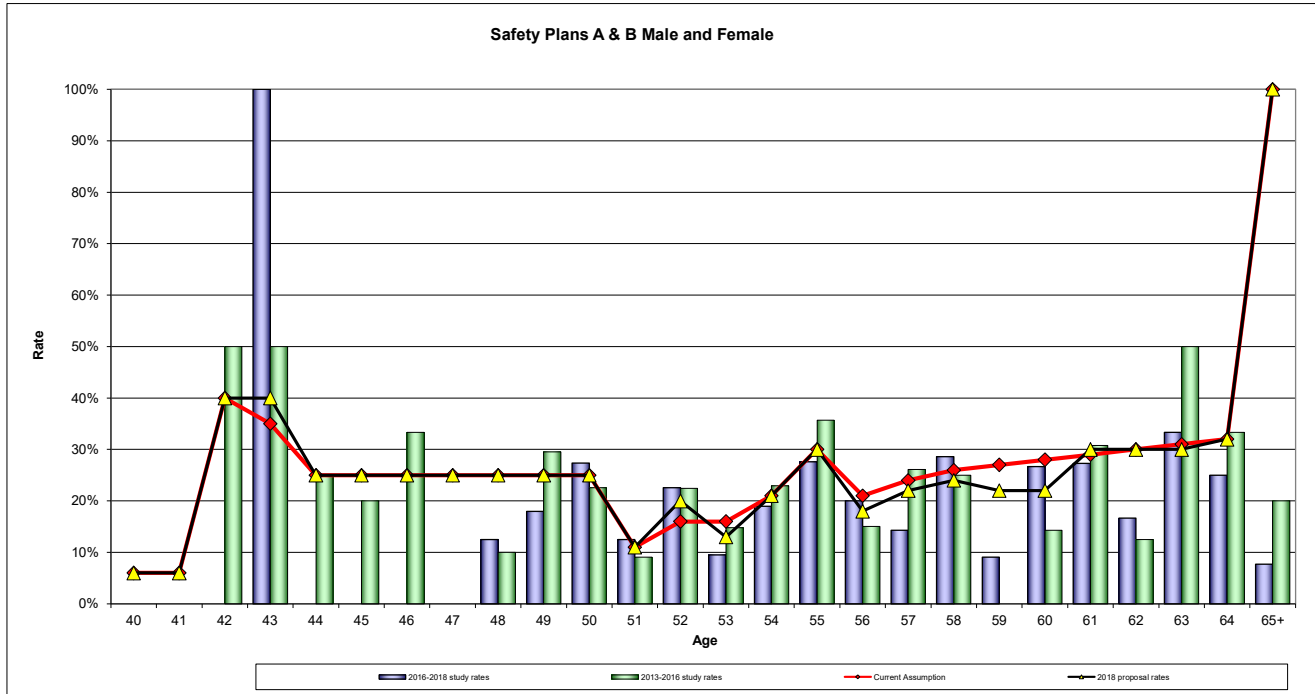
| All Eligible VTs | Current Assumption | Prior Actual | Actual | 2018 Proposal |
|---------------------------|--------------------|--------------|--------|---------------|
| Total Count | 1,042 | 1,017 | 830 | 949 |
| Actual / Expected | 80% | | | 87% |
| Total Count w/o 75+ | 990 | 1,012 | 822 | 897 |
| Actual / Expected w/o 75+ | 83% | | | 92% |

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



| All Eligible VTs | Current Assumption | Prior Actual | Actual | 2018 Proposal |
|---------------------------|--------------------|--------------|--------|---------------|
| Total Count | 1,431 | 1,460 | 1,151 | 1,325 |
| Actual / Expected | 80% | | | 87% |
| Total Count w/o 75+ | 1,350 | 1,454 | 1,145 | 1,244 |
| Actual / Expected w/o 75+ | 85% | | | 92% |

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



| All Eligible VTs | Current Assumption | Prior Actual | Actual | 2018 Proposal |
|---------------------------|--------------------|--------------|--------|---------------|
| Total Count | 118 | 119 | 99 | 116 |
| Actual / Expected | 84% | | | 85% |
| Total Count w/o 65+ | 105 | 115 | 98 | 103 |
| Actual / Expected w/o 65+ | 93% | | | 95% |

Section 6 Other OPEB Demographic Assumptions



This section discusses the following OPEB demographic assumptions:

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

Age Difference for Enrolled Spouses

The age difference for enrolled spouses is used for the valuation of current active members projected to retire and enroll a spouse in the future. In our July 1, 2017 OPEB valuation, we assumed that future male retirees will be four years older than their female spouse. Furthermore, we assumed that future female retirees will be one year younger than their male spouses.

Results and Recommendation

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

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

The table below shows the results by group based on the July 1, 2016, 2017, and 2018 OPEB valuation data along with our recommended assumption. Note that our valuation system is designed to utilize whole year age differences.

| Class of Retirees With Spouses | Male Retirees | | Female Retirees | |
|--|---------------|--------------------------|-----------------|--------------------------|
| | Number | Male Age Less Female Age | Number | Male Age Less Female Age |
| Current Assumption | | 4.0 years | | 1.0 year |
| Prior Actual Experience | | | | |
| All Retirees | 16,594 | 4.6 years | 8,218 | 1.2 years |
| Recent Retirees | 3,528 | 4.0 years | 2,626 | 1.4 years |
| Actual Experience | | | | |
| All Retirees | 17,110 | 4.4 years | 9,060 | 1.5 years |
| Recent Retirees | 3,825 | 3.7 years | 2,919 | 1.7 years |
| Recommended Assumption (Tier 1 and Tier 2) | | 4.0 years | | 2.0 years |

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

Our July 1, 2017 OPEB valuation assumed that members in Blue Cross I, II, and Prudent Buyer were not eligible for Medicare Part B premium reimbursement. We checked the validity of this assumption based on July 1, 2016, 2017 and 2018 enrollment information. Medicare Part A information from LACERA for both inactives and actives was incomplete, so we relied on the Medicare Part B indicator. There were not any members in the Blue Cross I, II, and Prudent Buyer plans who were in Medicare Part B. We recommend continuing with the current assumption for Tier 1. We will assume Tier 2 members will enroll in Medicare Parts A and B.

Survivor and New Dependent Enrollment

There are three scenarios that we incorporated into our July 1, 2017 OPEB valuation:

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

Results and Recommendations

We studied the experience since the July 1, 2016 OPEB Experience Study and developed the recommendations shown in the table below. Although actual experience from these assumptions is somewhat difficult to track, we were able to develop approximate results for Scenarios 1 and 2. We did not study Scenario 3 since it is based on LACERA policy. LACERA staff will consider how to track this experience in the future.

| Scenario | New Spouse/Domestic Partner Enrollment | New Dependent Enrollment |
|-------------------------|--|--------------------------|
| Scenario 1 | | |
| Current Assumption | 3% | 3% |
| Prior Actual Experience | 3% | N/A |
| Number of Observations | 23 | N/A |
| Actual Experience | 1% | N/A |
| Number of Observations | 17 | N/A |
| Recommended Assumption | 2% | 3% |
| Scenario 2 | | |
| Current Assumption | 5% | 3% |
| Prior Actual Experience | 6% | 8% |
| Number of Observations | 9 | 11 |
| Actual Experience | 2% | 2% |
| Number of Observations | 14 | 13 |
| Recommended Assumption | 4% | 3% |



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Section 7 OPEB Economic Assumptions



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

Investment Earnings

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

The change from cost sharing to agent is effective for the July 1, 2018 OPEB funding valuation. The investment earnings assumption approach for this funding valuation is intended to reflect the funding policy associated with each agent. **The investment earnings assumption for agents that are prefunding through the OPEB Trust will be the expected return of the OPEB Trust. The investment earnings assumption for the portion of the agents that are funded by the County will also be the expected return of the OPEB Trust. The portion of the agents that are not funded by the County and not prefunding through the OPEB Trust will have an investment earnings assumption of the County's general funds' expected return.**

OPEB Trust Investment Earnings

The County, Superior Court, and LACERA are contributing to a trust fund for the purposes of prefunding future OPEB costs. The expected investment return on the OPEB Trust is 6.00%, based on the Trust's investment policy and Meketa's current capital market assumptions and investment forecast model.

We recommend using the 6.00% return assumption for agents that are prefunding through the OPEB Trust because the funding policies are structured such that contributions will exceed benefit payments by a significant amount until the contribution reaches the Actuarially Determined Contribution (ADC). After that point, benefits are projected to be payable out of Trust assets for the foreseeable future.

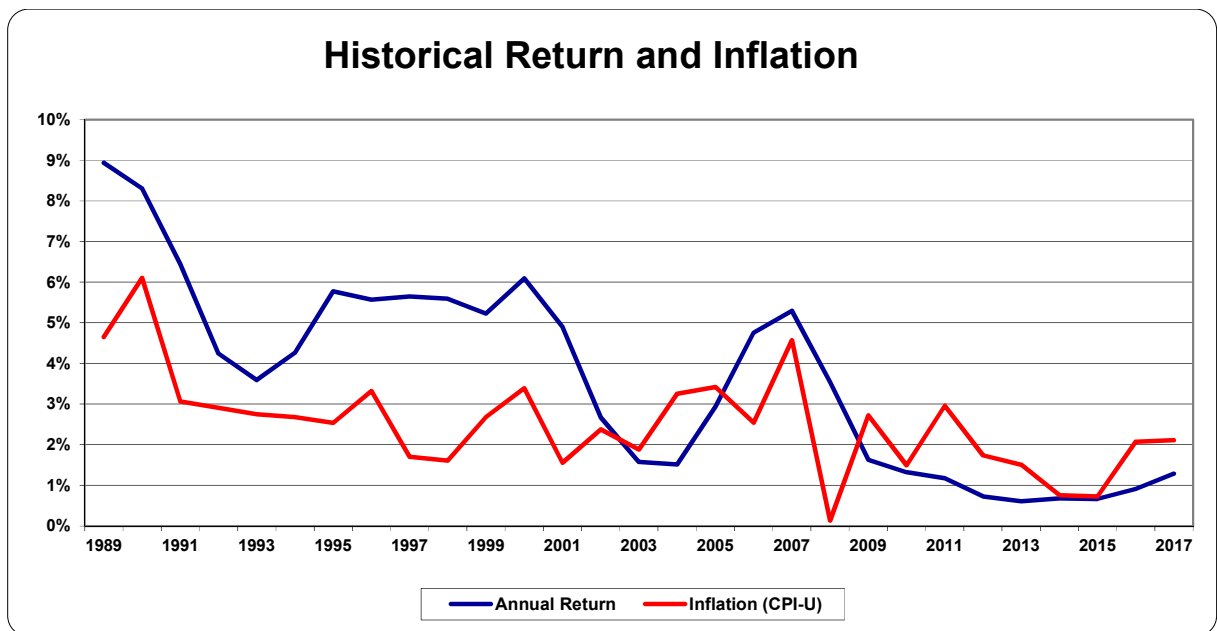
| Asset Class | Estimated Annual Arithmetic Return | Asset Allocation |
|------------------------|------------------------------------|------------------|
| Cash | 1.81% | 2.00% |
| Investment Grade Bonds | 2.78% | 8.00% |
| TIPS | 3.08% | 6.00% |
| High Yield Bonds | 4.98% | 6.00% |
| Bank Loans | 4.80% | 10.00% |
| Emerging Market Bonds | 5.75% | 4.00% |
| Global Equity | 8.01% | 50.00% |
| REIT's | 10.26% | 10.00% |
| Commodities | 7.02% | 4.00% |

Expected Arithmetic Return (10 yrs) ⁽¹⁾ 6.07%
 Expected Geometric Return (10 yrs) ⁽²⁾ 6.00%

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

**General Fund
 Investment Earnings**

In setting the investment earnings assumption for the General Fund, we use a “building block” approach, which involves an estimate of inflation plus an assumed real return. In reviewing the real return assumption, we looked at historical information from the County, combined with our estimate of long-term expectations for short-term high-quality fixed income investments. The following chart compares historical County returns to the rate of inflation from 1989 through 2017. Over this period, the geometric averages of the annual return and the rate of inflation were 3.6% and 2.5%, respectively, resulting in a real return over the period of approximately 1.1% per year.



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**General Fund
 Investment Earnings
 (continued)**

Based on our discussions with the County and our review of asset class returns over this period, the returns are consistent with those of a fixed income investment portfolio concentrated in short-term U.S. Government investments with maturities of three years or less. Recent projections of returns for these investments indicate that the historical 1.1% real return may be higher than what is achievable in the future. Current projections are for real returns in the 0.5% to 1.0% range for these investments.

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

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

Milliman used our current capital market assumptions and investment forecast model to develop an expected return on general assets of 3.69%. We incorporated LACERA's general fund balance sheet as of June 30, 2018 to develop this result, as shown in the chart below. Note that this estimate falls within the range derived from the building block approach described above.

| Asset Class | Expected Arithmetic Nominal Return (30 yrs) | Asset Allocation |
|--|---|------------------|
| Cash | 3.04% | 37.41% |
| Short-term U.S. Bonds | 4.10% | 62.59% |
| Expected Arithmetic Return (30 yrs) ⁽¹⁾ | | 3.70% |
| Expected Geometric Return (30 yrs) ⁽²⁾ | | 3.69% |

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

Investment Earnings

The investment earnings assumptions will vary by Agent. The County, LACERA, and Superior Courts will have an investment earnings assumption based on the OPEB Trust expected return of 6.00%. The investment earnings assumption for the portion of the agents that are funded by the County will also be the OPEB Trust expected return of 6.00%. The portion of the agents that are not funded by the County and not prefunding through the OPEB Trust will have an investment earnings assumption of the County's general funds expected return of 3.69%.



**Investment Earnings
 (continued)**

| Assumption | Current OPEB | Proposed OPEB |
|-------------------------------------|-----------------|------------------|
| Price Inflation (CPI) | 2.75% | 2.75% |
| Wage Inflation | 3.25% | 3.25% |
| Investment Earnings | | |
| Agents prefunding in the OPEB Trust | 4.50% | 6.00% |
| Agents not prefunding | 4.50% | 3.69% |

**Health Cost Trend
 General Discussion**

In our July 1, 2017 OPEB valuation, we developed trend rates for the following three benefit types:

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

We have examined these assumptions and are recommending modifications as discussed below. The first year trends will be modified to reflect the July 1, 2019 final renewals which will be reflected in the July 1, 2018 OPEB valuation.

Medical Trend

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

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

- *Trends through 2022.* These trends are based on our review of the July 1, 2018 renewals and summaries provided by Segal taking into account drug percentage of total, approximate annual premiums, and plan type.
- *2028 GDP % Share.* This is the assumed percentage of GDP that is spent on health care and is assumed to be 20.5%. This is based on the most recent actuarial projection of National Health Expenditures (NHE) from the Centers for Medicare & Medicaid Services (CMS).
- *Inflation (CPI).* This is consistent with the assumption used for the investment earnings rate above.
- *Real GDP Per Capita.* This is the assumed growth in the GDP over inflation. Based on the 2018 Medicare Trustees Report, we used a 1.5% assumption.



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**Medical Trend
(continued)**

- *Excess Medical Cost Growth.* This component represents all other sources of excess trend, and it is assumed to be 1.2%, based on the SOA research.
- *GDP Resistance Point.* This is the point at which health care costs as a percentage of GDP are assumed to begin to meet resistance. The assumption used is 25% based on the SOA research.
- *GDP Limit Year.* The model assumes that after 2075, health costs will grow at the rate of GDP growth, equal to the CPI plus real per capita GDP growth.

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

- *Aging.* Since the Getzen model projects overall health care spending in the U.S., it implicitly includes aging of the population. Since we have an explicit assumption for aging in the OPEB valuation, we have removed the aging factor from the Getzen model, resulting in a 0.42% decrease in the 2018 trend assumption, grading to 0.0% by 2061. We assume the aging reduction is limited such that trend is not reduced below inflation plus GDP growth.
- *Administrative Costs.* A portion of the retiree health premiums (assumed to be 10%) are used for carrier administrative costs. We assume that this portion of the premium will grow at inflation plus 0.75% annually.
- *Rounding.* We rounded the trend assumptions to the nearest 0.10% for each year.

An Excise tax for high cost health coverage, 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 Excise tax, allowance of the Excise 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 Excise tax thresholds from CPI-U to chained CPI-U. Additional legislation passed in January 2018 further delayed the Excise tax until 2022 and suspended the health insurer fee for calendar year 2019. We received detailed health insurer fee information from the carriers and reflected adjustments in the trend assumption.

Exhibits 7-1 through 7-4 show the recommended medical trend assumptions including Excise tax for the July 1, 2018 OPEB valuation compared to the medical trend assumptions used for the July 1, 2017 OPEB valuation. Exhibits 7-1 and 7-2 are for the under 65 members, and Exhibits 7-3 and 7-4 are for the over 65 members.

Medicare Part B Premium Trend

In the July 1, 2017 OPEB valuation, we established the Medicare Part B premium trend assumption to be consistent with projections from CMS. We have updated the Medicare Part B assumption for the July 1, 2018, valuation based on the following CMS reports:

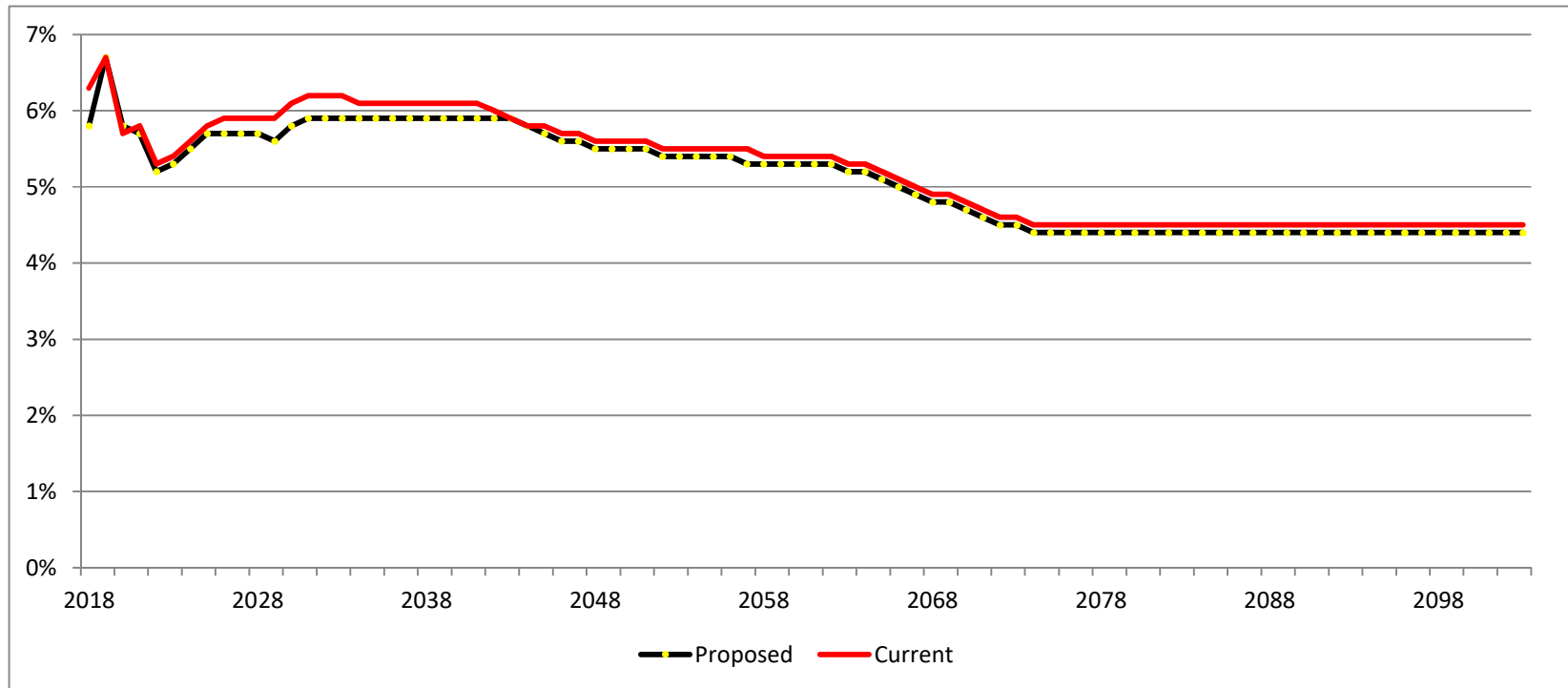
- *2018 Medicare Trustees Report.* We used this report for assumed Medicare Part B enrollment growth and for the real GDP growth assumption of 1.5%.
- *2018 CMS Report on Projected Medicare Expenditures under an Illustrative Scenario with Alternative Physician Payment Updates.* We used this report for assumed Part B premium increases, under the assumption that physician updates will increase in line with the Medicare Economic Index (MEI).

Our recommended July 1, 2018, Medicare Part B premium trend is compared to the July 1, 2017 assumption in Exhibits 7-5 and 7-6. The July 1, 2018 census data indicates that a large number of individuals are being reimbursed for an amount lower than the 2018 standard Part B premium of \$134. Based on recent cost of living adjustments, we believe that most of these individuals are actually paying the standard amount, and we assume that these individuals will verify their updated premium by 2019, causing a large trend increase in the first year. Exhibits 7-5 and 7-6 include a calendar year to fiscal year adjustment.

Dental/Vision Trend

In our July 1, 2018 OPEB valuation, the underlying dental/vision trend rate is 4.25%. This assumption is based on the CPI plus 1.5%. We also incorporate a Claim Probability Distribution (CPD) analysis to model the indemnity plan annual maximum. This causes the trend to decline for about 30 years, but then increase once the costs of the HMO plan begin to have a greater influence on the trend than the indemnity plan. Refer to Exhibits 7-7 and 7-8.

**Exhibit 7-1
 Medical Trend with Excise Tax for Pre-65 Members**



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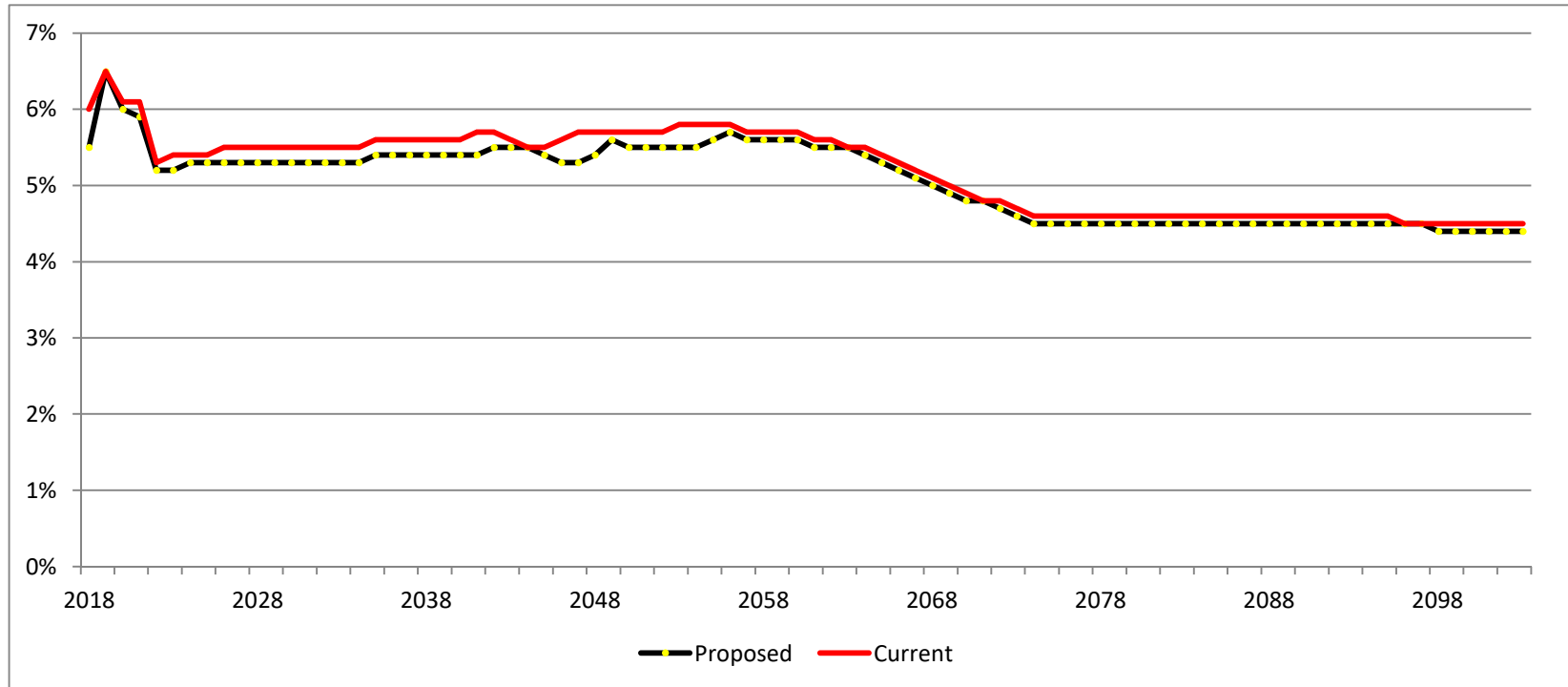
**Exhibit 7-2
 Medical Trend with Excise Tax for Pre-65 Members – Percentage Table**

| Fiscal Year Ending | | Current | Proposed | Fiscal Year Ending | | Current | Proposed |
|--------------------|-----------|---------|----------|--------------------|-----------|---------|----------|
| From | To | | | From | To | | |
| 6/30/2019 | 6/30/2020 | 6.30% | 5.80% | 6/30/2062 | 6/30/2063 | 5.40% | 5.30% |
| 6/30/2020 | 6/30/2021 | 6.70% | 6.70% | 6/30/2063 | 6/30/2064 | 5.40% | 5.30% |
| 6/30/2021 | 6/30/2022 | 5.70% | 5.80% | 6/30/2064 | 6/30/2065 | 5.30% | 5.20% |
| 6/30/2022 | 6/30/2023 | 5.80% | 5.70% | 6/30/2065 | 6/30/2066 | 5.30% | 5.20% |
| 6/30/2023 | 6/30/2024 | 5.30% | 5.20% | 6/30/2066 | 6/30/2067 | 5.20% | 5.10% |
| 6/30/2024 | 6/30/2025 | 5.40% | 5.30% | 6/30/2067 | 6/30/2068 | 5.10% | 5.00% |
| 6/30/2025 | 6/30/2026 | 5.60% | 5.50% | 6/30/2068 | 6/30/2069 | 5.00% | 4.90% |
| 6/30/2026 | 6/30/2027 | 5.80% | 5.70% | 6/30/2069 | 6/30/2070 | 4.90% | 4.80% |
| 6/30/2027 | 6/30/2028 | 5.90% | 5.70% | 6/30/2070 | 6/30/2071 | 4.90% | 4.80% |
| 6/30/2028 | 6/30/2029 | 5.90% | 5.70% | 6/30/2071 | 6/30/2072 | 4.80% | 4.70% |
| 6/30/2029 | 6/30/2030 | 5.90% | 5.70% | 6/30/2072 | 6/30/2073 | 4.70% | 4.60% |
| 6/30/2030 | 6/30/2031 | 5.90% | 5.60% | 6/30/2073 | 6/30/2074 | 4.60% | 4.50% |
| 6/30/2031 | 6/30/2032 | 6.10% | 5.80% | 6/30/2074 | 6/30/2075 | 4.60% | 4.50% |
| 6/30/2032 | 6/30/2033 | 6.20% | 5.90% | 6/30/2075 | 6/30/2076 | 4.50% | 4.40% |
| 6/30/2033 | 6/30/2034 | 6.20% | 5.90% | 6/30/2076 | 6/30/2077 | 4.50% | 4.40% |
| 6/30/2034 | 6/30/2035 | 6.20% | 5.90% | 6/30/2077 | 6/30/2078 | 4.50% | 4.40% |
| 6/30/2035 | 6/30/2036 | 6.10% | 5.90% | 6/30/2078 | 6/30/2079 | 4.50% | 4.40% |
| 6/30/2036 | 6/30/2037 | 6.10% | 5.90% | 6/30/2079 | 6/30/2080 | 4.50% | 4.40% |
| 6/30/2037 | 6/30/2038 | 6.10% | 5.90% | 6/30/2080 | 6/30/2081 | 4.50% | 4.40% |
| 6/30/2038 | 6/30/2039 | 6.10% | 5.90% | 6/30/2081 | 6/30/2082 | 4.50% | 4.40% |
| 6/30/2039 | 6/30/2040 | 6.10% | 5.90% | 6/30/2082 | 6/30/2083 | 4.50% | 4.40% |
| 6/30/2040 | 6/30/2041 | 6.10% | 5.90% | 6/30/2083 | 6/30/2084 | 4.50% | 4.40% |
| 6/30/2041 | 6/30/2042 | 6.10% | 5.90% | 6/30/2084 | 6/30/2085 | 4.50% | 4.40% |
| 6/30/2042 | 6/30/2043 | 6.10% | 5.90% | 6/30/2085 | 6/30/2086 | 4.50% | 4.40% |
| 6/30/2043 | 6/30/2044 | 6.00% | 5.90% | 6/30/2086 | 6/30/2087 | 4.50% | 4.40% |
| 6/30/2044 | 6/30/2045 | 5.90% | 5.90% | 6/30/2087 | 6/30/2088 | 4.50% | 4.40% |
| 6/30/2045 | 6/30/2046 | 5.80% | 5.80% | 6/30/2088 | 6/30/2089 | 4.50% | 4.40% |
| 6/30/2046 | 6/30/2047 | 5.80% | 5.70% | 6/30/2089 | 6/30/2090 | 4.50% | 4.40% |
| 6/30/2047 | 6/30/2048 | 5.70% | 5.60% | 6/30/2090 | 6/30/2091 | 4.50% | 4.40% |
| 6/30/2048 | 6/30/2049 | 5.70% | 5.60% | 6/30/2091 | 6/30/2092 | 4.50% | 4.40% |
| 6/30/2049 | 6/30/2050 | 5.60% | 5.50% | 6/30/2092 | 6/30/2093 | 4.50% | 4.40% |
| 6/30/2050 | 6/30/2051 | 5.60% | 5.50% | 6/30/2093 | 6/30/2094 | 4.50% | 4.40% |
| 6/30/2051 | 6/30/2052 | 5.60% | 5.50% | 6/30/2094 | 6/30/2095 | 4.50% | 4.40% |
| 6/30/2052 | 6/30/2053 | 5.60% | 5.50% | 6/30/2095 | 6/30/2096 | 4.50% | 4.40% |
| 6/30/2053 | 6/30/2054 | 5.50% | 5.40% | 6/30/2096 | 6/30/2097 | 4.50% | 4.40% |
| 6/30/2054 | 6/30/2055 | 5.50% | 5.40% | 6/30/2097 | 6/30/2098 | 4.50% | 4.40% |
| 6/30/2055 | 6/30/2056 | 5.50% | 5.40% | 6/30/2098 | 6/30/2099 | 4.50% | 4.40% |
| 6/30/2056 | 6/30/2057 | 5.50% | 5.40% | 6/30/2099 | 6/30/2100 | 4.50% | 4.40% |
| 6/30/2057 | 6/30/2058 | 5.50% | 5.40% | 6/30/2100 | 6/30/2101 | 4.50% | 4.40% |
| 6/30/2058 | 6/30/2059 | 5.50% | 5.30% | 6/30/2101 | 6/30/2102 | 4.50% | 4.40% |
| 6/30/2059 | 6/30/2060 | 5.40% | 5.30% | 6/30/2102 | 6/30/2103 | 4.50% | 4.40% |
| 6/30/2060 | 6/30/2061 | 5.40% | 5.30% | 6/30/2103 | 6/30/2104 | 4.50% | 4.40% |
| 6/30/2061 | 6/30/2062 | 5.40% | 5.30% | 6/30/2104 | 6/30/2105 | 4.50% | 4.40% |



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**Exhibit 7-3
 Medical Trend with Excise Tax for Post-65 Members**



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

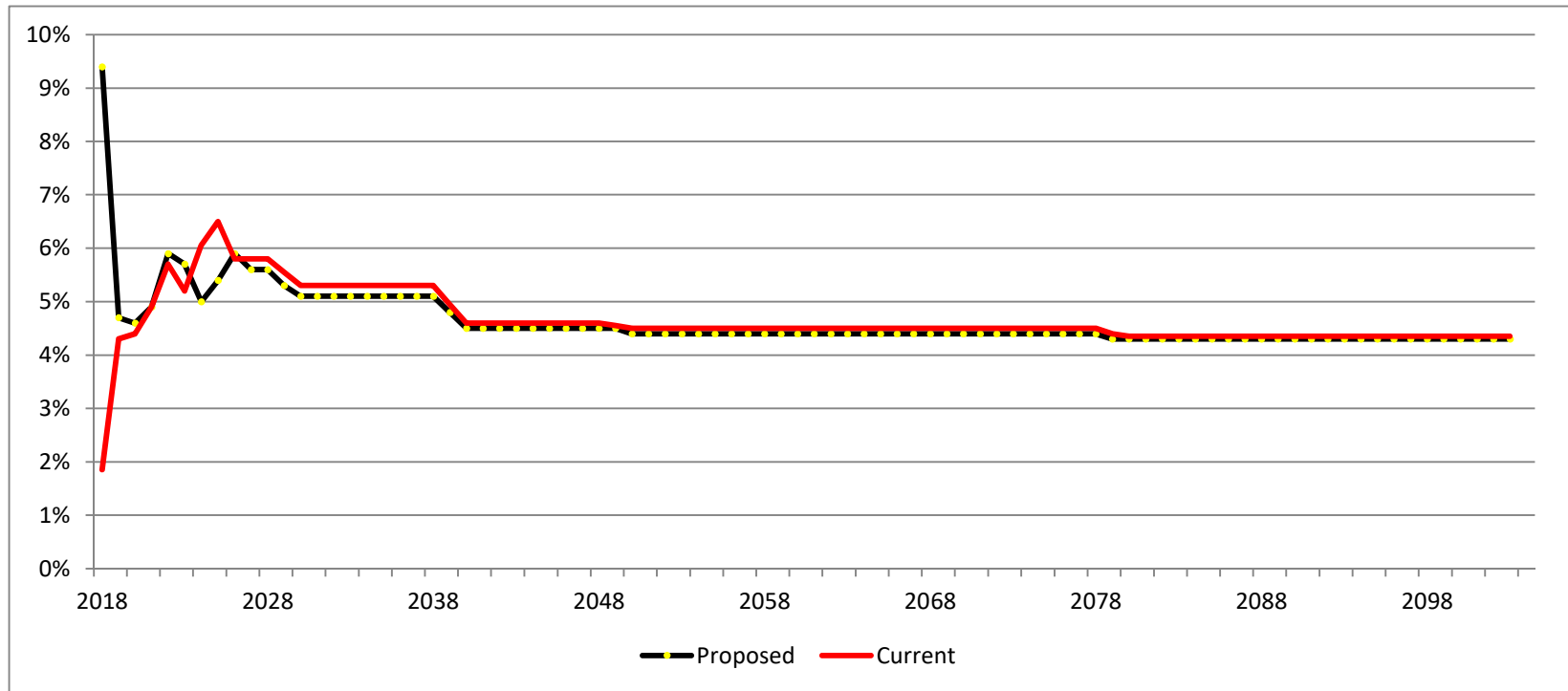
**Exhibit 7-4
 Medical Trend with Excise Tax for Post-65 Members – Percentage Table**

| Fiscal Year Ending | | Current | Proposed | Fiscal Year Ending | | Current | Proposed |
|--------------------|-----------|---------|----------|--------------------|-----------|---------|----------|
| From | To | | | From | To | | |
| 6/30/2019 | 6/30/2020 | 6.00% | 5.50% | 6/30/2062 | 6/30/2063 | 5.60% | 5.50% |
| 6/30/2020 | 6/30/2021 | 6.50% | 6.50% | 6/30/2063 | 6/30/2064 | 5.60% | 5.50% |
| 6/30/2021 | 6/30/2022 | 6.10% | 6.00% | 6/30/2064 | 6/30/2065 | 5.50% | 5.50% |
| 6/30/2022 | 6/30/2023 | 6.10% | 5.90% | 6/30/2065 | 6/30/2066 | 5.50% | 5.40% |
| 6/30/2023 | 6/30/2024 | 5.30% | 5.20% | 6/30/2066 | 6/30/2067 | 5.40% | 5.30% |
| 6/30/2024 | 6/30/2025 | 5.40% | 5.20% | 6/30/2067 | 6/30/2068 | 5.30% | 5.20% |
| 6/30/2025 | 6/30/2026 | 5.40% | 5.30% | 6/30/2068 | 6/30/2069 | 5.20% | 5.10% |
| 6/30/2026 | 6/30/2027 | 5.40% | 5.30% | 6/30/2069 | 6/30/2070 | 5.10% | 5.00% |
| 6/30/2027 | 6/30/2028 | 5.50% | 5.30% | 6/30/2070 | 6/30/2071 | 5.00% | 4.90% |
| 6/30/2028 | 6/30/2029 | 5.50% | 5.30% | 6/30/2071 | 6/30/2072 | 4.90% | 4.80% |
| 6/30/2029 | 6/30/2030 | 5.50% | 5.30% | 6/30/2072 | 6/30/2073 | 4.80% | 4.80% |
| 6/30/2030 | 6/30/2031 | 5.50% | 5.30% | 6/30/2073 | 6/30/2074 | 4.80% | 4.70% |
| 6/30/2031 | 6/30/2032 | 5.50% | 5.30% | 6/30/2074 | 6/30/2075 | 4.70% | 4.60% |
| 6/30/2032 | 6/30/2033 | 5.50% | 5.30% | 6/30/2075 | 6/30/2076 | 4.60% | 4.50% |
| 6/30/2033 | 6/30/2034 | 5.50% | 5.30% | 6/30/2076 | 6/30/2077 | 4.60% | 4.50% |
| 6/30/2034 | 6/30/2035 | 5.50% | 5.30% | 6/30/2077 | 6/30/2078 | 4.60% | 4.50% |
| 6/30/2035 | 6/30/2036 | 5.50% | 5.30% | 6/30/2078 | 6/30/2079 | 4.60% | 4.50% |
| 6/30/2036 | 6/30/2037 | 5.60% | 5.40% | 6/30/2079 | 6/30/2080 | 4.60% | 4.50% |
| 6/30/2037 | 6/30/2038 | 5.60% | 5.40% | 6/30/2080 | 6/30/2081 | 4.60% | 4.50% |
| 6/30/2038 | 6/30/2039 | 5.60% | 5.40% | 6/30/2081 | 6/30/2082 | 4.60% | 4.50% |
| 6/30/2039 | 6/30/2040 | 5.60% | 5.40% | 6/30/2082 | 6/30/2083 | 4.60% | 4.50% |
| 6/30/2040 | 6/30/2041 | 5.60% | 5.40% | 6/30/2083 | 6/30/2084 | 4.60% | 4.50% |
| 6/30/2041 | 6/30/2042 | 5.60% | 5.40% | 6/30/2084 | 6/30/2085 | 4.60% | 4.50% |
| 6/30/2042 | 6/30/2043 | 5.70% | 5.40% | 6/30/2085 | 6/30/2086 | 4.60% | 4.50% |
| 6/30/2043 | 6/30/2044 | 5.70% | 5.50% | 6/30/2086 | 6/30/2087 | 4.60% | 4.50% |
| 6/30/2044 | 6/30/2045 | 5.60% | 5.50% | 6/30/2087 | 6/30/2088 | 4.60% | 4.50% |
| 6/30/2045 | 6/30/2046 | 5.50% | 5.50% | 6/30/2088 | 6/30/2089 | 4.60% | 4.50% |
| 6/30/2046 | 6/30/2047 | 5.50% | 5.40% | 6/30/2089 | 6/30/2090 | 4.60% | 4.50% |
| 6/30/2047 | 6/30/2048 | 5.60% | 5.30% | 6/30/2090 | 6/30/2091 | 4.60% | 4.50% |
| 6/30/2048 | 6/30/2049 | 5.70% | 5.30% | 6/30/2091 | 6/30/2092 | 4.60% | 4.50% |
| 6/30/2049 | 6/30/2050 | 5.70% | 5.40% | 6/30/2092 | 6/30/2093 | 4.60% | 4.50% |
| 6/30/2050 | 6/30/2051 | 5.70% | 5.60% | 6/30/2093 | 6/30/2094 | 4.60% | 4.50% |
| 6/30/2051 | 6/30/2052 | 5.70% | 5.50% | 6/30/2094 | 6/30/2095 | 4.60% | 4.50% |
| 6/30/2052 | 6/30/2053 | 5.70% | 5.50% | 6/30/2095 | 6/30/2096 | 4.60% | 4.50% |
| 6/30/2053 | 6/30/2054 | 5.70% | 5.50% | 6/30/2096 | 6/30/2097 | 4.60% | 4.50% |
| 6/30/2054 | 6/30/2055 | 5.80% | 5.50% | 6/30/2097 | 6/30/2098 | 4.50% | 4.50% |
| 6/30/2055 | 6/30/2056 | 5.80% | 5.50% | 6/30/2098 | 6/30/2099 | 4.50% | 4.50% |
| 6/30/2056 | 6/30/2057 | 5.80% | 5.60% | 6/30/2099 | 6/30/2100 | 4.50% | 4.40% |
| 6/30/2057 | 6/30/2058 | 5.80% | 5.70% | 6/30/2100 | 6/30/2101 | 4.50% | 4.40% |
| 6/30/2058 | 6/30/2059 | 5.70% | 5.60% | 6/30/2101 | 6/30/2102 | 4.50% | 4.40% |
| 6/30/2059 | 6/30/2060 | 5.70% | 5.60% | 6/30/2102 | 6/30/2103 | 4.50% | 4.40% |
| 6/30/2060 | 6/30/2061 | 5.70% | 5.60% | 6/30/2103 | 6/30/2104 | 4.50% | 4.40% |
| 6/30/2061 | 6/30/2062 | 5.70% | 5.60% | 6/30/2104 | 6/30/2105 | 4.50% | 4.40% |



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Exhibit 7-5
Medicare Part B Premium Trend



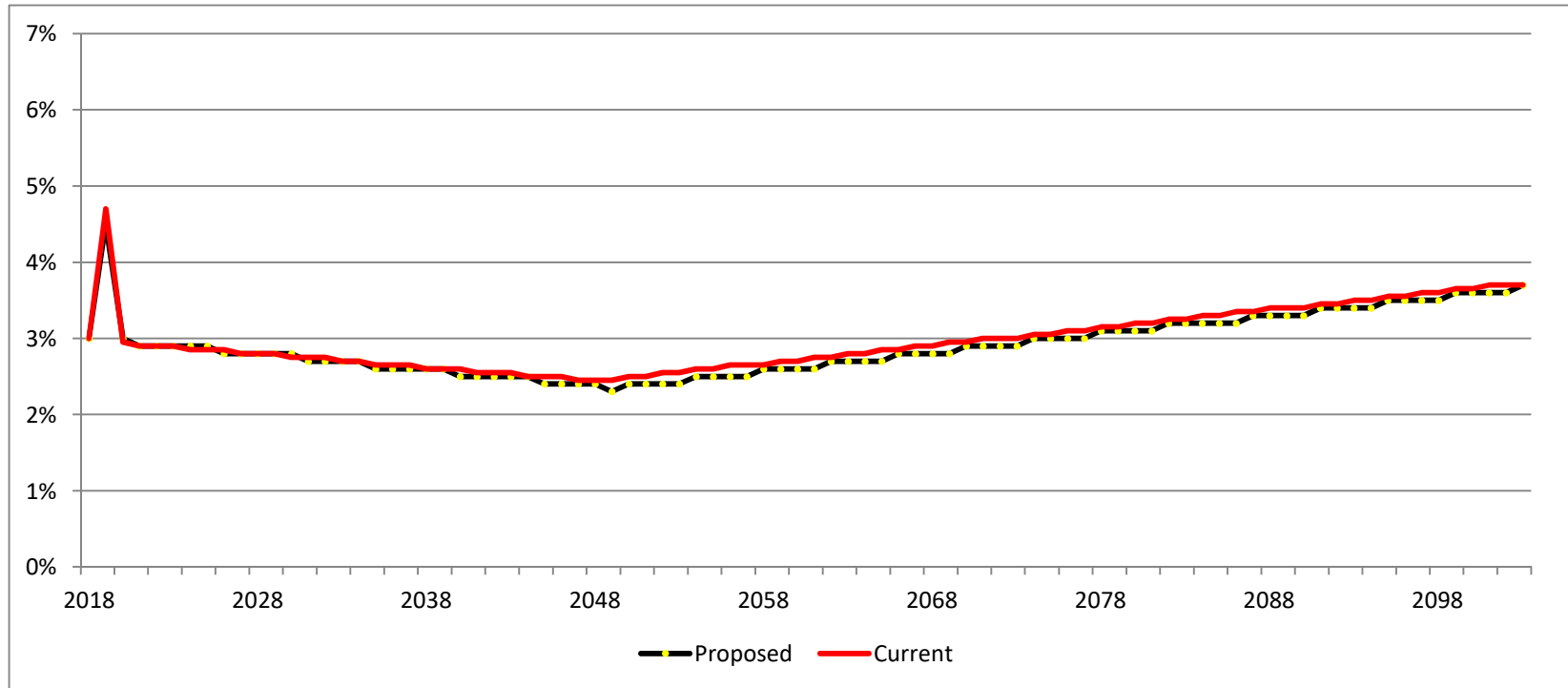
**Exhibit 7-6
 Medicare Part B Premium Trend – Percentage Table**

| Fiscal Year Ending | | Current | Proposed | Fiscal Year Ending | | Current | Proposed |
|--------------------|-----------|---------|----------|--------------------|-----------|---------|----------|
| From | To | | | From | To | | |
| 6/30/2019 | 6/30/2020 | 1.85% | 9.40% | 6/30/2062 | 6/30/2063 | 4.50% | 4.40% |
| 6/30/2020 | 6/30/2021 | 4.30% | 4.70% | 6/30/2063 | 6/30/2064 | 4.50% | 4.40% |
| 6/30/2021 | 6/30/2022 | 4.40% | 4.60% | 6/30/2064 | 6/30/2065 | 4.50% | 4.40% |
| 6/30/2022 | 6/30/2023 | 4.90% | 4.90% | 6/30/2065 | 6/30/2066 | 4.50% | 4.40% |
| 6/30/2023 | 6/30/2024 | 5.70% | 5.90% | 6/30/2066 | 6/30/2067 | 4.50% | 4.40% |
| 6/30/2024 | 6/30/2025 | 5.20% | 5.70% | 6/30/2067 | 6/30/2068 | 4.50% | 4.40% |
| 6/30/2025 | 6/30/2026 | 6.05% | 5.00% | 6/30/2068 | 6/30/2069 | 4.50% | 4.40% |
| 6/30/2026 | 6/30/2027 | 6.50% | 5.40% | 6/30/2069 | 6/30/2070 | 4.50% | 4.40% |
| 6/30/2027 | 6/30/2028 | 5.80% | 5.90% | 6/30/2070 | 6/30/2071 | 4.50% | 4.40% |
| 6/30/2028 | 6/30/2029 | 5.80% | 5.60% | 6/30/2071 | 6/30/2072 | 4.50% | 4.40% |
| 6/30/2029 | 6/30/2030 | 5.80% | 5.60% | 6/30/2072 | 6/30/2073 | 4.50% | 4.40% |
| 6/30/2030 | 6/30/2031 | 5.55% | 5.30% | 6/30/2073 | 6/30/2074 | 4.50% | 4.40% |
| 6/30/2031 | 6/30/2032 | 5.30% | 5.10% | 6/30/2074 | 6/30/2075 | 4.50% | 4.40% |
| 6/30/2032 | 6/30/2033 | 5.30% | 5.10% | 6/30/2075 | 6/30/2076 | 4.50% | 4.40% |
| 6/30/2033 | 6/30/2034 | 5.30% | 5.10% | 6/30/2076 | 6/30/2077 | 4.50% | 4.40% |
| 6/30/2034 | 6/30/2035 | 5.30% | 5.10% | 6/30/2077 | 6/30/2078 | 4.50% | 4.40% |
| 6/30/2035 | 6/30/2036 | 5.30% | 5.10% | 6/30/2078 | 6/30/2079 | 4.50% | 4.40% |
| 6/30/2036 | 6/30/2037 | 5.30% | 5.10% | 6/30/2079 | 6/30/2080 | 4.50% | 4.40% |
| 6/30/2037 | 6/30/2038 | 5.30% | 5.10% | 6/30/2080 | 6/30/2081 | 4.40% | 4.30% |
| 6/30/2038 | 6/30/2039 | 5.30% | 5.10% | 6/30/2081 | 6/30/2082 | 4.35% | 4.30% |
| 6/30/2039 | 6/30/2040 | 5.30% | 5.10% | 6/30/2082 | 6/30/2083 | 4.35% | 4.30% |
| 6/30/2040 | 6/30/2041 | 4.95% | 4.80% | 6/30/2083 | 6/30/2084 | 4.35% | 4.30% |
| 6/30/2041 | 6/30/2042 | 4.60% | 4.50% | 6/30/2084 | 6/30/2085 | 4.35% | 4.30% |
| 6/30/2042 | 6/30/2043 | 4.60% | 4.50% | 6/30/2085 | 6/30/2086 | 4.35% | 4.30% |
| 6/30/2043 | 6/30/2044 | 4.60% | 4.50% | 6/30/2086 | 6/30/2087 | 4.35% | 4.30% |
| 6/30/2044 | 6/30/2045 | 4.60% | 4.50% | 6/30/2087 | 6/30/2088 | 4.35% | 4.30% |
| 6/30/2045 | 6/30/2046 | 4.60% | 4.50% | 6/30/2088 | 6/30/2089 | 4.35% | 4.30% |
| 6/30/2046 | 6/30/2047 | 4.60% | 4.50% | 6/30/2089 | 6/30/2090 | 4.35% | 4.30% |
| 6/30/2047 | 6/30/2048 | 4.60% | 4.50% | 6/30/2090 | 6/30/2091 | 4.35% | 4.30% |
| 6/30/2048 | 6/30/2049 | 4.60% | 4.50% | 6/30/2091 | 6/30/2092 | 4.35% | 4.30% |
| 6/30/2049 | 6/30/2050 | 4.60% | 4.50% | 6/30/2092 | 6/30/2093 | 4.35% | 4.30% |
| 6/30/2050 | 6/30/2051 | 4.55% | 4.50% | 6/30/2093 | 6/30/2094 | 4.35% | 4.30% |
| 6/30/2051 | 6/30/2052 | 4.50% | 4.40% | 6/30/2094 | 6/30/2095 | 4.35% | 4.30% |
| 6/30/2052 | 6/30/2053 | 4.50% | 4.40% | 6/30/2095 | 6/30/2096 | 4.35% | 4.30% |
| 6/30/2053 | 6/30/2054 | 4.50% | 4.40% | 6/30/2096 | 6/30/2097 | 4.35% | 4.30% |
| 6/30/2054 | 6/30/2055 | 4.50% | 4.40% | 6/30/2097 | 6/30/2098 | 4.35% | 4.30% |
| 6/30/2055 | 6/30/2056 | 4.50% | 4.40% | 6/30/2098 | 6/30/2099 | 4.35% | 4.30% |
| 6/30/2056 | 6/30/2057 | 4.50% | 4.40% | 6/30/2099 | 6/30/2100 | 4.35% | 4.30% |
| 6/30/2057 | 6/30/2058 | 4.50% | 4.40% | 6/30/2100 | 6/30/2101 | 4.35% | 4.30% |
| 6/30/2058 | 6/30/2059 | 4.50% | 4.40% | 6/30/2101 | 6/30/2102 | 4.35% | 4.30% |
| 6/30/2059 | 6/30/2060 | 4.50% | 4.40% | 6/30/2102 | 6/30/2103 | 4.35% | 4.30% |
| 6/30/2060 | 6/30/2061 | 4.50% | 4.40% | 6/30/2103 | 6/30/2104 | 4.35% | 4.30% |
| 6/30/2061 | 6/30/2062 | 4.50% | 4.40% | 6/30/2104 | 6/30/2105 | 4.35% | 4.30% |



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Exhibit 7-7
Dental/Vision Trend



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**Exhibit 7-8
 Dental/Vision Trend – Percentage Table**

| Fiscal Year Ending | | Current | Proposed | Fiscal Year Ending | | Current | Proposed |
|--------------------|-----------|---------|----------|--------------------|-----------|---------|----------|
| From | To | | | From | To | | |
| 6/30/2019 | 6/30/2020 | 3.00% | 3.00% | 6/30/2062 | 6/30/2063 | 2.75% | 2.60% |
| 6/30/2020 | 6/30/2021 | 4.70% | 4.50% | 6/30/2063 | 6/30/2064 | 2.75% | 2.70% |
| 6/30/2021 | 6/30/2022 | 2.95% | 3.00% | 6/30/2064 | 6/30/2065 | 2.80% | 2.70% |
| 6/30/2022 | 6/30/2023 | 2.90% | 2.90% | 6/30/2065 | 6/30/2066 | 2.80% | 2.70% |
| 6/30/2023 | 6/30/2024 | 2.90% | 2.90% | 6/30/2066 | 6/30/2067 | 2.85% | 2.70% |
| 6/30/2024 | 6/30/2025 | 2.90% | 2.90% | 6/30/2067 | 6/30/2068 | 2.85% | 2.80% |
| 6/30/2025 | 6/30/2026 | 2.85% | 2.90% | 6/30/2068 | 6/30/2069 | 2.90% | 2.80% |
| 6/30/2026 | 6/30/2027 | 2.85% | 2.90% | 6/30/2069 | 6/30/2070 | 2.90% | 2.80% |
| 6/30/2027 | 6/30/2028 | 2.85% | 2.80% | 6/30/2070 | 6/30/2071 | 2.95% | 2.80% |
| 6/30/2028 | 6/30/2029 | 2.80% | 2.80% | 6/30/2071 | 6/30/2072 | 2.95% | 2.90% |
| 6/30/2029 | 6/30/2030 | 2.80% | 2.80% | 6/30/2072 | 6/30/2073 | 3.00% | 2.90% |
| 6/30/2030 | 6/30/2031 | 2.80% | 2.80% | 6/30/2073 | 6/30/2074 | 3.00% | 2.90% |
| 6/30/2031 | 6/30/2032 | 2.75% | 2.80% | 6/30/2074 | 6/30/2075 | 3.00% | 2.90% |
| 6/30/2032 | 6/30/2033 | 2.75% | 2.70% | 6/30/2075 | 6/30/2076 | 3.05% | 3.00% |
| 6/30/2033 | 6/30/2034 | 2.75% | 2.70% | 6/30/2076 | 6/30/2077 | 3.05% | 3.00% |
| 6/30/2034 | 6/30/2035 | 2.70% | 2.70% | 6/30/2077 | 6/30/2078 | 3.10% | 3.00% |
| 6/30/2035 | 6/30/2036 | 2.70% | 2.70% | 6/30/2078 | 6/30/2079 | 3.10% | 3.00% |
| 6/30/2036 | 6/30/2037 | 2.65% | 2.60% | 6/30/2079 | 6/30/2080 | 3.15% | 3.10% |
| 6/30/2037 | 6/30/2038 | 2.65% | 2.60% | 6/30/2080 | 6/30/2081 | 3.15% | 3.10% |
| 6/30/2038 | 6/30/2039 | 2.65% | 2.60% | 6/30/2081 | 6/30/2082 | 3.20% | 3.10% |
| 6/30/2039 | 6/30/2040 | 2.60% | 2.60% | 6/30/2082 | 6/30/2083 | 3.20% | 3.10% |
| 6/30/2040 | 6/30/2041 | 2.60% | 2.60% | 6/30/2083 | 6/30/2084 | 3.25% | 3.20% |
| 6/30/2041 | 6/30/2042 | 2.60% | 2.50% | 6/30/2084 | 6/30/2085 | 3.25% | 3.20% |
| 6/30/2042 | 6/30/2043 | 2.55% | 2.50% | 6/30/2085 | 6/30/2086 | 3.30% | 3.20% |
| 6/30/2043 | 6/30/2044 | 2.55% | 2.50% | 6/30/2086 | 6/30/2087 | 3.30% | 3.20% |
| 6/30/2044 | 6/30/2045 | 2.55% | 2.50% | 6/30/2087 | 6/30/2088 | 3.35% | 3.20% |
| 6/30/2045 | 6/30/2046 | 2.50% | 2.50% | 6/30/2088 | 6/30/2089 | 3.35% | 3.30% |
| 6/30/2046 | 6/30/2047 | 2.50% | 2.40% | 6/30/2089 | 6/30/2090 | 3.40% | 3.30% |
| 6/30/2047 | 6/30/2048 | 2.50% | 2.40% | 6/30/2090 | 6/30/2091 | 3.40% | 3.30% |
| 6/30/2048 | 6/30/2049 | 2.45% | 2.40% | 6/30/2091 | 6/30/2092 | 3.40% | 3.30% |
| 6/30/2049 | 6/30/2050 | 2.45% | 2.40% | 6/30/2092 | 6/30/2093 | 3.45% | 3.40% |
| 6/30/2050 | 6/30/2051 | 2.45% | 2.30% | 6/30/2093 | 6/30/2094 | 3.45% | 3.40% |
| 6/30/2051 | 6/30/2052 | 2.50% | 2.40% | 6/30/2094 | 6/30/2095 | 3.50% | 3.40% |
| 6/30/2052 | 6/30/2053 | 2.50% | 2.40% | 6/30/2095 | 6/30/2096 | 3.50% | 3.40% |
| 6/30/2053 | 6/30/2054 | 2.55% | 2.40% | 6/30/2096 | 6/30/2097 | 3.55% | 3.50% |
| 6/30/2054 | 6/30/2055 | 2.55% | 2.40% | 6/30/2097 | 6/30/2098 | 3.55% | 3.50% |
| 6/30/2055 | 6/30/2056 | 2.60% | 2.50% | 6/30/2098 | 6/30/2099 | 3.60% | 3.50% |
| 6/30/2056 | 6/30/2057 | 2.60% | 2.50% | 6/30/2099 | 6/30/2100 | 3.60% | 3.50% |
| 6/30/2057 | 6/30/2058 | 2.65% | 2.50% | 6/30/2100 | 6/30/2101 | 3.65% | 3.60% |
| 6/30/2058 | 6/30/2059 | 2.65% | 2.50% | 6/30/2101 | 6/30/2102 | 3.65% | 3.60% |
| 6/30/2059 | 6/30/2060 | 2.65% | 2.60% | 6/30/2102 | 6/30/2103 | 3.70% | 3.60% |
| 6/30/2060 | 6/30/2061 | 2.70% | 2.60% | 6/30/2103 | 6/30/2104 | 3.70% | 3.60% |
| 6/30/2061 | 6/30/2062 | 2.70% | 2.60% | 6/30/2104 | 6/30/2105 | 3.70% | 3.70% |



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Appendix A Proposed Actuarial Procedures and Assumptions

This section of the experience study report reflects how the Appendix A of the July 1, 2018 actuarial valuation will appear since the Board of Retirement adopted all of the recommended assumptions at the March 14, 2019 Board of Retirement meeting. This will only contain assumptions approved in the 2018 Investigation of Experience for OPEB related assumptions. There are no Retirement Benefit Assumptions changes highlighted in green because the retirement experience study will be conducted in 2019. Changes to OPEB related assumptions are highlighted in **yellow**.



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Appendix A: Actuarial Procedures and Assumptions

Note: The OPEB specific assumptions shown in this appendix are Milliman's proposed assumptions that have been adopted by the Board at the March 14, 2019 Board of Retirement meeting. Approved OPEB related changes from the prior assumptions have been shaded in yellow. There are no new retirement related changes since the 2016 OPEB Investigation of Experience Study. The next retirement Investigation of Experience study is scheduled for 2019.



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. These assumptions are consistent with the June 30, 2018 retirement funding valuation. The investment earnings assumption is OPEB specific. For agents that are prefunding into LACERA's OPEB Trust, the expected return of the assets of the OPEB trust is 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. For agents that are not prefunding into LACERA's OPEB Trust, we use the expected return from the County's general assets. The OPEB specific assumptions other than premiums, claim costs, and aging were approved and changed as a result of this 2018 OPEB Investigation of Experience Study. The premiums, claim costs, aging, and trend updated with the 2019-2020 renewals used for the July 1, 2018 valuation will be updated in the July 1, 2018 OPEB funding valuation report.

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

Table A-1 summarizes the assumptions. The general wage increase, inflation, and retirement specific demographic assumptions were developed in the 2016 retirement experience study. Nearly all of the OPEB specific demographic and investment earnings assumptions were developed in this 2018 OPEB experience study report. The claim costs and health cost trend assumptions with the 2019-2020 renewals will be updated in the July 1, 2018 OPEB funding valuation.

Retirement Benefit Assumptions

Tables A-2 and A-3 show how members are expected to leave retired status due to death. These were developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study.

Table A-4 presents the probability of refund of retirement benefit contributions upon termination of employment while vested. These were developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study.

Table A-5 presents the general wage increase of 3.25% per annum. This was developed from the experience as measured by the 2016 Retirement Benefit Investigation of Experience Study.

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.

OPEB Assumptions

Tables A-14 to A-19 present enrollment assumptions. These were developed from the 2018 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. These will be updated in the July 1, 2018 OPEB valuation with the OPEB program's premium and claim information.

Table A-22 presents the health cost trend rates for the July 1, 2018 OPEB valuation. These will be updated for the July 1, 2018 OPEB valuation upon receipt of the final July 1, 2019 renewals.

Table A-23 presents the assumed retirement rates for vested terminated members developed from the 2018 OPEB Investigation of Experience study.

Actuarial Cost Method

OPEB valuations prior to July 1, 2018 have been 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.

Effective with the July 1, 2018 OPEB funding valuation, the Entry Age Normal (EAN) actuarial cost method is being used. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred between plans, entry age is based on original entry into the system.

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, 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, Segal, and Meketa Investment Group and was accepted for valuation purposes without audit.

Growth in Membership

For benefit determination purposes, no growth in the 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

The investment earnings assumption for agents that are prefunding through the OPEB Trust is the OPEB Trust expected return of 6.00%. The investment earnings assumption for the portion of the agents that are funded by the County is also the OPEB Trust expected return of 6.00%. The portion of the agents that are not funded by the County and not prefunding through the OPEB Trust has an investment earnings assumption of the County's general funds expected return of 3.69%.

The change from cost sharing to agent begins with the July 1, 2018 OPEB funding valuation. The investment earnings assumption approach for this funding valuation is intended to reflect the earnings associated with each agent. The separate GASB 74/75 disclosure reports, which are different from this funding valuation, follow prescribed discount rate for accounting disclosures.

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 include the Excise tax under the ACA. These rates were adopted July 1, 2018. These rates will be updated upon receipt of the final July 1, 2019 renewals.

Future Salaries

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

Retirement

Members in General Plans A-D may retire at age 50 with 10 years of service, or any age with 30 years of service, or age 70 regardless of the number of years of service. General Plan G members are eligible to retire at age 52 with 5 years of service, or age 70 regardless of the number of years of service. Non-contributory Plan E members may retire at age 55 with 10 years of service. Members of Safety Plans A and B may retire at age 50 with 10 years of service, or any age with 20 years of service. Safety Plan C members are eligible to retire at age 50 with 5 years of County service.

The retirement rates for active members vary by age and are shown by plan in Tables A-6 through A-13.

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

Retirement (cont.)

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, 2018, 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

| | |
|----------------|--|
| <i>Males</i> | General members: RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 105%, with 100% of MP-2014 Ultimate Projection Scale. Safety members: RP-2014 Healthy Annuitant Mortality Table for Males multiplied by 95%, with 100% of MP-2014 Ultimate Projection Scale. |
| <i>Females</i> | General members: RP-2014 Healthy Annuitant Mortality Table for Females, with 100% of MP-2014 Ultimate Projection Scale. Safety members: Same as General Females. |

Mortality – Disabled Members

For disabled members, the mortality rates used in the valuation rates are illustrated in Table A-3. 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.

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

**Other Employment
 Terminations (cont.)**

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 2018 OPEB Investigation of Experience report was used to set the following assumptions:

| | |
|---|-------------|
| Age difference for future retirees and spouses | Table A-1 |
| Probability of initial medical enrollment upon retirement | Table A-14 |
| Probability of medical plan and tier selection upon retirement for Tier 1 | Table A-15A |
| Probability of medical plan and tier selection upon retirement for Tier 2 | Table A-15B |
| Probability of medical plan and tier selection for Pre 65 retirees who become eligible for a Post 65 Plan | Table A-16 |
| Probability of survivor and new dependent enrollment | Table A-17 |
| Probability of dental/vision enrollment upon retirement | Table A-18 |

| | | |
|---|--|------------|
| Retiree Medical and Dental/Vision Eligibility and Enrollment Assumptions (cont.) | 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% |
| B1. | Investment earnings (prefunding in OPEB Trust) | 6.00% |
| B2. | Investment earnings (no prefunding) | 3.69% |
| C. | Growth in membership | 0.00% |
| D. | CPI inflation assumption | 2.75% |
| E. | Medical cost trend | Table A-22 |
| F. | Dental and vision cost trend | Table A-22 |
| II. | Demographic Assumptions | |
| A. | Salary increases due to Service | Table A-5 |
| B. | Retirement | Tables A-6 to A-13 |
| C. | Disability | Tables A-6 to A-13 |
| D. | Mortality during active employment | Tables A-6 to A-13 |
| E. | Mortality for active members after termination and service retired members. | Table A-2 |
| | Basis – RP-2014 Healthy Annuitant Mortality Table for respective genders with 100% of MP-2014 Ultimate Projection Scale: | |
| | <u>Class of Members</u> | <u>Adjustment</u> |
| | General – males | 105% of rates |
| | General – females | 100% of rates |
| | Safety – males | 95% of rates |
| | Safety – females | 100% of rates |
| F. | Mortality among disabled members | Table A-3 |
| | Basis – Average of RP-2014 Healthy Annuitant (multiplied by 105% for males) and Disabled Mortality Tables for respective genders, with 100% of MP-2014 Ultimate Projection Scale: | |
| | General – males | 100% of Disabled Rates |
| | General – females | 100% of Disabled Rates |
| | Basis – RP-2014 Healthy Mortality Table, for respective genders with 100% of MP-2014 Ultimate Projection Scale: | |
| | Safety – males | 100% of rates |
| | Safety – females | 100% of rates |

| | | |
|------|--|---------------------|
| G. | Mortality for Beneficiaries | Table A-2 |
| | Basis – Beneficiaries are assumed to have the same mortality as a general member of the opposite gender who has taken a service retirement. | |
| H. | Other Terminations of Employment | Tables A-6 to A-13 |
| I. | Refund of Contributions on Vested Termination | Table A-4 |
| J. | Future male retirees are assumed to be four years older than their female spouses. Assumption adopted July 1, 2008. Future female retirees are assumed to be two years younger than their male spouses. Assumption adopted July 1, 2018. | |
| III. | Retiree Medical and Dental/Vision Enrollment Assumptions | |
| A. | Probability of Initial Medical Enrollment upon Retirement | Table A-14 |
| B. | Probability of Medical Plan and Tier Selection Upon Retirement (Pre 65 Male, Pre 65 Female, Post 65 Male, Post 65 Female) | Table A-15 |
| C. | Probability of Medical Plan and Tier Selection for Pre 65 Retirees Who become Eligible for a Post 65 Plan | Table A-16 |
| D. | Probability of Medical Survivor and New Dependent Enrollment | Table A-17 |
| E. | Probability of Retirees in Group Plans Who Elect Medicare Part D. We have assumed there is no cost impact due to retirees and dependents enrolling in Part D. | 0% |
| F. | Probability of Dental/Vision Enrollment upon Retirement | Table A-18 |
| G. | Probability of Dental/Vision Plan and Tier Selection Upon Retirement | Table A-19 |
| IV. | Premium and Claim Cost Analysis | Tables A-20 to A-21 |
| V. | Medical and Dental/Vision Trend | Table A-22 |
| VI. | Retirement of Vested Terminated Members | Table A-23 |

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

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

Annual Projected Mortality Improvement

| Age | All Groups |
|-----------|------------|
| 65 & Less | 1.000% |
| 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

Payroll is assumed to increase with the general wage increase of 3.25% per annum in addition to individual annual increases from promotion and longevity. The promotion and longevity increases shown in the table below are combined with the general wage increase on a compound basis, and are used for the **Entry Age Normal** cost method.

General wage increases and individual salary increases due to promotion and longevity do not affect the amount of the OPEB program's benefits.

| Years of Service | General | Safety |
|-------------------------|----------------|---------------|
| <1 | 6.00% | 8.00% |
| 1 | 5.25% | 7.00% |
| 2 | 4.50% | 6.00% |
| 3 | 3.75% | 4.00% |
| 4 | 3.00% | 3.00% |
| 5 | 2.50% | 2.50% |
| 6 | 2.00% | 2.00% |
| 7 | 1.75% | 1.75% |
| 8 | 1.50% | 1.50% |
| 9 | 1.30% | 1.30% |
| 10 | 1.15% | 1.15% |
| 11 | 1.00% | 1.00% |
| 12 | 0.85% | 0.85% |
| 13 | 0.70% | 0.70% |
| 14 | 0.60% | 0.60% |
| 15 | 0.50% | 0.50% |
| 16 | 0.40% | 0.50% |
| 17 | 0.35% | 0.50% |
| 18 | 0.30% | 0.50% |
| 19 | 0.25% | 0.50% |
| 20 or More | 0.25% | 0.50% |

**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 |



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

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

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

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



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

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

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

**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 | | |

Table A-14: Probability of Initial Medical Enrollment

Males and Females:

| <u>Years of Service</u> | <u>Assumed Enrollment %</u> |
|-------------------------|-----------------------------|
| < 10 | 6% |
| 10-14 | 42% |
| 15-19 | 61% |
| 20-24 | 76% |
| 25+ | 96% |
| 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% | 0.5% | | |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | 0.5% | 0.5% | | |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | 1.0% | 0.5% | | |
| 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 | | | | |
| 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 | 4.5% | 7.5% | 1.0% | 1.5% |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 12.5% | 6.5% | 2.5% | 1.0% |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | 12.5% | 2.5% | 1.0% | |
| 224 | Anthem Blue Cross II | Retiree and Children | 1.5% | 1.5% | 0.5% | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | |
| 240 | Anthem Blue Cross III | One Medicare | | 0.5% | 7.0% | 11.5% |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | 5.5% | 1.0% |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | 7.0% | 4.5% |
| 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 | | | 0.5% | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | | 0.5% | |
| 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) | 12.0% | 28.5% | | |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | 0.5% | 18.0% | 38.5% |
| 404 | Kaiser (CA) | Retiree Excess I | | | 0.5% | 1.0% |
| 405 | Kaiser (CA) | Retiree Excess II - Part B | | | 1.0% | 2.5% |
| 406 | Kaiser (CA) | Excess III - Medicare Not Provided (MNP) | | | | |
| 411 | Kaiser (CA) | Family Basic | 35.0% | 30.5% | | |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | | | 21.0% | 5.0% |
| 414 | Kaiser (CA) | One Excess I, Others Basic | | | 0.5% | |
| 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 | | | 16.0% | 16.5% |
| 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 | | | 1.0% | 0.5% |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | | | | |
| 424 | Kaiser (CA) | One Cost ("M" Coverage), One Excess II - Part B | | | | |
| 425 | Kaiser (CA) | One Cost ("M" Coverage), One Excess III (MNP) | | | | |
| 426 | Kaiser (CA) | One Risk, One Excess II - Part B | | | | 0.5% |
| 427 | Kaiser (CA) | One Risk, One Excess III (MNP) | | | | |
| 428 | Kaiser (CA) | One Excess I, One Excess II - Part B | | | | |
| 429 | Kaiser (CA) | One Excess I, One Excess III (MNP) | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | |

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

Non-Local 1014 Firefighters Retirees

| 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 | | | 4.0% | 9.5% |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 0.5% | 2.0% | 4.5% | 1.0% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | | | 3.0% | 4.0% |
| 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% | 5.5% | | |
| 709 | United Healthcare | Family | 7.5% | 2.5% | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |
| Probability of enrolling at least one dependent | | | 79.0% | 53.0% | 67.5% | 34.5% |

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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Pre 65 | | Post 65 | |
|----------------|-------------------------|---------------------------|--------|--------|---------|--------|
| | | | Male | Female | Male | Female |
| 801 | Firefighters Local 1014 | Med-Member under 65 | 7.0% | 7.0% | | |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | 39.0% | 39.0% | | |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | 54.0% | 54.0% | | |
| 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 | | | 39.0% | 39.0% |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | | | 54.0% | 54.0% |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |

Probability of enrolling at least one dependent 93.0% 93.0% 93.0% 93.0%

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

Non-Local 1014 Firefighters Retirees

| Deduction Code | Plan | Tier | Pre 65 | | Post 65 | |
|----------------|--------------------------------------|---|--------|--------|---------|--------|
| | | | Male | Female | Male | Female |
| 201 | Anthem Blue Cross Prudent Buyer Plan | Retiree Only | 0.5% | 0.5% | | |
| 202 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Spouse | 0.5% | 0.5% | | |
| 203 | Anthem Blue Cross Prudent Buyer Plan | Retiree and Family | 1.0% | 0.5% | | |
| 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 | | | | |
| 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 | 4.5% | 7.5% | | |
| 222 | Anthem Blue Cross II | Retiree and Spouse | 12.5% | 6.5% | | |
| 223 | Anthem Blue Cross II | Retiree, Spouse and Children | 12.5% | 2.5% | | |
| 224 | Anthem Blue Cross II | Retiree and Children | 1.5% | 1.5% | | |
| 225 | Anthem Blue Cross II | Minor Survivor | | | | |
| 240 | Anthem Blue Cross III | One Medicare | | 0.5% | 8.5% | 13.0% |
| 241 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | | |
| 242 | Anthem Blue Cross III | Retiree and Spouse 1 Medicare | | | 8.0% | 2.0% |
| 243 | Anthem Blue Cross III | Retiree and Spouse 2 Medicare | | | 7.0% | 4.5% |
| 244 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | | |
| 245 | Anthem Blue Cross III | Retiree and Children 1 Medicare | | | 1.0% | |
| 246 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | | |
| 247 | Anthem Blue Cross III | Retiree and Family 1 Medicare | | | 2.0% | |
| 248 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | | |
| 249 | Anthem Blue Cross III | Retiree and Family 2 Medicare | | | 0.5% | |
| 250 | Anthem Blue Cross III | Retiree and Family 3 Medicare | | | 0.5% | |
| 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) | 12.0% | 28.5% | | |
| 402 | Kaiser (CA) | Retiree Cost ("M" Coverage) | | | | |
| 403 | Kaiser (CA) | Retiree Risk (Senior Advantage) | | 0.5% | 19.5% | 42.0% |
| 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 | 35.0% | 30.5% | | |
| 412 | Kaiser (CA) | One Cost ("M" Coverage), Others Basic | | | | |
| 413 | Kaiser (CA) | One Advantage, Others Basic | | | 22.5% | 5.5% |
| 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 | | | 16.0% | 17.0% |
| 419 | Kaiser (CA) | One Excess I, One Advantage | | | | |
| 420 | Kaiser (CA) | Two+ Excess I | | | | |
| 421 | Kaiser (CA) | Survivor | | | | |
| 422 | Kaiser (CA) | One Excess II - Part B, One Basic | | | | |
| 423 | Kaiser (CA) | One Excess III (MNP), One Basic | | | | |
| 424 | Kaiser (CA) | One Cost ("M" Coverage), One Excess II - Part B | | | | |
| 425 | Kaiser (CA) | One Cost ("M" Coverage), One Excess III (MNP) | | | | |
| 426 | Kaiser (CA) | One Risk, One Excess II - Part B | | | | |
| 427 | Kaiser (CA) | One Risk, One Excess III (MNP) | | | | |
| 428 | Kaiser (CA) | One Excess I, One Excess II - Part B | | | | |
| 429 | Kaiser (CA) | One Excess I, One Excess III (MNP) | | | | |
| 430 | Kaiser (CA) | Two Excess II - Part B | | | | |
| 431 | Kaiser (CA) | One Excess II - Part B, One Excess III (MNP) | | | | |
| 432 | Kaiser (CA) | Two Excess III - Both (MNP) | | | | |

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

Non-Local 1014 Firefighters Retirees

| 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 | | | 4.0% | 9.5% |
| 702 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (1 Medicare) | 0.5% | 2.0% | 4.5% | 1.0% |
| 703 | United Healthcare Medicare Advantage | Retiree & 1 Dependent (2 Medicare) | | | 3.0% | 4.0% |
| 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% | 5.5% | | |
| 709 | United Healthcare | Family | 7.5% | 2.5% | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |

Probability of enrolling at least one dependent 79.0% 53.0% 67.5% 34.5%



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. **A-31**

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

Firefighters Local 1014 Retirees

| Deduction Code | Plan | Tier | Pre 65 | | Post 65 | |
|--|-------------------------|---------------------------|--------------|--------------|--------------|--------------|
| | | | Male | Female | Male | Female |
| 801 | Firefighters Local 1014 | Med-Member under 65 | 7.0% | 7.0% | | |
| 802 | Firefighters Local 1014 | Med-Member +1 under 65 | 39.0% | 39.0% | | |
| 803 | Firefighters Local 1014 | Med-Member +2 under 65 | 54.0% | 54.0% | | |
| 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 | | | 39.0% | 39.0% |
| 807 | Firefighters Local 1014 | Med-Member +2; 1 MDC | | | | |
| 808 | Firefighters Local 1014 | Med-Member +2; 2 MDC | | | 54.0% | 54.0% |
| 809 | Firefighters Local 1014 | Med-Surv. Sp. Under 65 | | | | |
| 810 | Firefighters Local 1014 | Med-Surv. Sp. +1 Under 65 | | | | |
| 811 | Firefighters Local 1014 | Med-Surv. Sp. +2 Under 65 | | | | |
| 812 | Firefighters Local 1014 | Med-Surv. Sp. With MDC | | | | |
| 813 | Firefighters Local 1014 | Med-Surv. Sp. +1 1 MDC | | | | |
| 814 | Firefighters Local 1014 | Med-Surv. Sp. +2; 1 MDC | | | | |
| 815 | Firefighters Local 1014 | Med-Surv. Sp. +1; 2 MDC | | | | |
| Total | | | 100.0% | 100.0% | 100.0% | 100.0% |
| Probability of enrolling at least one dependent | | | 93.0% | 93.0% | 93.0% | 93.0% |

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

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

| From Pre Age 65 Eligible Plan | To Post Age 65 Eligible Plan | Tier 1 | Tier 2 |
|--------------------------------------|---|--------|--------|
| Anthem Blue Cross I | Anthem Blue Cross I | 42.0% | 0.0% |
| | Anthem Blue Cross III | 58.0% | 100.0% |
| Anthem Blue Cross II | Anthem Blue Cross II | 45.0% | 0.0% |
| | Anthem Blue Cross III | 55.0% | 100.0% |
| Anthem Blue Cross Prudent Buyer | Anthem Blue Cross Prudent Buyer | 48.0% | 0.0% |
| | Anthem Blue Cross II | 2.0% | 0.0% |
| | Anthem Blue Cross III | 50.0% | 100.0% |
| Cigna Network Model | Cigna Network Model Plan | 44.0% | 0.0% |
| | Cigna Medicare Select Plus Rx (AZ) | 8.0% | 0.0% |
| | Anthem Blue Cross I | 0.0% | 0.0% |
| | Anthem Blue Cross II | 0.0% | 0.0% |
| | Anthem Blue Cross III | 23.0% | 23.0% |
| | United Healthcare Medicare Advantage Senior Advantage | 15.0% | 77.0% |
| | SCAN Health Plan | 2.0% | 0.0% |
| United Healthcare | United Healthcare Medicare Advantage | 81.0% | 82.0% |
| | Cigna Network Model Plan | 1.0% | 0.0% |
| | Anthem Blue Cross II | 2.0% | 0.0% |
| | Anthem Blue Cross III | 8.0% | 10.0% |
| | SCAN Health Plan | 2.0% | 2.0% |
| | Senior Advantage | 2.0% | 6.0% |
| | Excess II | 3.0% | 0.0% |
| | One Excess II, One Basic | 1.0% | 0.0% |
| Kaiser Retiree Basic | Senior Advantage | 79.0% | 98.0% |
| | Retiree Excess I | 3.0% | 0.0% |
| | Retiree Excess II | 12.0% | 0.0% |
| | Excess III (MNP) | 4.0% | 0.0% |
| | Anthem Blue Cross III | 2.0% | 2.0% |
| Kaiser Family Basic | 2+ Advantage | 82.0% | 99.0% |
| | One Excess I, One Advantage | 4.5% | 0.0% |
| | One Advantage, One Excess II | 8.5% | 0.0% |
| | One Advantage, One Excess III (MNP) | 3.0% | 0.0% |
| | Two+ Excess II - Part B | 0.5% | 0.0% |
| | Anthem Blue Cross III | 1.0% | 1.0% |
| United Healthcare Medicare Advantage | 0.5% | 0.0% | |
| Firefighters Local 1014 | Firefighters Local 1014 | 100.0% | 100.0% |

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. \$135.50 for calendar year 2019). 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, 2018 through July 1, 2019 is \$126.46 per member per month. This is based on our average of 2018 calendar year Medicare Part B premium rates provided in the census from LACERA of \$117.41 per member per month and 2019 calendar year Medicare Part B standard premium rate of \$135.50.

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 2% 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 90% of the retirees with spouses have a spouse continuance option.
- We assume 4.5% of the surviving spouse/domestic partners with a continuance option will enroll a new spouse.
- Therefore, we assume 4% (or 90% of the 4.5%) 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 | 9% |
| 10-14 | 47% |
| 15-19 | 65% |
| 20-24 | 78% |
| 25+ | 96% |
| Disabled | 93% |

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>Minor Survivor</u> | <u>Retiree Only</u> | <u>Retiree and Dependents</u> | <u>Minor Survivor</u> |
| Deduction Code | 501 | 502 | 503 | 901 | 902 | 903 |
| Percentage | | | | | | |
| Male | 19% | 68% | 0% | 4% | 9% | 0% |
| Female | 46% | 40% | 0% | 8% | 6% | 0% |

Table A-20: Premium Information

This section is from the July 1, 2017 OPEB valuation. The July 1, 2018 information will be displayed with the July 1, 2018 OPEB valuation.

The following premium information is for retirees living in California who have less than 10 years of service and have to pay the full amount. Members who have more than 10 years of service receive a subsidy from the County. Details can be found in 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. The July 1, 2018 Firefighter Local 1014 rates will be displayed with the July 1, 2018 OPEB 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

This section is from the July 1, 2017 OPEB valuation. The July 1, 2018 claims costs information will be displayed with the July 1, 2018 OPEB valuation.

All of the plans' premium rates have been determined based on retiree only information. Active premium rates are established independently. Therefore, no implicit subsidy exists between active and retiree rates. However, some plans pooled the Medicare enrolled and non-Medicare enrolled retirees to determine the rates. The following plans did not pool Medicare and non-Medicare retirees (or have an insignificant Medicare enrollment), so we can assume the premium rates are representative of the average claim costs used to develop the age and gender adjusted claim costs:

- Anthem Blue Cross I and II (Combined)
- Anthem Blue Cross III
- Anthem Blue Cross Prudent Buyer
- Cigna Medicare Select Plus Rx (AZ)
- UnitedHealthcare
- UnitedHealthcare Medicare Advantage
- SCAN Health Plan
- Kaiser and Kaiser Interregional
 - Basic
 - Senior Advantage
 - Medicare Cost Supplement
 - Excess I
 - Excess II
 - Excess III
- Cigna Indemnity Dental/Vision
- Cigna HMO Dental/Vision

The following plans pooled Medicare and non-Medicare retirees to determine premium rates. Therefore, we adjusted the premium rates to compensate for the coordination with Medicare in making our claim cost assumption.

- Cigna Network Model Plan
- Firefighters Local 1014 Plan

For current active members projected to retire in the future, we used the enrollment assumptions in Table A-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 |
| 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 | \$ 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 | \$ 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 | | \$ 1,066.35 | \$ 1,047.14 | | \$ 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 | \$ 1,066.35 | \$ 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 | | | \$ 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 | | \$ 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 | | \$ 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 + Depts. (1 Medicare) | \$ 1,207.20 | \$ 1,207.20 | \$ 1,185.45 | | | \$ 258.87 | \$ 258.87 | | \$ 258.87 | \$ 258.87 | |
| 705 | United Healthcare | Retiree & 2 + Depts. (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 | \$ 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 | \$ 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 | | | | |
| 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 |



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 | |
| 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 | 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 |
| 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 | \$ 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 | \$ 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 |



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, 2017 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, updated in October of 2018. The following website provides more information: <https://www.soa.org/resources/research-reports/2016/research-hlthcare-trends/>. 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 not yet been adjusted to reflect the final July 1, 2019 renewals. Upon receipt of the final July 1, 2019 renewals, the first year trend will be updated. ACA fees including the Patient Centered Outcomes Research Institute (PCORI) fee 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 2018 Medicare Trustees Report from CMS dated June 5, 2018. 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 with 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, 2029, 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. The medical trend remains at 4.40% beginning with the medical trend from fiscal year ending June 30, 2099 to fiscal year ending June 30, 2100.

| Fiscal Year Ending | | LACERA Medical | | Part B | Dental Under | Weighted |
|--------------------|-----------|----------------|---------|----------|--------------|----------|
| From | To | Under 65 | Over 65 | Premiums | and Over 65 | Average |
| | | | | | | Trend |
| 6/30/2019 | 6/30/2020 | 5.80% | 5.50% | 9.40% | 3.00% | TBD |
| 6/30/2020 | 6/30/2021 | 6.70% | 6.50% | 4.70% | 4.50% | TBD |
| 6/30/2021 | 6/30/2022 | 5.80% | 6.00% | 4.60% | 3.00% | TBD |
| 6/30/2022 | 6/30/2023 | 5.70% | 5.90% | 4.90% | 2.90% | TBD |
| 6/30/2023 | 6/30/2024 | 5.20% | 5.20% | 5.90% | 2.90% | TBD |
| 6/30/2024 | 6/30/2025 | 5.30% | 5.20% | 5.70% | 2.90% | TBD |
| 6/30/2025 | 6/30/2026 | 5.50% | 5.30% | 5.00% | 2.90% | TBD |
| 6/30/2026 | 6/30/2027 | 5.70% | 5.30% | 5.40% | 2.90% | TBD |
| 6/30/2027 | 6/30/2028 | 5.70% | 5.30% | 5.90% | 2.80% | TBD |
| 6/30/2028 | 6/30/2029 | 5.70% | 5.30% | 5.60% | 2.80% | TBD |
| 6/30/2038 | 6/30/2039 | 5.90% | 5.40% | 5.10% | 2.60% | TBD |
| 6/30/2048 | 6/30/2049 | 5.60% | 5.30% | 4.50% | 2.40% | TBD |
| 6/30/2058 | 6/30/2059 | 5.30% | 5.60% | 4.40% | 2.50% | TBD |
| 6/30/2068 | 6/30/2069 | 4.90% | 5.10% | 4.40% | 2.80% | TBD |
| 6/30/2078 | 6/30/2079 | 4.40% | 4.50% | 4.40% | 3.00% | TBD |
| 6/30/2088 | 6/30/2089 | 4.40% | 4.50% | 4.30% | 3.30% | TBD |
| 6/30/2098 | 6/30/2099 | 4.40% | 4.50% | 4.30% | 3.50% | TBD |
| 6/30/2102 | 6/30/2103 | 4.40% | 4.40% | 4.30% | 3.70% | TBD |



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-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% | 40.00% |
| 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 | 21.00% | 0.00% | 25.00% |
| 51 | 6.00% | 0.00% | 11.00% |
| 52 | 6.00% | 0.00% | 20.00% |
| 53 | 6.00% | 0.00% | 13.00% |
| 54 | 6.00% | 0.00% | 21.00% |
| 55 | 10.00% | 27.00% | 30.00% |
| 56 | 8.00% | 6.00% | 18.00% |
| 57 | 8.00% | 6.00% | 22.00% |
| 58 | 8.00% | 6.00% | 24.00% |
| 59 | 10.00% | 6.00% | 22.00% |
| 60 | 12.00% | 7.00% | 22.00% |
| 61 | 12.00% | 8.00% | 30.00% |
| 62 | 15.00% | 8.00% | 30.00% |
| 63 | 20.00% | 8.00% | 30.00% |
| 64 | 20.00% | 24.00% | 32.00% |
| 65 | 28.00% | 39.00% | 100.00% |
| 66 | 26.00% | 14.00% | 100.00% |
| 67 | 24.00% | 8.00% | 100.00% |
| 68 | 26.00% | 10.00% | 100.00% |
| 69 | 28.00% | 13.00% | 100.00% |
| 70 | 40.00% | 17.00% | 100.00% |
| 71 | 40.00% | 24.00% | 100.00% |
| 72 | 40.00% | 16.00% | 100.00% |
| 73 | 40.00% | 16.00% | 100.00% |
| 74 | 40.00% | 20.00% | 100.00% |
| 75 | 100.00% | 100.00% | 100.00% |
| 75 or older | 100.00% | 100.00% | 100.00% |



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Attachment 3

Cavanaugh Macdonald's Actuarial review
of the 2018 Valuation Final



Cavanaugh Macdonald
CONSULTING, LLC

The experience and dedication you deserve

**ACTUARIAL REVIEW REPORT FOR THE
LOS ANGELES COUNTY
OTHER POSTEMPLOYMENT BENEFITS PROGRAM
JULY 1, 2018 VALUATION**

Prepared: June 28, 2019





Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

June 28, 2019

Mr. Richard Bendall
Chief, Internal Audit
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

Dear Mr. Bendall:

Cavanaugh Macdonald Consulting, LLC (CMC) has performed an independent review of the July 1, 2018 Other Postemployment Benefits (OPEB) Program actuarial valuation prepared for LACERA and other stakeholders. As an independent reviewing, or auditing, actuary, we have been asked to express an opinion regarding the reasonableness and accuracy of the valuation results, including a review of sample lives as well as a replication of the main valuation results.

Our opinion on the valuation results was based on a replication of the July 1, 2018 OPEB actuarial valuations and a review of detailed sample lives. Previously, we reviewed the 2018 OPEB Experience Study to confirm the reasonableness of the assumptions and methods selected for the valuation. We would like to thank Milliman, the Association's retained actuary, for their cooperation and assistance in providing the required information to us. **We generally find the OPEB actuarial valuation results to be reasonable and accurate based on the assumptions and methods used. The valuation was performed by qualified actuaries and was performed in accordance with the principles and practices prescribed by the Actuarial Standards Board.** This report documents the detailed results of our review.

Additional Information and Disclosures

This report has been prepared for LACERA and its stakeholders by CMC, and is intended to assist LACERA as it validates the reasonability of the liabilities, costs, and other calculations for the OPEB Program as of June 30, 2018. Additionally, the findings, conclusions, and recommendations presented in this report are specific to LACERA, LACERA's OPEB Program, and the work produced by Milliman. CMC may produce different findings or arrive at different conclusions in other situations or even in cases involving similar other postemployment benefit plans. As such, it is important to keep in mind that the use of this information for purposes other than those expressed here may not be appropriate.



Mr. Richard Bendall
June 28, 2019
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In preparing this review, we have relied on the following information provided by LACERA and/or Milliman:

- Milliman’s draft report titled, “2018 Investigation of Experience for Los Angeles County Other Postemployment Benefits Assumptions” (2018 Investigation of OPEB Program Experience Report);
- A report produced by Segal Consulting on July 27, 2017 titled, “Los Angeles County Other Postemployment Benefits Program Audit of the 7/1/2016 Valuation Results”;
- Raw Retirement Plan actuarial valuation census data as of June 30, 2018;
- OPEB Program actuarial valuation census data as of June 30, 2018;
- Milliman’s processed OPEB Program actuarial valuation census data as of June 30, 2018;
- Detailed sample lives prepared by Milliman; and
- Complete tables of actuarial assumptions used by Milliman.

While we cannot verify the accuracy of all this information, the supplied information was reviewed for reasonableness and consistency and we have no reason to doubt the substantial accuracy or completeness of the information and believe that it is reliable for the purpose of conducting this review. The results and conclusions contained in this report depend on the integrity of this information, and if any of the supplied information or analyses change, our results and conclusions may be different and this report may need to be revised.

The undersigned are familiar with the near-term and/or long-term aspects of other postemployment benefit plan valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained in this report. All sections of this report, including any appendices and attachments, are considered an integral part of the actuarial opinions.



Mr. Richard Bendall

June 28, 2019

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CMC does not provide legal, investment, or accounting advice. Thus, the information in this report is not intended to supersede or supplant the advice and interpretations of LACERA or its external consultants.

Sincerely,

A handwritten signature in purple ink that reads "Brent A. Banister".

Brent A. Banister, Ph.D., FSA, EA, MAAA, FCA
Chief Actuary

A handwritten signature in blue ink that reads "Jeffrey Gann".

Jeffrey Gann, FSA, MAAA, FCA, EA
Senior Actuary



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1. EXECUTIVE SUMMARY

As an independent auditing actuary, Cavanaugh Macdonald Consulting, LLC (CMC) has been tasked to provide a general overview and express an opinion of the reasonableness and soundness of the work performed by Milliman for the Los Angeles County Retirement Association (LACERA). The work to be reviewed was the July 1, 2018 actuarial valuation for the Other Postemployment Benefits (OPEB) program. The specific items to be included in the actuarial audit include a replication of the major valuation results and a detailed review of selected sample lives.

We examined whether the actuarial methods, considerations, and analyses used by Milliman in preparing the OPEB actuarial valuation are reasonable and consistent with generally accepted actuarial standards and practices as promulgated by the Actuarial Standards Board. This examination included:

- a) An in-depth review and analysis of the valuation results, including an evaluation of the data used for reasonableness and consistency as well as a review of mathematical calculations for completeness and accuracy.
- b) Verification that benefits have been valued accurately.
- c) Verification that the data provided by LACERA is consistent with data used by Milliman.
- d) Verification of the reasonableness of the calculation of the unfunded actuarial accrued liability and the amortization period.

We requested the original member census data from LACERA, some of which they asked Milliman to provide for efficiency. We also requested member data, as reconciled for the 2018 OPEB valuation, from Milliman along with complete descriptions of assumptions, methods and valuation procedures. We also requested a range of sample life information from Milliman.

It is our belief that an audit should not focus on finding trivial differences between actuarial processes, procedures, philosophies, or styles utilized by two different actuaries, but rather to verify there are no material errors, and to identify potential improvements to the process and procedures utilized by the Association's actuary. Because actuarial work draws on professional judgment, there is a subjective component that must be considered alongside the objective component of matching numerical results. In performing this audit, we attempt to limit discussions concerning stylistic preferences and focus more on the significant philosophical approaches, the accuracy of calculations, the completeness and reliability of reporting, and the compliance with generally acceptable actuarial practices and standards of practice in all of the work reviewed.



1. EXECUTIVE SUMMARY

As described in our report, we have determined that the actuarial methods, assumptions, processes, and reports are consistent with the applicable Actuarial Standards of Practice (ASOP). Throughout the report, we have noted a few issues where we believe there are opportunities for improvement.

In Section 2 of our report, we compare data used by Milliman with the original data produced by LACERA. **We find that the data is consistent and appropriate. We note in particular that Milliman now includes a description of how gender is handled, an addition suggested in the 2016 OPEB valuation audit conducted by Segal Consulting.**

In Section 3 of our report, the results of our independent calculations of the LACERA liabilities are compared with the results prepared by Milliman. We were able to match all liabilities within a reasonable range. **We find the calculation results to be reasonable and appropriate for their intended purposes.**

In Section 4, we provide our comments on the OPEB valuation report produced by Milliman. **We found the reports to be generally in compliance with the ASOPs, but offer some minor suggestions for improvement.**

In Section 5, we discuss our review of the sample lives provided by Milliman. **Our review further confirmed the accuracy of the OPEB valuation results discussed in section 3.**

Because of the complexity of actuarial work, we would not expect to match Milliman's valuation results exactly, nor would we necessarily expect our opinions regarding the results to be the same as those of Milliman. While we offer some different viewpoints or ideas, we believe that Milliman's work provides an appropriate assessment of the status of the OPEB Program for purposes of determining an appropriate funding strategy.

The remainder of this report provides the basis for our findings for each of the requested tasks, including our recommendations.



2. DATA REVIEW

Milliman and LACERA supplied CMC with the member data used for the July 1, 2018 OPEB valuation. This included both the raw data prepared by LACERA and the processed data used by Milliman in its valuation software. We compared the records and generally agreed with the processing being performed by Milliman.

There is minimal data scrubbing performed by Milliman, so we were generally able to confirm that the records used by Milliman contained the data provided by LACERA. We further tested that the manner in which records were selected for inclusion or exclusion in the valuation or assignment of valuation status was appropriate. We note that Milliman details in their report in Appendix C that there are cases where certain adjustments were required. We believe such adjustments are reasonable.

We tested the counts by status and the totals of selected key fields to be sure they were reasonably close. The following tables contain some additional detail summarizing our review. We believe that the data provided by LACERA is sufficient for Milliman to reasonably perform its work. We did not audit the data, but simply determined whether Milliman was using the data appropriately. ***Overall, we are comfortable that the data Milliman uses to perform its valuation is consistent with the data supplied by LACERA.***



2. DATA REVIEW

Data Items Checked

Active & Deferred Vested Raw Data Field

Result

- | | |
|-------------------|----------------------|
| - Count | Matched within 0.08% |
| - Date of Birth | Matched 100% |
| - Average Age | Matched 100% |
| - Date of Hire | Matched 100% |
| - Average Service | Matched 100% |
| - Gender | Matched 100% |
| - Group ID | Matched 100% |

Medical Raw Data Field

- | | |
|-----------------|----------------------|
| - Count | Matched within 0.03% |
| - Date of Birth | Matched within 0.02% |
| - Average Age | Matched 100% |
| - Gender | Matched 100% |

Dental Raw Data Field

- | | |
|-----------------|----------------------|
| - Count | Matched within 0.09% |
| - Date of Birth | Matched within 0.02% |
| - Average Age | Matched 100% |
| - Gender | Matched 100% |



2. DATA REVIEW

Not In-Pay Reconciliation

| | Raw Data | Milliman Exhibit | Percent Difference |
|----------------------------------|----------------|---------------------|-----------------------|
| Records Received (Pension File) | 197,123 | | |
| Pension Retirees / Survivors | (70,633) | | |
| No Further Benefits | (17,830) | | |
| Adjustment for Duplicate Records | <u>(1,891)</u> | | |
| Net Records | 106,769 | | |
| - Active Status | 98,335 | 98,415 | -0.1% |
| - Deferred Vested Status | 8,434 | 8,434 | 0.0% |

In-Pay Reconciliation

| | Medical Raw Data | Milliman Medical Exhibit | Percent Difference | Dental Raw Data | Milliman Dental Exhibit | Percent Difference |
|--|------------------------|--------------------------------|-----------------------|--------------------|-------------------------------|-----------------------|
| Records Received (Retirees / Spouses / Dependents) | 79,941 | | | 79,789 | | |
| Adjustment for Duplicate Records | (4,062) | | | (4,896) | | |
| Load for Dependent Children | 1,629 | | | 4,501 | | |
| Data Adjustments | <u>220</u> | | | <u>(162)</u> | | |
| Net Records | 77,728 | 77,705 | | 79,232 | 79,164 | |
| - Retirees / Survivors | 50,273 | 50,271 | 0.0% | 51,489 | 51,420 | 0.1% |
| - Spouses and Dependents | 27,455 | 27,434 | 0.1% | 27,743 | 27,744 | 0.0% |



3. ACTUARIAL VALUATION RESULTS REVIEW

This section of our review discusses the reasonableness and accuracy of the liabilities and costs developed in Milliman's July 1, 2018 OPEB actuarial valuations. We independently programmed the benefits provided under LACERA's OPEB Program using standard actuarial approaches.

The OPEB Program offered by LACERA is quite complex compared with most OPEB Programs, largely because of the number of groups in the program and the extensive number of coverage options available to its members. Consequently, different actuaries could reasonably take different approaches to modelling the liabilities of the Program. In order to be able to meaningfully compare our results to Milliman's results and to perform a useful sample life audit, we chose certain approaches to mimic those used by Milliman. We made an effort to minimize this type of information in order to have our results be as independent as possible. While Milliman was responsive to questions that we asked, they were also careful not to provide any information that would have provided inappropriate insight into their processes. As a result, we believe that the results we obtained are a meaningful test of the work performed by Milliman.

As the following summaries show, we matched well overall and reasonably well on the various component pieces. We do not expect to be able to match exactly because we know we are using independent approaches to modelling the liabilities. Results are shown for the Present Value of Benefits (PVB), the Actuarial Accrued Liability (AAL), and the Normal Cost. The PVB is a measure of all benefits expected to be ultimately paid for all current members of the Plan. The AAL reflects the portion of the PVB attributable to service already performed, and is the measure typically used for funding and accounting purposes. The Normal Cost is the portion of the PVB that will be earned in the upcoming year. Of the three measures, we generally expect to match the PVB the closest, typically within 1-3%, while the AAL is often not quite as close, and the Normal Cost may be only within 3-6%.

Employer Provided Present Value of Benefits (dollars in millions)

| | Milliman | CMC | Percent Difference |
|-----------|----------------|----------------|--------------------|
| Actives | \$ 19,590.0 | \$ 19,082.6 | -2.6% |
| Deferreds | 488.6 | 469.2 | -4.0% |
| Retirees | <u>9,619.3</u> | <u>9,379.5</u> | -2.5% |
| Total | \$ 29,697.9 | \$ 28,931.3 | -2.6% |



3. ACTUARIAL VALUATION RESULTS REVIEW

Employer Provided Actuarial Accrued Liability (dollars in millions)

| | Milliman | CMC | Percent Difference |
|---------------|--------------------|--------------------|-----------------------|
| Actives | | | |
| Medical | \$ 8,972.6 | \$ 9,061.8 | 1.0% |
| Dental/Vision | 470.4 | 469.3 | -0.2% |
| Part B | 1,477.9 | 1,475.6 | -0.2% |
| Life | 38.0 | 38.0 | 0.0% |
| | <u>\$ 10,958.9</u> | <u>\$ 11,044.7</u> | 0.8% |
| Deferreds | | | |
| Medical | \$ 377.5 | \$ 359.4 | -4.8% |
| Dental/Vision | 21.2 | 21.7 | 2.4% |
| Part B | 84.2 | 82.5 | -2.0% |
| Life | 5.7 | 5.6 | -1.8% |
| | <u>\$ 488.6</u> | <u>\$ 469.2</u> | -4.0% |
| Retirees | | | |
| Medical | \$ 7,692.4 | \$ 7,394.2 | -3.9% |
| Dental/Vision | 552.4 | 577.4 | 4.5% |
| Part B | 1,251.1 | 1,285.5 | 2.7% |
| Life | 123.4 | 122.4 | -0.8% |
| | <u>\$ 9,619.3</u> | <u>\$ 9,379.5</u> | -2.5% |
| Total | \$ 21,066.8 | \$ 20,893.4 | -1.2% |

Employer Provided Normal Cost (dollars in millions)

| | Milliman | CMC | Percent Difference |
|---------------|-----------------|-----------------|-----------------------|
| Medical | \$ 546.7 | \$ 535.5 | -2.0% |
| Dental/Vision | 24.6 | 24.2 | -1.6% |
| Part B | 89.5 | 89.1 | -0.4% |
| Life | 2.3 | 2.3 | 0.0% |
| Total | <u>\$ 663.1</u> | <u>\$ 651.1</u> | -1.8% |



4. VALUATION REPORT REVIEW

CONTENT OF THE ACTUARIAL REPORTS

The Actuarial Standard Board has issued a number of Actuarial Standards of Practice (ASOP) which provide guidance on measuring retiree group benefit obligations and communicating the results (ASOP Nos. 5, 6, 23, 25, 7, 35, 41, and 44). Those standards list specific elements to be included, either directly or by reference to other documents, in OPEB actuarial communications. Some of the elements would not be pertinent in all communications, but since an actuarial valuation report is the most complete picture of the actuarial status of the plan, all of the elements listed should be covered in the report, even if only briefly.

The July 1, 2018 OPEB actuarial valuation (in its initial draft) report generally provides sufficient information for another actuary to understand the process and to assess the reasonableness of the results.

We compared the contents of the draft report to over 30 specific items detailed for pension actuarial work in the ASOPs listed above. ***In our review of the report, we found it to be substantially in compliance with the applicable ASOPs.*** We identified two areas where some clarification or enhancement might be helpful and which Milliman intends to reflect in their final report:

- ASOP 6, Paragraphs 4.1(h) and 4.1(p) call for disclosures regarding how the plan is funded and the implications of that funding strategy over time. We believe that the report should provide at least some brief discussion about the overall funding strategy and perhaps indicate that it is anticipated that the funding valuation may eventually guide the actual funding amounts.
- ASOP 6, Paragraph 4.1(t) and its subparagraphs call for certain information regarding the disclosure of funded status. In particular, there needs to be statements clarifying what the status information might or might not signify regarding settling plan liabilities or plan contributions. These statements may be very brief, but should be included.

As an issue that is probably more form than substance, we note that ASOP 41, Paragraph 4.3 (among other places) discusses how methods and assumptions are disclosed. Milliman tends to group the discussion of both methods and assumptions under the term “assumptions”. We would suggest that the term “methods and assumptions” be used where the phrase could help clarify that both methods and assumptions are being discussed. Milliman intends to reflect this in their final report.

In the process of replicating the valuation results, additional information was requested to assist in resolving differences. As a result of Milliman’s responses to our questions, we identified several assumptions or methods that, despite being minor, should be disclosed in the OPEB valuation report and which Milliman intends to reflect in their final report:

- A description of the way in which adjustments are made for the retiree-paid premium when the chosen plan has a premium in excess of the benchmark.
- The table of the proportion of the premium paid by tier 2 spouses.
- A description of how current actives who terminate in the future when vested are handled.



5. SAMPLE LIFE REVIEW

In addition to the replication of results discussed in section 3, we were also asked by LACERA to perform a review of sample lives. These samples included 14 retirees and surviving spouses, 11 of whom have a current spouse entitled to benefits, 16 deferred members, and 17 active members. We were provided with details of calculations for medical benefits and premiums, dental benefits and premium, the Part B reimbursement provision, and life insurance benefits. (Deferred members only had medical benefits and premiums provided.) Additionally decrement tables were provided for active and deferred members, and additional detail to support the Entry Age Normal cost allocation was provided for active members. This sample appropriately covered a range of ages, pension plan participation, medical or dental plan election, and general demographic variation.

We reviewed all benefits for each individual included in the sample. In many cases, we matched liabilities to the nearest penny, particularly for life insurance, but also some medical, dental, and Part B benefits. This level of matching is much closer than we would generally expect since we were independently programming how benefits are valued, but is partly a reflection of certain benefits being straightforward to value and using the same underlying valuation software. In many cases we did not match exactly, but we were reasonably close and an inspection of the intermediate calculations did not indicate any systemic issues.

In one case, we noted that our calculation of the premiums paid by a retired member and spouse were approximately the same in total, but our method of allocating the cost resulted in a different split between the member and the spouse. That fact that nearly the same result could be obtained with different approaches should be viewed as a positive, reflecting an alternative model yielding similar results.

One item we did detect in our review that is of negligible consequence relates to certain deferred inactive members with very low service, who are not vested. Under the retirement plan provisions for plans A, B, C, D, and G, these individuals are eligible to retire at age 70 regardless of the amount of service. Milliman had these individuals commencing benefits at age 75, even though the listed assumption is that a portion could commence as early as 70. We recommend that in the future, Milliman either change the coding or state as an assumption that benefits are assumed to commence at 75 for this group of people. Because these individuals receive no subsidy for the medical or dental plans, there is no impact on the liabilities for those benefits. There would be some very tiny increases in the Part B and life insurance liabilities.

Attachment 4

Cavanaugh Macdonald's Actuarial review
of the 2018 Experience Study Final



Cavanaugh Macdonald
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The experience and dedication you deserve

**LOS ANGELES COUNTY
OTHER POSTEMPLOYMENT
BENEFIT PROGRAM**

**ACTUARIAL REVIEW OF THE
2018 INVESTIGATION OF EXPERIENCE
FOR OTHER POSTEMPLOYMENT
BENEFITS ASSUMPTIONS**





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June 28, 2019

Mr. Richard Bendall
Chief, Internal Audit
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

**Re: Actuarial Review of the 2018 Investigation of OPEB Program Experience for the
Los Angeles County Other Postemployment Benefits Program**

Dear Mr. Bendall:

Cavanaugh Macdonald Consulting, LLC (CMC) was selected by Los Angeles County Employees Retirement Association (LACERA) to provide this independent actuarial review of certain work performed by Milliman, Inc. related to LACERA's Other Postemployment Benefits Program (OPEB Program or the Program).

LACERA conducts experience studies every three years to study the relevant economic and demographic assumptions that will be used to determine employer and member contribution rates for LACERA's Retirement Plan. In accordance with LACERA's OPEB Program Policy, an Experience Study for the Program immediately follows each Retirement Plan Experience Study. These Experience Studies may be reviewed by an independent actuarial services firm on a schedule determined by the Board. As requested, this report presents the results of the Actuarial Review of the 2018 Investigation of OPEB Program Experience Report. Our findings are outlined in the Board Summary, and various observations are included throughout in the sections applicable to each review task. Detailed findings and conclusions from the Actuarial Review are provided in Section XIII of the report.

We would like to thank LACERA's staff for their responsiveness in providing the items and information that we requested during the course of our review. Additionally, we would also like to thank Milliman for their cooperation and assistance in providing the requested information, and answering our questions along the way.

We look forward to answering any questions concerning the information provided herein.



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Additional Information and Disclosures

This report has been prepared for LACERA and its stakeholders by CMC, and is intended to assist Los Angeles County as it validates the reasonability of the liabilities, costs, and other calculations for the OPEB Program as of June 30, 2018. Additionally, the findings, conclusions, and recommendations presented in this report are specific to Los Angeles County and its OPEB Program, and the work produced by Milliman. CMC may produce different findings or arrive at different conclusions in other situations or even in cases involving similar other postemployment benefit plans. As such, it is important to keep in mind that the use of this information for purposes other than those expressed here may not be appropriate.

In preparing this review, we have relied on the following information provided by LACERA and/or Milliman:

- A report produced by Milliman on July 21, 2017 titled, “Los Angeles County Employees Retirement Association 2016 Investigation of Experience for Other Postemployment Benefits Assumptions” (2016 Investigation of OPEB Program Experience Report);
- A report produced by Segal Consulting on July 21, 2017 titled, “Los Angeles County Other Postemployment Benefits Program Actuarial Review of 2016 Investigation of Experience” (2016 Actuarial Review Report);
- A report produced by Milliman on June 29, 2018 titled, “Los Angeles County Employees Retirement Association Other Postemployment Benefits Program Actuarial Valuation [as of] July 1, 2017” (2017 OPEB Program Actuarial Valuation Report);
- A draft report dated January 24, 2019 prepared by Milliman titled, “Los Angeles County Employees Retirement Association 2018 Investigation of Experience for Other Postemployment Benefits Assumptions” (2018 Investigation of OPEB Program Experience Report);
- Retirement Plan actuarial valuation census data and OPEB Program Experience Study data as of June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018; and,
- OPEB Program actuarial valuation census data as of June 30, 2016 and June 30, 2017, and preliminary actuarial valuation census data as of June 30, 2018.

While we cannot verify the accuracy of all this information, the supplied information was reviewed for reasonableness and consistency and we have no reason to doubt the substantial accuracy or completeness of the information and believe that it is reliable for the purpose of conducting this review. The results and conclusions contained in this report depend on the integrity of this information, and if any of the supplied information or analyses change, our results and conclusions may be different and this report may need to be revised.

The undersigned are familiar with the near-term and/or long-term aspects of other postemployment benefit plan valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained in this report. All sections of this report, including any appendices and attachments, are considered an integral part of the actuarial opinions.

CMC does not provide legal, investment, or accounting advice. Thus, the information in this report is not intended to supersede or supplant the advice and interpretations of LACERA or its external consultants.



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Please let us know if you have any questions or need any additional information.

Respectfully submitted,

A handwritten signature in purple ink, reading 'Brent A. Banister'.

Brent A. Banister, Ph.D., FSA, EA, MAAA, FCA
Chief Actuary

A handwritten signature in blue ink, reading 'Jeffrey Gann'.

Jeffrey Gann, FSA, MAAA, FCA, EA
Senior Actuary



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Section I — Board Summary

In accordance with its OPEB Policy Statement, LACERA engaged Cavanaugh Macdonald Consulting, LLC (CMC) to prepare an independent review of the OPEB Experience Study for the three year period ending on June 30, 2018 prepared by Milliman for Los Angeles County's OPEB Program.

The scope of the actuarial review requested by LACERA includes an independent verification of the results and evaluation of any recommendations in the 2018 Investigation of OPEB Program Experience Report, the preparation of a report containing CMC's findings and conclusions from the actuarial review, and a presentation of any findings to the Board of Retirement.

The process of setting actuarial assumptions brings together a blend of both numerical analysis and professional judgment. An experience study is not simply a mathematical exercise, but also draws on the experience and insight of the professionals conducting it. While this report contains pages of numbers confirming the data tabulations in Milliman's report, we wish to stress that we have also examined the bigger picture to determine if an assumption is appropriate. We consider whether there are other ways to form an assumption, whether an assumption may be simplified, and whether or not the assumption reflects trends that we observe in other plans. The fact that we might prefer an alternate approach does not automatically mean that Milliman's approach is not reasonable. Rather, we offer some of these thoughts as a consideration for future studies, fully aware that there are multiple appropriate ways in which to model a dynamic program like Los Angeles County's OPEB Program.

In general, we find Milliman's work to be accurate and complete, and we have not identified any material findings.

We summarize our findings for each major review task as follows:

1. Review of OPEB Program Data Used in the 2018 Experience Study

As agreed during the January 14, 2019 conference call with LACERA, Milliman, and CMC, the actuarial review of the 2018 Investigation of OPEB Program Experience Report is based on the actuarial valuation and experience study data that Milliman provided. *In our opinion, the data used is sufficient for the purposes of the experience study, appears consistent with previous Retirement Plan and OPEB Program valuations and, therefore, appropriately reflects the active and inactive membership of the OPEB Program during the three year period ending on June 30, 2018.* In Section III, we provide details concerning our review of the data and any related procedures.

2. Review the Proposed Economic and Demographic Assumptions Contained in the 2018 Investigation of OPEB Program Experience Report

We find the work prepared by Milliman—reviewed within the scope of this assignment—to be based on reasonable processes, to be technically sound, and to be fairly presented. Milliman's work related to studying OPEB Program experience, selecting assumptions, and presenting the associated results is based on generally accepted actuarial practices and principles. Relevant details for each assumption reviewed are provided in Sections IV through XII.



3. Present Any Recommendations to the Board of Retirement Regarding the Work Completed by Milliman

We believe that the actuarial assumptions recommended by Milliman are reasonable and appropriate for use in the upcoming actuarial valuation for Los Angeles County's OPEB Program. We have no findings of material discrepancies with generally accepted actuarial principles or professional standards. In Section XIII, we provide some minor considerations and recommendations for future studies.

Milliman proposes several changes in assumptions in its experience study. The most significant of these changes is the discount rate. We believe this change to be appropriate in light of the decision to begin funding the OPEB benefits in advance. Other rates may be needed for accounting statements or for other uses, but ultimately the rate that funds are expected to earn is the appropriate rate to be used in a funding valuation.

Milliman also recommends other changes to initial election rates, plan election rate, retirement rates for deferred vested members, and some other minor items such as spouse age difference. We find these assumptions to be reasonable. We also find the health cost trend rates proposed by Milliman to be appropriate.

The remainder of this report provides the basis for our findings and recommendations for each assumption that appears in the 2018 Investigation of OPEB Program Experience Report and our conclusions.

We would like to thank LACERA's staff for their responsiveness in providing the items and information that we requested during the course of our review. Additionally, we would also like to thank Milliman for their cooperation and assistance in providing the requested information, and answering our questions.



Section II — Purpose and Scope of the Actuarial Review

The County Employees Retirement Law of 1937 (CERL) requires that an Experience and Assumptions Study (Experience Study) for the Los Angeles County Employees Retirement Association (LACERA) Retirement Plan be performed every three years to study the relevant economic and demographic assumptions that will be used to determine employer and member contribution rates. Since certain experience items and assumptions from the Retirement Plan actuarial valuation provide essential input variables to the Experience Study for Los Angeles County's Other Postemployment Benefit Program (OPEB Program or the Program), LACERA's OPEB Policy requires that an Experience Study for the OPEB Program immediately follow each Experience Study for the Retirement Plan, in part, to ensure that data and assumptions common to both are used consistently. LACERA engaged Milliman, Inc. (Milliman) to perform the OPEB Program Experience Study for the three year period ending on June 30, 2018. LACERA's OPEB Policy Statement, which was adopted by the Board of Retirement in November 2010, calls for periodic actuarial reviews or "audits" of the work completed by the Board's consulting Actuary.

In accordance with its OPEB Policy Statement, LACERA engaged Cavanaugh Macdonald Consulting, LLC (CMC) to prepare an independent review of the Experience Study for the three year period ending on June 30, 2018 prepared by Milliman for LACERA's OPEB Program.

The scope of the actuarial review requested by LACERA includes an independent evaluation of the results and recommendations prepared by Milliman and documented in the 2018 Investigation of OPEB Program Experience Report, the preparation of a report containing findings and conclusions from the actuarial review, and a presentation of any recommendations to the Board of Retirement regarding the work completed by Milliman. Specifically the Scope of Work in the contract with LACERA calls for CMC to provide the following services:

A. Actuarial Standards

Auditor will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Actuarial Analysis

Auditor's responsibilities include, but are not limited to, performing the analysis described below:

1. Data Review

Evaluation of the available data for the performance of such Experience Study including a comparison of the census data provided by LACERA with the data that was used by Actuary, the degree of which such data is sufficient to support the conclusions of the Experience Study, and the use and appropriateness of any assumptions made regarding such data.



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2. *Parallel Experience Study*

a. *Perform a parallel Experience Study using the assumptions, methodologies, and funding methods used by the Actuary in their performance of the OPEB Program Experience Study. Auditor shall independently re-perform all work and not rely on the work of the Actuary.*

b. *Evaluation of the parallel Experience Study results and reconciliation of any discrepancies between Auditor and Actuary regarding findings, assumptions, methodology, rates, and adjustments.*

3. *Assumptions and Methodologies*

Evaluation of the recommended economic and demographic assumptions, including experience and operating tables, as presented in Actuary's Experience Study Report.

4. *Cost Impact*

Complete a reconciliation of the aggregate counts of actual occurrences by decrement type with Actuary's analysis and perform an independent reproduction of the cost impact of any changes that are recommended by Actuary.

C. *Sequential Completion*

Auditor will conduct audit work sequentially and immediately following with the Actuary's completion of the Experience Study. To the extent possible, it is LACERA's intent that the parallel Experience Study results and the reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and adjustments be communicated to the Actuary prior to completion of Actuary's work so the adjustments and recommendations will be included in Actuary's completed Experience Study.

D. *Prior Audit Recommendations*

Auditor will review prior "Audits" or "Reviews" of the OPEB Experience Study and determine if Actuary has implemented recommendations contained therein.

E. *Reporting*

Auditor will prepare a report which includes, but is not limited to, the following elements:

1. *Describe the purpose and scope of the engagement.*
2. *Provide the results of the engagement including observations and recommendations.*
3. *Include the results of the actuarial analysis of participant data and a comparison to Actuary's results.*
4. *Provide comments regarding Actuary's implementation of prior "Audit" or "Review" recommendations.*



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Our understanding is that these services will supplement the County's audits of the OPEB Program, and will be used to assist LACERA as it validates the reasonability of the liabilities, costs, and other calculations for the OPEB Program as of June 30, 2018.

To facilitate our review, LACERA and/or Milliman provided the following reports for the OPEB Program:

- A report produced by Milliman on July 21, 2017 titled, "Los Angeles County Employees Retirement Association 2016 Investigation of Experience for Other Postemployment Benefits Assumptions" (2016 Investigation of OPEB Program Experience Report);
- A report produced by Segal Consulting on July 21, 2017 titled, "Los Angeles County Other Postemployment Benefits Program Actuarial Review of 2016 Investigation of Experience (2016 Actuarial Review Report);
- A report produced by Milliman on June 29, 2018 titled, "Los Angeles County Employees Retirement Association Other Postemployment Benefits Program Actuarial Valuation [as of] July 1, 2017" (2017 OPEB Program Actuarial Valuation Report); and,
- A draft report dated January 24, 2019 prepared by Milliman titled, "Los Angeles County Employees Retirement Association 2018 Investigation of Experience for Other Postemployment Benefits Assumptions" (2018 Investigation of OPEB Program Experience Report).

To assess whether OPEB Program assumptions and/or methods are consistent with those used for Retirement Plan purposes, this review also references the most recent Retirement Plan valuation report, "Los Angeles County Employees Retirement Association Actuarial Valuation of Retirement Benefits [as of] June 30, 2018", issued by Milliman on November 29, 2018 (2018 Retirement Plan Actuarial Valuation Report).

The Actuarial Standards Board (ASB) is responsible for determining which actuarial activities are the best representations of generally accepted actuarial principles, and issuing guidance in the form of Actuarial Standards of Practice (ASOPs) to help actuaries in various practice areas deliver results and recommendations that are consistent with those representations. Generally speaking, ASOPs identify what the actuary should consider, document, and disclose when performing actuarial assignments.

The actuarial review requested by LACERA, as well as the reports provided for this purpose, are subject to the "coordinated guidance" provided in various ASOPs¹, including but not limited to:

- ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions;
- ASOP No. 5, Incurred Health and Disability Claims;
- ASOP No. 6, Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions;
- ASOP No. 23, Data Quality;
- ASOP No. 25, Credibility Procedures;

¹ Please note that ASOP Nos. 27, 35, and 44 can also apply to measurements of obligations and determinations of costs and/or actuarially determined contributions for retiree group benefit programs even though their titles only refer to "pensions".



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- ASOP No. 27, Selection of Economic Assumptions for Measuring Pension Obligations;
- ASOP No. 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations; and,
- ASOP No. 44, Selection and Use of Asset Valuation Methods for Pension Valuations.

This report refers to ASOPs by number (e.g. ASOP 6) throughout. It is important to keep in mind that the actuarial review—and by extension, this report—only reflects the guidance provided in final releases of the aforementioned ASOPs issued by the Actuarial Standards Board on or before the date of this report.

In performing this review, we have attempted to limit discussions concerning differing opinions and focus more on the accuracy of calculations, the completeness and reliability of reporting, and the compliance with acceptable actuarial principals and standards in all of the work that we reviewed.

This report documents our findings and recommendations for each of the review tasks as well as our conclusions related to the work provided by Milliman in the 2018 Investigation of OPEB Program Experience Report. Findings related to the first review task—review of OPEB Program Data used in the 2018 Experience Study—are provided in Section III. Sections IV through XII contain results of analyses used in our review of the OPEB Program actuarial assumptions and methods, and are generally presented in the same order that each assumption appears in the 2018 Investigation of OPEB Program Experience Report. Finally, we wrap up our review in Section XIII with a summary of conclusions and considerations.



Section III — Review of OPEB Program Data Used in the 2018 Experience Study

As agreed during the January 14, 2019 conference call with LACERA, Milliman, and CMC, the actuarial review of the 2018 Investigation of OPEB Program Experience Report is based on the following data provided by Milliman on January 18, 2019:

- Retirement Plan actuarial valuation census data as of June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018;
- OPEB Program actuarial valuation census data as of June 30, 2016 and June 30, 2017, and preliminary actuarial valuation census data as of June 30, 2018; and,
- OPEB Program Experience Study data as of June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018.

We reviewed the summaries of census data provided in the 2016 OPEB Actuarial Valuation Report, and the 2015, 2016, 2017, and 2018 Retirement Plan Actuarial Valuation Reports. We did not audit the census data, or any other information provided for both the Retirement Plan and the OPEB Program, but it was reviewed for reasonableness and consistency. In certain situations, the supplied information was adjusted to account for normal differences in collection dates and/or methods. As a result, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it is reliable for the purposes stated herein.

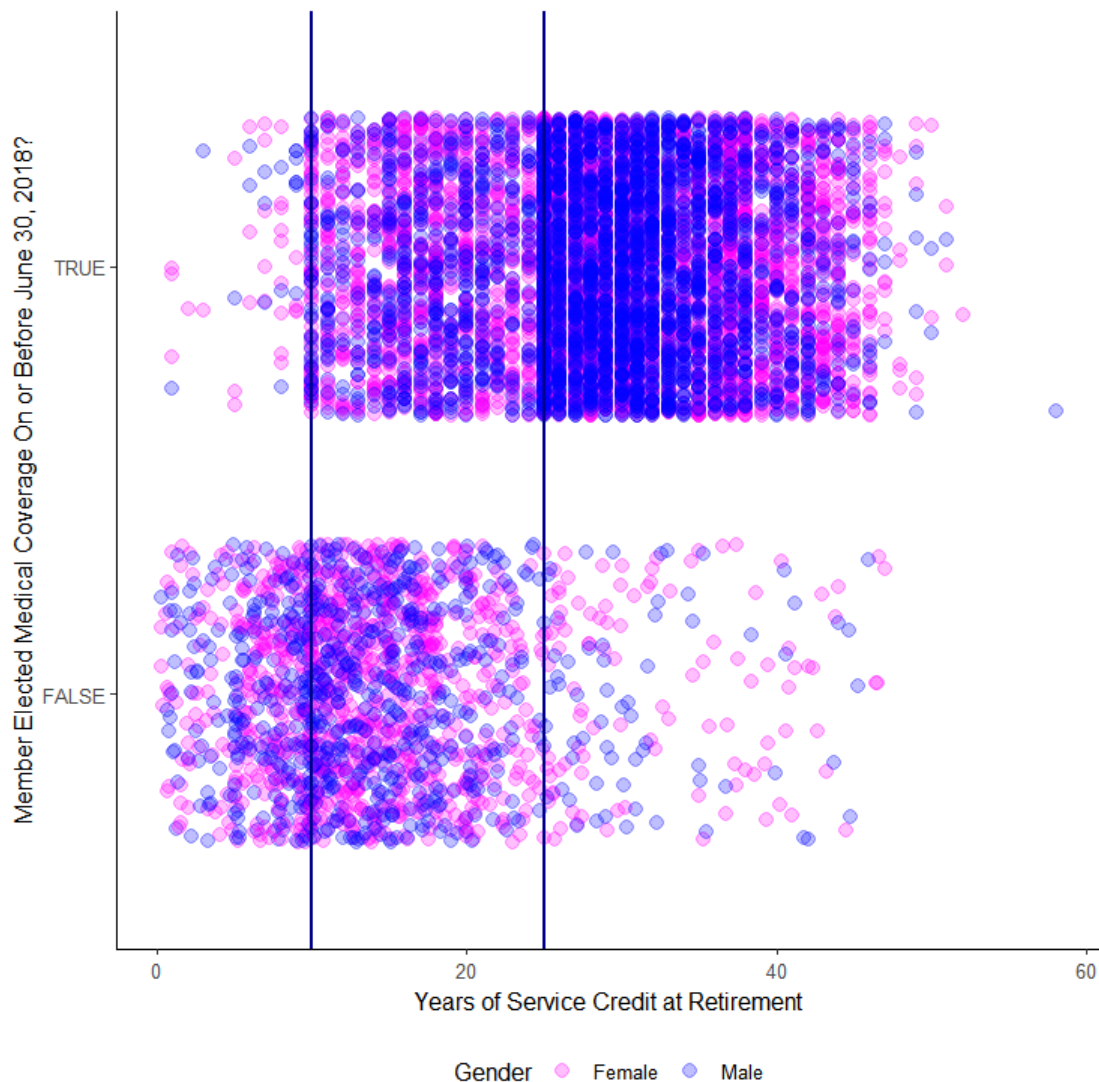
As discussed during the January 14, 2019 conference call, CMC will review the preparation of the OPEB Program census data as of June 30, 2018, including a comparison of the census data provided by LACERA with the data used by Milliman, and an evaluation of the use and appropriateness of any related assumptions, and the results of this review will be presented with the results of the forthcoming actuarial review of the 2018 OPEB Program Actuarial Valuation Report.



Section IV — Review of Member Initial Medical Election Percentages

The provisions and design of the OPEB Program determine how plan costs are shared with members, and because cost sharing varies based on service credit at retirement, we would expect initial medical election percentages to vary based on the number of years of service credit earned at retirement. As the chart below indicates, actual experience is consistent with this expectation. Consequently, the member initial medical election assumption for those who retire is based on service. For disabled members, by contrast, the assumption is uniform regardless of service. While we believe there may be a slight service-related correlation, the comparatively limited amount of data or anticipated liability does not suggest any need for such a refinement.

**Distributions of Member Initial Medical Elections as of June 30, 2018
Based on Gender and Years of Service Credit at Retirement**





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CMC independently developed exposures and initial medical election experience for members during the period from June 30, 2015 to June 30, 2018. We note that our independent development is truly independent in that we did not follow the same methodology as was used by Milliman. As the retained actuary, Milliman has built the historical data they need for valuations that allows them to be slightly more refined than we can in analyzing the experience results. By analyzing in a slightly different manner, we naturally do not expect to match their results exactly, but to the extent that our independent approach provides similar results, there is actually a higher degree of confidence in the reasonableness of their conclusions than if we were simply replicating their method.

It should be noted that we have also confirmed the reasonableness of the experience of disabled members, even though these results are not shown in the following tables. Because disability experience often unfolds across more than one fiscal year, the measures we use for analyzing retirement rates often prove to be meaningless. By taking a deeper look across multiple years and discussing the issue with Milliman, we are very comfortable in concluding that a very high portion of disabled members do indeed elect coverage.

We find the proposed rates to be reasonable. We note that with the very high election rates observed among those members who retire with more than 25 years of service, it would not be inappropriate to simplify the assumption and assume 100% elect coverage. However, there are clearly some members who do not elect coverage, and so the proposed assumption reasonably reflect that reality.



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ANALYSIS OF MALE MEMBER INITIAL MEDICAL ELECTION PERCENTAGES

The following tables compare the results of our analyses with those proposed in Exhibit 3–1 of the 2018 Investigation of OPEB Program Experience Report.

| Total Number of Members Exposed—Males | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 146 | 340 | 383 | 323 | 2,270 | 3,462 |
| Milliman | 157 | 351 | 387 | 315 | 2,246 | 3,456 |
| <i>Pct. Difference</i> | <i>-7.01%</i> | <i>-3.13%</i> | <i>-1.03%</i> | <i>2.54%</i> | <i>1.07%</i> | <i>0.17%</i> |

| Total Number of Member Initial Medical Elections—Males | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 4 | 135 | 224 | 210 | 2,236 | 2,809 |
| Milliman | 4 | 134 | 222 | 207 | 2,177 | 2,744 |
| <i>Pct. Difference</i> | <i>0%</i> | <i>0.75%</i> | <i>0.90%</i> | <i>1.45%</i> | <i>2.71%</i> | <i>2.37%</i> |

| Member Initial Medical Election Percentages—Males | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 2.74% | 39.71% | 58.49% | 65.02% | 98.50% | 81.14% |
| Milliman | 2.55% | 38.18% | 57.36% | 65.71% | 96.93% | 79.40% |
| <i>Difference</i> | <i>0.19%</i> | <i>1.53%</i> | <i>1.12%</i> | <i>-0.70%</i> | <i>1.57%</i> | <i>1.74%</i> |



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ANALYSIS OF FEMALE MEMBER INITIAL MEDICAL ELECTION PERCENTAGES

The following tables compare the results of our analyses with those proposed in Exhibit 3–2 of the 2018 Investigation of OPEB Program Experience Report.

| Total Number of Members Exposed—Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 192 | 522 | 609 | 467 | 3,091 | 4,881 |
| Milliman | 194 | 577 | 570 | 443 | 3,089 | 4,873 |
| <i>Pct. Difference</i> | -1.03% | -9.53% | 6.84% | 5.42% | 0.06% | 0.16% |

| Total Number of Member Initial Medical Elections—Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 15 | 248 | 367 | 327 | 3,012 | 3,969 |
| Milliman | 12 | 238 | 362 | 327 | 3,009 | 3,948 |
| <i>Pct. Difference</i> | 25.00% | 4.20% | 1.38% | 0.00% | 0.10% | 0.53% |

| Member Initial Medical Election Percentages—Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 7.81% | 47.51% | 60.26% | 70.02% | 97.44% | 81.32% |
| Milliman | 6.19% | 41.25% | 63.51% | 73.81% | 97.41% | 81.02% |
| <i>Difference</i> | 1.63% | 6.26% | -3.25% | -3.79% | 0.03% | 0.30% |



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ANALYSIS OF MALE AND FEMALE MEMBER INITIAL MEDICAL ELECTION PERCENTAGES

Because the initial medical election percentages are not significantly different for males and females, the assumption used for valuation purposes is based on combined male and female experience. The following tables compare the results of our analyses with those proposed in Exhibit 3–3 of the 2018 Investigation of OPEB Program Experience Report.

| Total Number of Members Exposed—Males and Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 338 | 862 | 992 | 790 | 5,361 | 8,343 |
| Milliman | 351 | 928 | 957 | 758 | 5,335 | 8,329 |
| <i>Pct. Difference</i> | -3.70% | -7.11% | 3.66% | 4.22% | 0.49% | 0.17% |

| Total Number of Member Initial Medical Elections—Males and Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 19 | 383 | 591 | 537 | 5,248 | 6,778 |
| Milliman | 16 | 372 | 584 | 534 | 5,186 | 6,692 |
| <i>Pct. Difference</i> | 18.75% | 2.96% | 1.20% | 0.56% | 1.20% | 1.29% |

| Member Initial Medical Election Percentages—Males and Females | | | | | | |
|--|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 5.62% | 44.43% | 59.58% | 67.97% | 97.89% | 81.24% |
| Milliman | 4.56% | 40.09% | 61.02% | 70.45% | 97.21% | 80.35% |
| <i>Difference</i> | 1.06% | 4.35% | -1.45% | -2.47% | 0.69% | 0.90% |



Section V — Review of Initial Dental / Vision Election Percentages

Like the medical election rates, dental election rates are also significantly affected by the amount of service a member has at retirement. The same comments on methodology and disableds that were applicable to the initial medical election assumption are also applicable to the dental and vision election assumption. We find Milliman’s proposed assumptions to be reasonable.

ANALYSIS OF MALE MEMBER INITIAL DENTAL / VISION ELECTION PERCENTAGES

The following tables compare the results of our analyses with those proposed in Exhibit 3–4 of the 2018 Investigation of OPEB Program Experience Report.

| Total Number of Members Exposed—Males | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 146 | 340 | 383 | 323 | 2,270 | 3,462 |
| Milliman | 157 | 351 | 387 | 315 | 2,246 | 3,456 |
| <i>Pct. Difference</i> | -7.01% | -3.13% | -1.03% | 2.54% | 1.07% | 0.17% |

| Total Number of Member Initial Dental / Vision Elections—Males | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 6 | 157 | 238 | 214 | 2,236 | 2,851 |
| Milliman | 6 | 154 | 235 | 214 | 2,174 | 2,783 |
| <i>Pct. Difference</i> | 0.00% | 1.95% | 1.28% | 0.00% | 2.85% | 2.44% |

| Member Initial Dental / Vision Election Percentages—Males | | | | | | |
|--|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 4.11% | 46.18% | 62.14% | 66.25% | 98.50% | 82.35% |
| Milliman | 3.82% | 43.87% | 60.72% | 67.94% | 96.79% | 80.53% |
| <i>Difference</i> | 0.29% | 2.30% | 1.42% | -1.68% | 1.71% | 1.82% |



Los Angeles County Employees Retirement Association

ANALYSIS OF FEMALE MEMBER INITIAL DENTAL / VISION ELECTION PERCENTAGES

The following tables compare the results of our analyses with those proposed in Exhibit 3–5 of the 2018 Investigation of OPEB Program Experience Report.

| Total Number of Members Exposed—Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 192 | 522 | 609 | 467 | 3,091 | 4,881 |
| Milliman | 194 | 577 | 570 | 443 | 3,089 | 4,873 |
| <i>Pct. Difference</i> | -1.03% | -9.53% | 6.84% | 5.42% | 0.06% | 0.16% |

| Total Number of Member Initial Dental / Vision Elections—Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 18 | 271 | 399 | 345 | 3,018 | 4,051 |
| Milliman | 18 | 260 | 396 | 344 | 3,018 | 4,036 |
| <i>Pct. Difference</i> | 0.00% | 4.23% | 0.76% | 0.29% | 0.00% | 0.37% |

| Member Initial Dental / Vision Election Percentages—Females | | | | | | |
|--|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 9.38% | 51.92% | 65.52% | 73.88% | 97.64% | 83.00% |
| Milliman | 9.28% | 45.06% | 69.47% | 77.65% | 97.70% | 82.82% |
| <i>Difference</i> | 0.10% | 6.86% | -3.96% | -3.78% | -0.06% | 0.17% |



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ANALYSIS OF MALE AND FEMALE MEMBER INITIAL DENTAL / VISION ELECTION PERCENTAGES

Because the initial election percentages are not significantly different for males and females, the assumption used for valuation purposes is based on combined male and female experience. The following tables compare the results of our analyses with those proposed in Exhibit 3–6 of the 2018 Investigation of OPEB Program Experience Report.

| Total Number of Members Exposed—Males and Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 338 | 862 | 992 | 790 | 5,361 | 8,343 |
| Milliman | 351 | 928 | 957 | 758 | 5,335 | 8,329 |
| <i>Pct. Difference</i> | <i>-3.70%</i> | <i>-7.11%</i> | <i>3.66%</i> | <i>4.22%</i> | <i>0.49%</i> | <i>0.17%</i> |

| Total Number of Member Initial Dental / Vision Elections—Males and Females | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 24 | 428 | 637 | 559 | 5,254 | 6,902 |
| Milliman | 24 | 414 | 631 | 558 | 5,192 | 6,819 |
| <i>Pct. Difference</i> | <i>0.00%</i> | <i>3.38%</i> | <i>0.95%</i> | <i>0.18%</i> | <i>1.19%</i> | <i>1.22%</i> |

| Member Initial Dental / Vision Election Percentages—Males and Females | | | | | | |
|--|-----------------|----------------|----------------|----------------|----------------|--------------|
| <u>Years of Service Credit Earned by Healthy Members</u> | | | | | | |
| | Under 10 | 10 – 14 | 15 – 19 | 20 – 24 | Over 24 | Total |
| CMC | 7.10% | 49.65% | 64.21% | 70.76% | 98.00% | 82.73% |
| Milliman | 6.84% | 44.61% | 65.94% | 73.61% | 97.32% | 81.87% |
| <i>Difference</i> | <i>0.26%</i> | <i>5.04%</i> | <i>-1.72%</i> | <i>-2.86%</i> | <i>0.68%</i> | <i>0.86%</i> |



Section VI — Review of Pre-65 Medical Plan and Tier Selection Assumptions

**ANALYSIS OF MALE MEMBER INITIAL
PRE-65 MEDICAL PLAN AND TIER SELECTION PERCENTAGES**

CMC independently developed initial pre-65 medical plan and tier selection percentages for male members during the period from June 30, 2015 to June 30, 2018. The following tables compare the results of our analyses with those proposed in Exhibit 4–1 of the 2018 Investigation of OPEB Program Experience Report.

| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 201 | 4 | 0.2% | 0.2% | | 0.5% | 0.5% | 0.5% |
| 202 | 4 | 0.2% | 0.2% | | 1.5% | 0.5% | 0.5% |
| 203 | 20 | 1.1% | 1.2% | -0.1% | 1.0% | 1.0% | 1.0% |
| 204 | | | | | | | |
| 205 | | | | | | | |
| 211 | 1 | 0.1% | 0.1% | | 0.5% | 0.5% | 0.5% |
| 212 | 1 | 0.1% | 0.1% | | | | |
| 213 | 11 | 0.6% | 0.6% | | 0.5% | 0.5% | 0.5% |
| 214 | 2 | 0.1% | 0.1% | | | | |
| 215 | | | | | | | |
| 221 | 75 | 4.1% | 4.2% | -0.1% | 5.5% | 4.5% | 4.5% |
| 222 | 171 | 9.4% | 10.1% | -0.7% | 14.0% | 12.5% | 12.5% |
| 223 | 246 | 13.6% | 14.0% | -0.4% | 10.5% | 12.5% | 12.5% |
| 224 | 28 | 1.5% | 1.7% | -0.2% | 1.0% | 1.5% | 1.5% |
| 225 | | | | | | | |
| 240 | 9 | 0.5% | | 0.5% | | | |
| 241 | | | | | | | |
| 242 | 14 | 0.8% | | 0.8% | | | |
| 243 | 2 | 0.1% | | 0.1% | | | |
| 244 | | | | | | | |
| 245 | | | | | | | |
| 246 | | | | | | | |
| 247 | 3 | 0.1% | 0.1% | | | | |
| 248 | | | | | | | |
| 249 | | | | | | | |
| 250 | 1 | 0.1% | | 0.1% | | | |
| 301 | 4 | 0.2% | 0.2% | | | | |
| 302 | 5 | 0.2% | 0.3% | -0.1% | | 0.5% | 0.5% |
| 303 | 1 | 0.1% | 0.1% | | | | |



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| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 304 | | | | | | | |
| 305 | | | | | | | |
| 321 | | | | | | | |
| 322 | | | | | | | |
| 324 | | | | | | | |
| 325 | | | | | | | |
| 327 | | | | | | | |
| 329 | | | | | | | |
| 401 | 186 | 10.2% | 10.5% | -0.3% | 12.5% | 12.0% | 12.0% |
| 402 | | | | | | | |
| 403 | 23 | 1.3% | 0.3% | 1.0% | | | |
| 404 | | | | | | | |
| 405 | | | | | | | |
| 406 | 1 | 0.1% | | 0.1% | | | |
| 411 | 561 | 30.9% | 32.1% | -1.2% | 36.0% | 35.0% | 35.0% |
| 412 | | | | | | | |
| 413 | 48 | 2.6% | 1.7% | 0.9% | | | |
| 414 | 1 | 0.1% | | 0.1% | | | |
| 415 | | | | | | | |
| 416 | | | | | | | |
| 417 | | | | | | | |
| 418 | 3 | 0.1% | | 0.1% | | | |
| 419 | | | | | | | |
| 420 | | | | | | | |
| 421 | | | | | | | |
| 422 | 1 | 0.1% | | 0.1% | | | |
| 423 | 1 | 0.1% | 0.1% | | | | |
| 424 | | | | | | | |
| 425 | | | | | | | |
| 426 | | | | | | | |
| 427 | | | | | | | |
| 428 | | | | | | | |
| 429 | | | | | | | |
| 430 | | | | | | | |
| 431 | | | | | | | |
| 432 | | | | | | | |
| 450 | | | | | | | |
| 451 | | | | | | | |



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| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 452 | | | | | | | |
| 453 | | | | | | | |
| 454 | 1 | 0.1% | 0.1% | | | | |
| 455 | | | | | | | |
| 456 | | | | | | | |
| 457 | | | | | | | |
| 458 | | | | | | | |
| 459 | | | | | | | |
| 460 | | | | | | | |
| 440 | | | | | | | |
| 441 | | | | | | | |
| 442 | | | | | | | |
| 443 | | | | | | | |
| 444 | | | | | | | |
| 445 | | | | | | | |
| 446 | | | | | | | |
| 461 | | | | | | | |
| 462 | | | | | | | |
| 463 | 1 | 0.1% | 0.1% | | | | |
| 464 | | | | | | | |
| 465 | | | | | | | |
| 466 | | | | | | | |
| 467 | | | | | | | |
| 468 | | | | | | | |
| 469 | | | | | | | |
| 470 | | | | | | | |
| 471 | | | | | | | |
| 472 | | | | | | | |
| 473 | | | | | | | |
| 474 | 1 | 0.1% | 0.1% | | | | |
| 475 | | | | | | | |
| 476 | | | | | | | |
| 477 | | | | | | | |
| 478 | | | | | | | |
| 479 | | | | | | | |
| 481 | | | | | | | |
| 482 | | | | | | | |
| 483 | | | | | | | |



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| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 484 | 1 | 0.1% | 0.1% | | | | |
| 485 | | | | | | | |
| 486 | | | | | | | |
| 487 | | | | | | | |
| 488 | | | | | | | |
| 489 | | | | | | | |
| 490 | | | | | | | |
| 491 | | | | | | | |
| 492 | | | | | | | |
| 493 | | | | | | | |
| 494 | | | | | | | |
| 495 | | | | | | | |
| 496 | | | | | | | |
| 497 | | | | | | | |
| 498 | | | | | | | |
| 611 | | | | | | | |
| 613 | | | | | | | |
| 701 | 2 | 0.1% | | 0.1% | | | |
| 702 | 13 | 0.7% | 0.5% | 0.2% | 0.5% | 0.5% | 0.5% |
| 703 | 1 | 0.1% | 0.1% | | | | |
| 704 | 5 | 0.2% | 0.2% | | | | |
| 705 | | | | | | | |
| 706 | | | | | | | |
| 707 | 63 | 3.5% | 3.6% | -0.1% | 3.5% | 3.5% | 3.5% |
| 708 | 127 | 7.0% | 7.4% | -0.4% | 7.0% | 7.0% | 7.0% |
| 709 | 170 | 9.4% | 9.9% | -0.5% | 5.5% | 7.5% | 7.5% |
| Total | 1,812 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 1,718 | | | | | | |



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| Pre-65 Medical Plan Selection—Local 1014 Firefighter Retirees—Males | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 801 | 20 | 7.2% | 7.3% | -0.1% | 7.0% | 7.0% | 7.0% |
| 802 | 83 | 29.9% | 30.4% | -0.5% | 47.0% | 39.0% | 39.0% |
| 803 | 171 | 61.5% | 62.3% | -0.8% | 46.0% | 54.0% | 54.0% |
| 804 | | | | | | | |
| 805 | 4 | 1.4% | | 1.4% | | | |
| 806 | | | | | | | |
| 807 | | | | | | | |
| 808 | | | | | | | |
| 809 | | | | | | | |
| 810 | | | | | | | |
| 811 | | | | | | | |
| 812 | | | | | | | |
| 813 | | | | | | | |
| 814 | | | | | | | |
| 815 | | | | | | | |
| Total | 278 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 276 | | | | | | |



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ANALYSIS OF FEMALE MEMBER INITIAL PRE-65 MEDICAL PLAN AND TIER SELECTION PERCENTAGES

CMC independently developed initial pre-65 medical plan and tier selection percentages for female members during the period from June 30, 2015 to June 30, 2018. The following tables compare the results of our analyses with those proposed in Exhibit 4–2 of the 2018 Investigation of OPEB Program Experience Report.

| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 201 | 10 | 0.5% | 0.5% | | 1.0% | 0.5% | 0.5% |
| 202 | 5 | 0.3% | 0.2% | 0.1% | 0.5% | 0.5% | 0.5% |
| 203 | 4 | 0.2% | 0.2% | | | 0.5% | 0.5% |
| 204 | 3 | 0.1% | 0.2% | -0.1% | | | |
| 205 | | | | | | | |
| 211 | 10 | 0.5% | 0.5% | | 0.5% | 0.5% | 0.5% |
| 212 | 4 | 0.2% | 0.2% | | 0.5% | 0.5% | 0.5% |
| 213 | 1 | 0.0% | 0.1% | -0.1% | | | |
| 214 | 3 | 0.1% | 0.2% | -0.1% | | | |
| 215 | | | | | | | |
| 221 | 149 | 6.8% | 7.2% | -0.4% | 8.0% | 7.5% | 7.5% |
| 222 | 88 | 4.0% | 5.9% | -1.9% | 7.0% | 6.5% | 6.5% |
| 223 | 54 | 2.5% | 2.6% | -0.1% | 2.0% | 2.5% | 2.5% |
| 224 | 31 | 1.4% | 1.5% | -0.1% | 1.0% | 1.5% | 1.5% |
| 225 | | | | | | | |
| 240 | 36 | 1.6% | 0.2% | 1.4% | 0.5% | 0.5% | 0.5% |
| 241 | 1 | 0.0% | | | | | |
| 242 | 37 | 1.7% | | 1.7% | | | |
| 243 | 15 | 0.7% | 0.1% | 0.6% | | | |
| 244 | | | | | | | |
| 245 | | | | | | | |
| 246 | | | | | | | |
| 247 | 4 | 0.2% | 0.2% | | | | |
| 248 | | | | | | | |
| 249 | | | | | | | |
| 250 | | | | | | | |
| 301 | 3 | 0.1% | 0.2% | -0.1% | | | |
| 302 | 2 | 0.1% | 0.1% | | 0.5% | | |
| 303 | | | | | | | |
| 304 | 2 | 0.1% | 0.1% | | | | |
| 305 | | | | | | | |



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| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 321 | | | | | | | |
| 322 | | | | | | | |
| 324 | | | | | | | |
| 325 | | | | | | | |
| 327 | | | | | | | |
| 329 | | | | | | | |
| 401 | 544 | 24.7% | 26.4% | -1.7% | 31.0% | 28.5% | 28.5% |
| 402 | | | | | | | |
| 403 | 61 | 2.8% | 0.7% | 2.1% | | 0.5% | 0.5% |
| 404 | 3 | 0.1% | 0.1% | | | | |
| 405 | 4 | 0.2% | | 0.2% | | | |
| 406 | | | | | | | |
| 411 | 459 | 20.8% | 22.8% | -2.0% | 30.0% | 30.5% | 30.5% |
| 412 | | | | | | | |
| 413 | 165 | 7.5% | 7.6% | -0.1% | | | |
| 414 | 4 | 0.2% | 0.2% | | | | |
| 415 | | | | | | | |
| 416 | | | | | | | |
| 417 | | | | | | | |
| 418 | 26 | 1.2% | 0.1% | 1.1% | | | |
| 419 | | | | | | | |
| 420 | | | | | | | |
| 421 | | | | | | | |
| 422 | 3 | 0.1% | 0.2% | -0.1% | | | |
| 423 | | | | | | | |
| 424 | | | | | | | |
| 425 | | | | | | | |
| 426 | 2 | 0.1% | | 0.1% | | | |
| 427 | | | | | | | |
| 428 | | | | | | | |
| 429 | | | | | | | |
| 430 | 1 | 0.0% | | | | | |
| 431 | | | | | | | |
| 432 | | | | | | | |
| 450 | 3 | 0.1% | 0.2% | -0.1% | | | |
| 451 | | | | | | | |
| 452 | | | | | | | |
| 453 | | | | | | | |



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| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 454 | | | | | | | |
| 455 | | | | | | | |
| 456 | | | | | | | |
| 457 | | | | | | | |
| 458 | | | | | | | |
| 459 | | | | | | | |
| 460 | | | | | | | |
| 440 | | | | | | | |
| 441 | | | | | | | |
| 442 | 1 | 0.0% | | | | | |
| 443 | | | | | | | |
| 444 | | | | | | | |
| 445 | | | | | | | |
| 446 | | | | | | | |
| 461 | 2 | 0.1% | 0.1% | | | | |
| 462 | | | | | | | |
| 463 | 1 | 0.0% | 0.1% | -0.1% | | | |
| 464 | | | | | | | |
| 465 | | | | | | | |
| 466 | | | | | | | |
| 467 | | | | | | | |
| 468 | | | | | | | |
| 469 | | | | | | | |
| 470 | | | | | | | |
| 471 | 1 | 0.0% | 0.1% | -0.1% | | | |
| 472 | | | | | | | |
| 473 | | | | | | | |
| 474 | | | | | | | |
| 475 | | | | | | | |
| 476 | | | | | | | |
| 477 | | | | | | | |
| 478 | | | | | | | |
| 479 | | | | | | | |
| 481 | | | | | | | |
| 482 | | | | | | | |
| 483 | | | | | | | |
| 484 | | | | | | | |
| 485 | | | | | | | |



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| Pre-65 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 486 | 1 | 0.0% | | | | | |
| 487 | | | | | | | |
| 488 | | | | | | | |
| 489 | | | | | | | |
| 490 | | | | | | | |
| 491 | | | | | | | |
| 492 | | | | | | | |
| 493 | | | | | | | |
| 494 | | | | | | | |
| 495 | | | | | | | |
| 496 | | | | | | | |
| 497 | | | | | | | |
| 498 | | | | | | | |
| 611 | 6 | 0.3% | 0.1% | 0.2% | | | |
| 613 | 1 | 0.0% | | | | | |
| 701 | 15 | 0.7% | 0.2% | 0.5% | | | |
| 702 | 43 | 2.0% | 2.1% | -0.1% | 2.0% | 2.0% | 2.0% |
| 703 | 11 | 0.5% | 0.2% | 0.3% | | | |
| 704 | 9 | 0.4% | 0.4% | | 0.5% | 0.5% | 0.5% |
| 705 | | | | | | | |
| 706 | | | | | | | |
| 707 | 189 | 8.6% | 9.1% | -0.5% | 9.0% | 9.0% | 9.0% |
| 708 | 116 | 5.3% | 5.7% | -0.4% | 5.0% | 5.5% | 5.5% |
| 709 | 70 | 3.2% | 3.4% | -0.2% | 1.0% | 2.5% | 2.5% |
| Total | 2,203 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 1,988 | | | | | | |



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| Pre-65 Medical Plan Selection—Local 1014 Firefighter Retirees—Females | | | | | | | |
|---|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 801 | 2 | 66.7% | 100.0% | -33.3% | 7.0% | 7.0% | 7.0% |
| 802 | | | | | 47.0% | 39.0% | 39.0% |
| 803 | 1 | 33.3% | 50.0% | -16.7% | 46.0% | 54.0% | 54.0% |
| 804 | | | | | | | |
| 805 | | | | | | | |
| 806 | | | | | | | |
| 807 | | | | | | | |
| 808 | | | | | | | |
| 809 | | | | | | | |
| 810 | | | | | | | |
| 811 | | | | | | | |
| 812 | | | | | | | |
| 813 | | | | | | | |
| 814 | | | | | | | |
| 815 | | | | | | | |
| Total | 3 | 100.0% | 150.0% | -50.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 3 | | | | | | |

In general, we find the plan election analysis to be performed correctly. We do note that some of the assumed rates of election are less than 1%. Such a rate has very minimal impact on the total results, and we would certainly not be opposed to a simpler assumption in which these plans were grouped with some others expected to have similar costs. Because of the size of LACERA, there is certainly sufficient credible data to reasonably draw the conclusions that have been made, and so we are not suggesting a change is needed, but simply that some consideration be given to a possible simplification that would have negligible impact on the results.



Section VII — Review of Post-64 Medical Plan and Tier Selection Assumptions

**ANALYSIS OF MALE MEMBER INITIAL
POST-64 MEDICAL PLAN AND TIER SELECTION PERCENTAGES**

CMC independently developed initial post-64 medical plan and tier selection percentages for male members during the period from June 30, 2015 to June 30, 2018. The following tables compare the results of our analyses with those proposed in Exhibit 4–3 of the 2018 Investigation of OPEB Program Experience Report.

| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 201 | 1 | 0.1% | 0.1% | | | | |
| 202 | 1 | 0.1% | 0.1% | | | | |
| 203 | 1 | 0.1% | 0.1% | | | | |
| 204 | | | | | | | |
| 205 | | | | | | | |
| 211 | 2 | 0.2% | 0.2% | | | 0.5% | |
| 212 | | | | | | | |
| 213 | | | | | | | |
| 214 | | | | | | | |
| 215 | | | | | | | |
| 221 | 10 | 0.9% | 0.8% | 0.1% | 1.0% | 1.0% | |
| 222 | 20 | 1.9% | 2.4% | -0.5% | 3.5% | 2.5% | |
| 223 | 8 | 0.8% | 0.9% | -0.1% | 1.0% | 1.0% | |
| 224 | 2 | 0.2% | 0.2% | | | 0.5% | |
| 225 | | | | | | | |
| 240 | 72 | 6.8% | 7.2% | -0.4% | 6.5% | 7.0% | 8.5% |
| 241 | 2 | 0.2% | 0.2% | | | | |
| 242 | 58 | 5.5% | 5.3% | 0.2% | 6.5% | 5.5% | 8.0% |
| 243 | 78 | 7.4% | 7.1% | 0.3% | 6.5% | 7.0% | 7.0% |
| 244 | | | | | | | |
| 245 | 5 | 0.4% | 0.4% | | 0.5% | 0.5% | 1.0% |
| 246 | | | | | | | |
| 247 | 14 | 1.3% | 1.2% | 0.1% | | 1.0% | 2.0% |
| 248 | 1 | 0.1% | 0.1% | | | | |
| 249 | 6 | 0.5% | 0.5% | | | 0.5% | 0.5% |
| 250 | 2 | 0.2% | 0.3% | -0.1% | | 0.5% | 0.5% |
| 301 | | | 0.1% | -0.1% | | | |
| 302 | 1 | 0.1% | 0.1% | | | | |
| 303 | | | | | | | |



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| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 304 | | | | | | | |
| 305 | | | | | | | |
| 321 | | | | | | | |
| 322 | 1 | 0.1% | 0.1% | | | | |
| 324 | | | | | | | |
| 325 | | | | | | | |
| 327 | | | | | | | |
| 329 | | | | | | | |
| 401 | 14 | 1.3% | 1.2% | 0.1% | | | |
| 402 | | | | | | | |
| 403 | 178 | 16.9% | 17.1% | -0.2% | 20.0% | 18.0% | 19.5% |
| 404 | 3 | 0.3% | 0.3% | | 1.0% | 0.5% | |
| 405 | 14 | 1.3% | 1.2% | 0.1% | 2.0% | 1.0% | |
| 406 | | | 0.1% | -0.1% | | | |
| 411 | 22 | 2.1% | 2.0% | 0.1% | 19.5% | | |
| 412 | | | | | | | |
| 413 | 222 | 21.1% | 21.5% | -0.4% | 1.0% | 21.0% | 22.5% |
| 414 | 2 | 0.2% | 0.3% | -0.1% | | 0.5% | |
| 415 | | | | | | | |
| 416 | | | | | | | |
| 417 | | | | | | | |
| 418 | 144 | 13.7% | 13.1% | 0.6% | 14.0% | 16.0% | 16.0% |
| 419 | 1 | 0.1% | 0.1% | | 0.5% | | |
| 420 | | | | | 0.5% | | |
| 421 | | | | | | | |
| 422 | 9 | 0.9% | 0.9% | | 2.0% | 1.0% | |
| 423 | | | | | 1.0% | | |
| 424 | | | | | | | |
| 425 | | | | | | | |
| 426 | | | | | | | |
| 427 | | | | | | | |
| 428 | | | | | | | |
| 429 | | | | | | | |
| 430 | 2 | 0.2% | 0.2% | | | | |
| 431 | | | | | | | |
| 432 | | | | | | | |
| 450 | | | | | | | |
| 451 | | | | | | | |



Los Angeles County Employees Retirement Association

| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 452 | | | | | | | |
| 453 | | | | | | | |
| 454 | | | | | | | |
| 455 | | | | | | | |
| 456 | | | | | | | |
| 457 | | | | | | | |
| 458 | | | | | | | |
| 459 | | | | | | | |
| 460 | | | | | | | |
| 440 | | | | | | | |
| 441 | | | | | | | |
| 442 | | | | | | | |
| 443 | | | | | | | |
| 444 | | | | | | | |
| 445 | | | | | | | |
| 446 | | | | | | | |
| 461 | | | | | | | |
| 462 | | | | | | | |
| 463 | | | | | | | |
| 464 | | | | | | | |
| 465 | | | | | | | |
| 466 | | | | | | | |
| 467 | | | | | | | |
| 468 | | | | | | | |
| 469 | | | | | | | |
| 470 | | | | | | | |
| 471 | | | | | | | |
| 472 | | | | | | | |
| 473 | | | | | | | |
| 474 | | | | | | | |
| 475 | | | | | | | |
| 476 | | | | | | | |
| 477 | | | | | | | |
| 478 | | | | | | | |
| 479 | | | | | | | |
| 481 | | | | | | | |
| 482 | | | | | | | |
| 483 | | | | | | | |



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| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Males | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 484 | | | | | | | |
| 485 | | | | | | | |
| 486 | | | | | | | |
| 487 | | | | | | | |
| 488 | 1 | 0.1% | 0.1% | | | | |
| 489 | | | | | | | |
| 490 | | | | | | | |
| 491 | | | | | | | |
| 492 | | | | | | | |
| 493 | | | | | | | |
| 494 | | | | | | | |
| 495 | | | | | | | |
| 496 | | | | | | | |
| 497 | | | | | | | |
| 498 | | | | | | | |
| 611 | 3 | 0.3% | 0.3% | | 0.5% | 0.5% | 0.5% |
| 613 | 4 | 0.4% | 0.4% | | 0.5% | 0.5% | 0.5% |
| 701 | 47 | 4.5% | 4.2% | 0.3% | 3.0% | 4.0% | 4.0% |
| 702 | 49 | 4.6% | 4.6% | | 3.5% | 4.5% | 4.5% |
| 703 | 34 | 3.2% | 3.1% | 0.1% | 3.5% | 3.0% | 3.0% |
| 704 | 17 | 1.6% | 1.6% | | 1.5% | 1.5% | 1.5% |
| 705 | 3 | 0.3% | 0.3% | | 0.5% | 0.5% | 0.5% |
| 706 | | | | | | | |
| 707 | | | | | | | |
| 708 | | | | | | | |
| 709 | | | | | | | |
| Total | 1,054 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 1,117 | | | | | | |



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| Post-64 Medical Plan Selection—Local 1014 Firefighter Retirees—Males | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 801 | | | | | | | |
| 802 | | | | | | | |
| 803 | | | | | | | |
| 804 | | | | | 7.0% | 7.0% | 7.0% |
| 805 | 2 | 40.0% | 50.0% | -10.0% | | | |
| 806 | 1 | 20.0% | 16.7% | 3.3% | 47.0% | 39.0% | 39.0% |
| 807 | 2 | 40.0% | 33.3% | 6.7% | | | |
| 808 | | | | | 46.0% | 54.0% | 54.0% |
| 809 | | | | | | | |
| 810 | | | | | | | |
| 811 | | | | | | | |
| 812 | | | | | | | |
| 813 | | | | | | | |
| 814 | | | | | | | |
| 815 | | | | | | | |
| Total | 5 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 6 | | | | | | |



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**ANALYSIS OF FEMALE MEMBER INITIAL
POST-64 MEDICAL PLAN AND TIER SELECTION PERCENTAGES**

CMC independently developed initial post-64 medical plan and tier selection percentages for female members during the period from June 30, 2015 to June 30, 2018. The following tables compare the results of our analyses with those proposed in Exhibit 4–4 of the 2018 Investigation of OPEB Program Experience Report.

| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 201 | 3 | 0.1% | 0.1% | | | | |
| 202 | | | | | | | |
| 203 | | | | | | | |
| 204 | | | | | | | |
| 205 | | | | | | | |
| 211 | 3 | 0.1% | | 0.1% | 0.5% | | |
| 212 | 1 | 0.1% | 0.1% | | | | |
| 213 | | | | | | | |
| 214 | | | | | | | |
| 215 | | | | | | | |
| 221 | 28 | 1.6% | 1.6% | | 2.0% | 1.5% | |
| 222 | 12 | 0.6% | 0.8% | -0.2% | 1.0% | 1.0% | |
| 223 | 3 | 0.1% | 0.1% | | | | |
| 224 | 1 | 0.1% | | 0.1% | | | |
| 225 | | | | | | | |
| 240 | 213 | 11.4% | 11.8% | -0.4% | 10.5% | 11.5% | 13.0% |
| 241 | 1 | 0.1% | 0.1% | | | | |
| 242 | 21 | 1.1% | 1.2% | -0.1% | 1.0% | 1.0% | 2.0% |
| 243 | 79 | 4.2% | 4.5% | -0.3% | 4.0% | 4.5% | 4.5% |
| 244 | 3 | 0.1% | 0.1% | | | | |
| 245 | 2 | 0.1% | 0.1% | | | | |
| 246 | | | | | | | |
| 247 | 2 | 0.1% | 0.1% | | | | |
| 248 | | | | | | | |
| 249 | 3 | 0.1% | 0.1% | | | | |
| 250 | | | | | | | |
| 301 | | | | | | | |
| 302 | | | | | | | |
| 303 | | | | | | | |
| 304 | | | | | | | |
| 305 | | | | | | | |



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| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 321 | | | | | | | |
| 322 | | | | | | | |
| 324 | | | | | | | |
| 325 | | | | | | | |
| 327 | | | | | | | |
| 329 | | | | | | | |
| 401 | 51 | 2.7% | 2.9% | -0.2% | | | |
| 402 | | | | | | | |
| 403 | 655 | 35.0% | 34.1% | 0.9% | 39.5% | 38.5% | 42.0% |
| 404 | 14 | 0.8% | 0.8% | | 2.0% | 1.0% | |
| 405 | 50 | 2.7% | 2.7% | | 3.0% | 2.5% | |
| 406 | | | | | | | |
| 411 | 11 | 0.6% | 0.7% | -0.1% | | | |
| 412 | | | | | | | |
| 413 | 86 | 4.6% | 4.9% | -0.3% | 4.5% | 5.0% | 5.5% |
| 414 | 1 | 0.1% | 0.1% | | | | |
| 415 | | | | | | | |
| 416 | | | | | | | |
| 417 | | | | | | | |
| 418 | 299 | 16.0% | 15.9% | 0.1% | 15.5% | 16.5% | 17.0% |
| 419 | 3 | 0.1% | 0.1% | | 0.5% | | |
| 420 | | | | | | | |
| 421 | | | | | | | |
| 422 | 9 | 0.5% | 0.5% | | 0.5% | 0.5% | |
| 423 | | | | | | | |
| 424 | | | | | | | |
| 425 | | | | | | | |
| 426 | 3 | 0.2% | 0.2% | | | 0.5% | |
| 427 | | | | | | | |
| 428 | | | | | | | |
| 429 | | | | | | | |
| 430 | | | | | | | |
| 431 | | | | | | | |
| 432 | | | | | | | |
| 450 | | | | | | | |
| 451 | 2 | 0.1% | 0.1% | | | | |
| 452 | | | | | | | |
| 453 | | | | | | | |



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| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 454 | | | | | | | |
| 455 | | | | | | | |
| 456 | | | | | | | |
| 457 | | | | | | | |
| 458 | | | | | | | |
| 459 | | | | | | | |
| 460 | | | | | | | |
| 440 | | | | | | | |
| 441 | | | | | | | |
| 442 | | | | | | | |
| 443 | | | | | | | |
| 444 | | | | | | | |
| 445 | | | | | | | |
| 446 | | | | | | | |
| 461 | | | | | | | |
| 462 | 1 | 0.1% | | 0.1% | | | |
| 463 | | | | | | | |
| 464 | | | | | | | |
| 465 | | | | | | | |
| 466 | | | | | | | |
| 467 | | | | | | | |
| 468 | | | | | | | |
| 469 | | | | | | | |
| 470 | | | | | | | |
| 471 | | | | | | | |
| 472 | | | | | | | |
| 473 | | | | | | | |
| 474 | | | | | | | |
| 475 | | | | | | | |
| 476 | | | | | | | |
| 477 | | | | | | | |
| 478 | | | | | | | |
| 479 | | | | | | | |
| 481 | | | | | | | |
| 482 | 1 | 0.1% | | 0.1% | | | |
| 483 | | | | | | | |
| 484 | | | | | | | |
| 485 | | | | | | | |



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| Post-64 Medical Plan Selection—Non-Local 1014 Firefighter Retirees—Females | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 486 | | | | | | | |
| 487 | | | | | | | |
| 488 | | | | | | | |
| 489 | | | | | | | |
| 490 | | | | | | | |
| 491 | | | | | | | |
| 492 | | | | | | | |
| 493 | | | | | | | |
| 494 | | | | | | | |
| 495 | | | | | | | |
| 496 | | | | | | | |
| 497 | | | | | | | |
| 498 | | | | | | | |
| 611 | 14 | 0.8% | 0.8% | | 1.0% | 1.0% | 1.0% |
| 613 | 10 | 0.5% | 0.5% | | 0.5% | 0.5% | 0.5% |
| 701 | 180 | 9.6% | 9.3% | 0.3% | 9.5% | 9.5% | 9.5% |
| 702 | 24 | 1.3% | 1.3% | | 1.0% | 1.0% | 1.0% |
| 703 | 74 | 3.9% | 4.0% | -0.1% | 3.5% | 4.0% | 4.0% |
| 704 | 3 | 0.2% | 0.2% | | | | |
| 705 | 4 | 0.2% | 0.2% | | | | |
| 706 | | | | | | | |
| 707 | | | | | | | |
| 708 | | | | | | | |
| 709 | | | | | | | |
| Total | 1,870 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 2,046 | | | | | | |



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| Post-64 Medical Plan Selection—Local 1014 Firefighter Retirees—Females | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 801 | | | | | | | |
| 802 | | | | | | | |
| 803 | | | | | | | |
| 804 | 1 | 50.0% | 50.0% | | 7.0% | 7.0% | 7.0% |
| 805 | 1 | 50.0% | 50.0% | | | | |
| 806 | | | | | 47.0% | 39.0% | 39.0% |
| 807 | | | | | | | |
| 808 | | | | | 46.0% | 54.0% | 54.0% |
| 809 | | | | | | | |
| 810 | | | | | | | |
| 811 | | | | | | | |
| 812 | | | | | | | |
| 813 | | | | | | | |
| 814 | | | | | | | |
| 815 | | | | | | | |
| Total | 2 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 2 | | | | | | |

As with the pre-65 assumptions, we find the results reasonable, but believe that some simplification might be considered.



Section VIII — Review of Dental / Vision Plan and Tier Selection Assumptions

**ANALYSIS OF MALE MEMBER INITIAL
DENTAL / VISION PLAN AND TIER SELECTION PERCENTAGES**

CMC independently developed initial dental / vision plan and tier selection percentages for male members during the period from June 30, 2015 to June 30, 2018. The following tables compare the results of our analyses with those proposed in Exhibit 4–5 of the 2018 Investigation of OPEB Program Experience Report.

| Initial Dental / Vision Plan Selection—Males | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 501 | 600 | 18.8% | 18.7% | 0.1% | 20.0% | 19.0% | 19.0% |
| 502 | 2,198 | 68.7% | 69.0% | -0.3% | 67.0% | 68.0% | 68.0% |
| 503 | | | | | | | |
| 901 | 124 | 3.9% | 3.8% | 0.1% | 4.0% | 4.0% | 4.0% |
| 902 | 276 | 8.6% | 8.5% | 0.1% | 9.0% | 9.0% | 9.0% |
| 903 | | | | | | | |
| Total | 3,198 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 3,154 | | | | | | |

**ANALYSIS OF FEMALE MEMBER INITIAL
DENTAL / VISION PLAN AND TIER SELECTION PERCENTAGES**

CMC independently developed initial dental / vision plan and tier selection percentages for female members during the period from June 30, 2015 to June 30, 2018. The following tables compare the results of our analyses with those proposed in Exhibit 4–5 of the 2018 Investigation of OPEB Program Experience Report.

| Initial Dental / Vision Plan Selection—Females | | | | | | | |
|--|-----------------|----------|---------------|------------|--------------------|----------------------------|----------------------------|
| Deduction Code | Number Enrolled | CMC Pct. | Milliman Pct. | Difference | Current Assumption | Proposed Assumption Tier 1 | Proposed Assumption Tier 2 |
| 501 | 1,898 | 45.4% | 45.3% | 0.1% | 46.0% | 46.0% | 46.0% |
| 502 | 1,727 | 41.4% | 41.6% | -0.2% | 39.0% | 40.0% | 40.0% |
| 503 | | | | | | | |
| 901 | 330 | 7.9% | 7.8% | 0.1% | 9.0% | 8.0% | 8.0% |
| 902 | 222 | 5.3% | 5.3% | | 6.0% | 6.0% | 6.0% |
| 903 | | | | | | | |
| Total | 4,177 | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | 100.0% |
| Milliman | 4,133 | | | | | | |



Section IX — Review of Pre-65 to Post-64 Medical Plan Migration Assumptions

CMC independently developed the frequencies of member medical plan enrollment decisions for those who reached Medicare-eligibility age during the period from June 30, 2015 to June 30, 2018 and were enrolled in a pre-65 medical plan immediately prior to attaining age 65. The following tables compare the results of our analyses with those proposed in Exhibit 4–6 of the 2018 Investigation of OPEB Program Experience Report.

| Pre-65 to Post-64 Medical Plan Migration Assumptions | | | | | |
|--|--------------|--------------------------------------|-----------------------|------------|------------|
| Eligible Plan | Pre-Medicare | Post-Medicare | Number of Enrollments | | Difference |
| | | | CMC | Milliman | |
| Anthem Blue Cross I | | | | | |
| | | Anthem Blue Cross I | 31 | 32 | -1 |
| | | Anthem Blue Cross II | 0 | 0 | |
| | | Anthem Blue Cross III | 36 | 42 | -6 |
| | | Other | <u>1</u> | <u>1</u> | |
| | | Total | 68 | 75 | -7 |
| Anthem Blue Cross II | | | | | |
| | | Anthem Blue Cross I | 0 | 0 | |
| | | Anthem Blue Cross II | 324 | 324 | |
| | | Anthem Blue Cross III | 404 | 404 | |
| | | United Healthcare Medicare Advantage | 0 | 0 | |
| | | Excess II | 0 | 0 | |
| | | Two+ Advantage | 1 | 1 | |
| | | Other | <u>6</u> | <u>7</u> | -1 |
| | | Total | 735 | 736 | -1 |
| Anthem Blue Cross Prudent Buyer Plan | | | | | |
| | | Anthem Blue Cross I | 0 | 0 | |
| | | Anthem Blue Cross II | 4 | 4 | |
| | | Anthem Blue Cross III | 53 | 54 | -1 |
| | | Anthem Blue Cross Prudent Buyer Plan | 36 | 43 | -7 |
| | | Other | <u>1</u> | <u>1</u> | |
| | | Total | 94 | 102 | -8 |



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| Pre-65 to Post-64 Medical Plan Migration Assumptions | | | | | |
|--|--------------|--------------------------------------|-----------------------|------------|------------|
| Eligible Plan | Pre-Medicare | Post-Medicare | Number of Enrollments | | |
| | | | CMC | Milliman | Difference |
| CIGNA Network Model Plan | | | | | |
| | | Anthem Blue Cross I | 0 | 0 | |
| | | Anthem Blue Cross II | 0 | 0 | |
| | | Anthem Blue Cross III | 11 | 12 | -1 |
| | | CIGNA Medicare Select Plus Rx (AZ) | 2 | 4 | -2 |
| | | CIGNA Network Model Plan | 18 | 21 | -3 |
| | | United Healthcare Medicare Advantage | 5 | 7 | -2 |
| | | Senior Advantage | 1 | 1 | |
| | | One Advantage, Others Basic | 0 | 0 | |
| | | SCAN Health Plan | 3 | 4 | -1 |
| | | Other | <u>0</u> | <u>0</u> | |
| | | Total | 40 | 49 | -9 |
| United Healthcare | | | | | |
| | | United Healthcare Medicare Advantage | 280 | 281 | -1 |
| | | CIGNA Network Model Plan | 2 | 2 | |
| | | Anthem Blue Cross I | 1 | 1 | |
| | | Anthem Blue Cross II | 7 | 7 | |
| | | Anthem Blue Cross III | 31 | 32 | -1 |
| | | SCAN Health Plan | 8 | 8 | |
| | | Senior Advantage | 8 | 8 | |
| | | One Advantage, Others Basic | 0 | 0 | |
| | | One Advantage, One Excess II | 0 | 0 | |
| | | Excess II | 10 | 11 | -1 |
| | | One Excess II, One Basic | 6 | 8 | -2 |
| | | One Excess III (MNP), One Basic | 0 | 0 | |
| | | Other | <u>5</u> | <u>4</u> | <u>1</u> |
| | | Total | 358 | 362 | -4 |



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| Pre-65 to Post-64 Medical Plan Migration Assumptions | | | | | |
|--|--------------|--|-----------------------|--------------|------------|
| Eligible Plan | Pre-Medicare | Post-Medicare | Number of Enrollments | | |
| | | | CMC | Milliman | Difference |
| Kaiser Retiree Basic | | | | | |
| | | Senior Advantage | 775 | 777 | -2 |
| | | Excess I | 29 | 30 | -1 |
| | | Excess II | 133 | 134 | -1 |
| | | Excess III (MNP) | 30 | 32 | -2 |
| | | Anthem Blue Cross I | 1 | 1 | |
| | | Anthem Blue Cross III | 18 | 19 | -1 |
| | | United Healthcare Medicare Advantage | 0 | 0 | |
| | | Kaiser Retiree Basic | 5 | 9 | -4 |
| | | One Advantage, Others Basic | 5 | 6 | -1 |
| | | One Excess III (MNP), One Basic | 0 | 0 | |
| | | Other | 13 | 13 | |
| | | Total | 1,009 | 1,021 | -12 |
| Kaiser Family Basic | | | | | |
| | | Two+ Advantage | 91 | 91 | |
| | | One Advantage, One Excess II | 1 | 1 | |
| | | One Advantage, One Excess III (MNP) | 2 | 3 | -1 |
| | | One Advantage, Others Basic | 398 | 400 | -2 |
| | | One Excess I, One Advantage | 4 | 4 | |
| | | One Excess I, Others Basic | 29 | 30 | -1 |
| | | One Excess I, Others Excess II | 1 | 1 | |
| | | One Excess II, One Basic | 80 | 79 | 1 |
| | | One Excess II, Others Excess III (MNP) | 0 | 0 | |
| | | One Excess III (MNP), One Basic | 20 | 21 | -1 |
| | | Two+ Excess II - Part B | 1 | 1 | |
| | | CIGNA Network Model Plan | 0 | 0 | |
| | | Excess II | 3 | 4 | -1 |
| | | Excess III (MNP) | 1 | 1 | |
| | | Anthem Blue Cross III | 8 | 8 | |
| | | United Healthcare Medicare Advantage | 0 | 0 | |
| | | Senior Advantage | 21 | 22 | -1 |
| | | Kaiser Family Basic | 1 | 1 | |
| | | Other | 19 | 14 | 5 |
| | | Total | 680 | 681 | -1 |



Los Angeles County Employees Retirement Association

| Pre-65 to Post-64 Medical Plan Migration Assumptions | | | | | |
|--|--------------|-------------------------------------|-----------------------|--------------|------------|
| Eligible Plan | Pre-Medicare | Post-Medicare | Number of Enrollments | | |
| | | | CMC | Milliman | Difference |
| One Advantage, Others Basic | | | | | |
| | | Senior Advantage | 2 | 2 | |
| | | Two+ Advantage | 307 | 308 | |
| | | One Advantage, One Excess II | 7 | 7 | |
| | | One Advantage, One Excess III (MNP) | 7 | 7 | |
| | | One Advantage, Others Basic | 42 | 41 | 1 |
| | | One Excess I, One Advantage | 7 | 7 | |
| | | Anthem Blue Cross III | 3 | 3 | |
| | | Anthem Blue Cross I | 0 | 0 | |
| | | Anthem Blue Cross II | 0 | 0 | |
| | | Excess III (MNP) | 0 | 0 | |
| | | One Excess III (MNP), One Basic | 0 | 1 | -1 |
| | | Other | <u>6</u> | <u>5</u> | 1 |
| | | Total | 381 | 381 | 0 |
| Firefighters Local 1014 | | | | | |
| | | Firefighters Local 1014 | 146 | 155 | -9 |
| | | Other | <u>0</u> | <u>0</u> | |
| | | Total | 146 | 155 | -9 |
| All Pre-Medicare Plans | | Total | 3,511 | 3,562 | -51 |

The Plan's experience during the three year study period is consistent with current assumptions, and the adjustments recommended by Milliman appear to be reasonable. Additionally, we agree with the proposed assumptions for Tier 2 members, because our understanding is that these members must enroll in Medicare when they reach Medicare-eligibility age in order to be eligible to elect a post-64 medical plan.



Section X — Review of Retirement Rates for Deferred Vested Members

ANALYSIS OF ASSUMED RETIREMENT RATES FOR DEFERRED VESTED MEMBERS—GENERAL PLANS A, B, C, AND D

CMC independently developed the percentages of members with deferred vested pension benefits under General Plans A, B, C, and D who will retire at a given age based on experience during the period from June 30, 2015 to June 30, 2018. Milliman actually used two additional years of data, so we would expect there to be some differences in our results. The general concurrence of the two sets of results actually further strengthens our confidence in the resulting conclusion, because the possible influence of some unusual year is significantly reduced by not using all of the same years. The following table compares the results of our analyses with those proposed in Exhibit 5–1 of the 2018 Investigation of OPEB Program Experience Report.

| Age | Observed Rates | | Ratio of Rates (CMC / Milliman) |
|-------|----------------|----------|------------------------------------|
| | CMC | Milliman | |
| 50 | 12.8% | 18.5% | 0.690 |
| 51 | 3.6% | 4.5% | 0.812 |
| 52 | 5.2% | 5.8% | 0.890 |
| 53 | 2.3% | 3.9% | 0.589 |
| 54 | 6.8% | 5.3% | 1.275 |
| 55 | 10.8% | 10.3% | 1.041 |
| 56 | 6.3% | 6.6% | 0.955 |
| 57 | 6.2% | 5.9% | 1.055 |
| 58 | 8.2% | 6.5% | 1.249 |
| 59 | 8.6% | 8.6% | 0.994 |
| 60 | 10.3% | 11.7% | 0.880 |
| 61 | 8.2% | 10.2% | 0.804 |
| 62 | 14.0% | 15.3% | 0.915 |
| 63 | 22.9% | 20.9% | 1.092 |
| 64 | 19.5% | 20.7% | 0.940 |
| 65 | 38.3% | 27.6% | 1.387 |
| 66 | 22.3% | 26.3% | 0.849 |
| 67 | 14.4% | 17.4% | 0.832 |
| 68 | 20.2% | 21.9% | 0.923 |
| 69 | 28.3% | 29.9% | 0.947 |
| 70 | 56.3% | 44.4% | 1.266 |
| 71 | 41.7% | 50.0% | 0.833 |
| 72 | 50.0% | 42.9% | 1.167 |
| 73 | 40.0% | 63.6% | 0.629 |
| 74 | 66.7% | 10.0% | 6.667 |
| 75+ | 22.7% | 15.4% | 1.477 |
| Total | 11.0% | 11.6% | 0.948 |



ANALYSIS OF ASSUMED RETIREMENT RATES FOR DEFERRED VESTED MEMBERS—GENERAL PLAN E

CMC independently developed the percentages of members with deferred vested pension benefits under General Plan E who will retire at a given age based on experience during the period from June 30, 2015 to June 30, 2018. As with Plans A-D, Milliman used two additional years of data, so the comments made earlier apply here as well. The following table compares the results of our analyses with those proposed in Exhibit 5–2 of the 2018 Investigation of OPEB Program Experience Report.

| Age | Observed Rates | | Ratio of Rates |
|-------|----------------|----------|------------------|
| | CMC | Milliman | (CMC / Milliman) |
| 55 | 15.3% | 25.3% | 0.603 |
| 56 | 5.4% | 6.2% | 0.883 |
| 57 | 3.4% | 5.6% | 0.614 |
| 58 | 4.2% | 3.3% | 1.261 |
| 59 | 4.5% | 5.4% | 0.847 |
| 60 | 5.3% | 6.3% | 0.836 |
| 61 | 5.3% | 7.2% | 0.738 |
| 62 | 7.0% | 7.5% | 0.938 |
| 63 | 6.5% | 7.4% | 0.882 |
| 64 | 21.5% | 22.4% | 0.962 |
| 65 | 36.4% | 38.4% | 0.946 |
| 66 | 11.4% | 13.3% | 0.856 |
| 67 | 7.3% | 7.3% | 1.000 |
| 68 | 4.1% | 8.7% | 0.469 |
| 69 | 5.4% | 10.4% | 0.520 |
| 70 | 11.7% | 14.5% | 0.810 |
| 71 | 10.8% | 21.4% | 0.503 |
| 72 | 17.1% | 12.7% | 1.347 |
| 73 | 0.0% | 10.5% | 0.000 |
| 74 | 0.0% | 19.2% | 0.000 |
| 75+ | 1.8% | 7.4% | 0.237 |
| Total | 7.6% | 11.7% | 0.650 |

The total number of members with deferred vested pension benefits under Safety Plans A and B shown in Exhibit 5-3 are low relative to the other Plan groups (99 total actual retirement observations). As a result, CMC did not independently develop rates of retirement for these members.



Section XI — Review of Other OPEB Demographic Assumptions

ANALYSIS OF DIFFERENCES IN MEMBER AGES AND AGES OF ENROLLED SPOUSES

CMC performed a high-level review of the average differences in member ages and the ages of enrolled spouses based only on the experience of retired members who were enrolled in a medical plan as of June 30, 2018, and had a spouse date of birth on his or her record. This method of collection differs from Milliman since they have been able to accumulate new retirees each year over a period of time. As a result, we do not have some individuals who are no longer in the data (because of discontinuing coverage or death), or possibly where spousal coverage has changed. Thus, our counts are lower, but we do not anticipate a significant bias in the results.

The following table summarizes the results:

| Actual Experience | Male Retirees | | Female Retirees | |
|--------------------------|---------------|--|-----------------|--|
| | Number | Average Age Difference in Years (Males Older Than Females) | Number | Average Age Difference in Years (Males Older Than Females) |
| CMC—All Retirees | 14,860 | 3.8 | 7,186 | 1.9 |
| CMC—Recent Retirees | 3,558 | 3.2 | 2,542 | 2.1 |
| Milliman—All Retirees | 17,110 | 4.4 | 9,060 | 1.5 |
| Milliman—Recent Retirees | 3,825 | 3.7 | 2,919 | 1.7 |

A more in-depth review would have considered historical spouse information, information for spouses of survivors (if eligible), and/or the relevant spouse information for those retirees who elected to only enroll in a dental / vision coverage option (as we believe Milliman has done). However, as shown in the table above, the average age differences produced by this streamlined method are consistent with the results contained in Section 6 of the 2018 Investigation of OPEB Program Experience Report.

We also note that the proposed assumptions concerning the average difference in male and female member ages and the ages of enrolled spouses provided in the 2018 Investigation of OPEB Program Experience Report are consistent with the assumptions used in the 2018 Retirement Plan Actuarial Valuation Report (please see the description under “Probability of Eligible Survivors” on page A-6). This consistency is an additional support of Milliman’s proposed assumption.



ANALYSIS OF MEDICARE ENROLLMENT FOR ANTHEM BLUE CROSS I, II, AND PRUDENT BUYER PLANS

Section 6 of the 2018 Investigation of OPEB Program Experience Report contains the following description of the Medicare enrollment assumptions for members who are enrolled in Anthem Blue Cross I, II, and Prudent Buyer Plans:

“Our July 1, 2017 OPEB valuation assumed that members in Blue Cross I, II, and Prudent Buyer were not eligible for Medicare Part B premium reimbursement. We checked the validity of this assumption based on July 1, 2016, 2017 and 2018 enrollment information. Medicare Part A information from LACERA for both inactives and actives was incomplete, so we relied on the Medicare Part B indicator. There were not any members in the Blue Cross I, II, and Prudent Buyer plans who were in Medicare Part B. We recommend continuing with the current assumption for Tier 1. We will assume Tier 2 members will enroll in Medicare Parts A and B.”

CMC reviewed the OPEB Program census data provided by Milliman, and agree that records for members who are age 65 or older and enrolled in Anthem Blue Cross I, II, and Prudent Buyer Plans do not contain Medicare Part B premium amounts.

ANALYSIS OF SURVIVOR AND NEW DEPENDENT ENROLLMENT ASSUMPTIONS

CMC did not review the results that support the survivor and new dependent enrollment assumptions provided in Section 6 of the 2018 Investigation of OPEB Program Experience Report because (1) the number of observations is small relative to the total population of retirees and their dependents and (2) any variance in these rates are unlikely to have a material impact on the OPEB Program actuarial valuation as of June 30, 2018.



Section XII — Review of OPEB Program Economic Assumptions

DISCOUNT RATE

ASOP 6 does not provide specific guidance concerning the selection of discount rates for the purpose of measuring retiree group benefit plan obligations or establishing actuarially determined contribution amounts for these plans. In this case, Section 3.12.1 in that Standard requires the actuary to comply with the guidance contained in ASOP 27¹, Selection of Economic Assumptions for Measuring Pension Obligations. Actuaries are instructed to give the purpose of the measurement a significant weighting among the factors considered in the selection of a discount rate (ASOP 27 Section 3.9).

The OPEB Program has dedicated assets, and our understanding is that the development of an actuarially determined contribution rate (as a percentage of covered payroll) for the Plan is a potential objective for the forthcoming 2018 OPEB Program Actuarial Valuation Report. As a result, CMC believes that the appropriate basis for the selection of a discount rate as of June 30, 2018 is the anticipated investment return for the OPEB Program fund (i.e. the expected long-term rate of return on plan assets) based on the guidance in Section 3.9(a) of ASOP 27, in large part, because the alternative bases listed in that Section would likely not be appropriate for contribution budgeting purposes. (Note that if some employers are not funding their portion of the OPEB Program, a different rate may be more appropriate.)

An expected long-term rate of return on plan assets assumption equal to 6.00% as of June 30, 2018 was disclosed in the 2018 Investigation of OPEB Program Experience Report. This assumption was selected “based on the Trust’s investment policy and Meketa’s current capital market assumptions and investment forecast model”.

CMC reviewed the expected long-term rate of return assumption contained in the 2018 Investigation of OPEB Program Experience Report based on the guidance provided in Section 3.8 of ASOP 27 addressing the selection of an investment return assumption. Our review is based on a model that uses expected arithmetic returns for a given investment horizon to determine the underlying log-normally distributed (i.e. “geometric”) returns for each asset class and for the entire portfolio, and reflects the following inputs:

- The 2.75% expected long-term rate of inflation (CPI-U) as of June 30, 2018 provided in the 2018 Investigation of OPEB Program Experience Report. Although we did not explicitly review the expected long-term rate of inflation, we believe that the assumption selected by LACERA is reasonable for the purposes stated herein;
- The OPEB Program asset allocation² provided in the 2018 Investigation of OPEB Program Experience Report; and,
- Expected future nominal and real (expected return, net of investment expense and inflation) rates of return, standard deviations of returns, and correlation coefficients (relative to all other returns) for each major asset class published by Horizon Actuarial Services, LLC in its “*Survey of Capital Market Assumptions, 2018 Edition*”.

¹ Please note that ASOP No. 27 can also apply to measurements of obligations and determinations of costs and/or actuarially determined contributions for retiree group benefit programs even though their titles only refer to “pensions”.

² We did not verify the asset allocation that appears in the 2018 Investigation of OPEB Plan Experience Report because this exercise does not fall within the scope of this assignment.



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The resulting long-term expected rate of return is equal to the geometric combination of the allocation-weighted average expected future real rate of return of the portfolio and the expected long-term rate of inflation.

The development of the expected long-term rate of return based on the OPEB Program's asset allocation and the estimates of arithmetic real rates of return for each major asset class is provided in the table below:

| Asset Class ¹ | Target Allocation | Expected 10-Year Arithmetic Real Rate of Return | Standard Deviation |
|--|-------------------|---|--------------------|
| US Equity—Large Cap | 35.00% | 5.10% | 16.39% |
| US Equity—Small/Mid Cap | 10.00% | 6.25% | 20.20% |
| Non-US Equity—Developed | 5.00% | 6.12% | 18.67% |
| Non-US Equity—Emerging | | 8.28% | 24.89% |
| US Corporate Bonds—Core | 8.00% | 1.30% | 5.71% |
| US Corporate Bonds—Long Duration | | 1.66% | 10.83% |
| US Corporate Bonds—High Yield | 16.00% | 3.05% | 10.24% |
| Non-US Debt—Developed | | 0.13% | 6.86% |
| Non-US Debt—Emerging | 4.00% | 3.39% | 11.43% |
| US Treasuries (Cash Equivalents) | 2.00% | 0.31% | 2.74% |
| TIPS (Inflation-Protected) | 6.00% | 0.84% | 6.25% |
| Real Estate | 10.00% | 4.65% | 13.86% |
| Hedge Funds | | 3.05% | 7.87% |
| Commodities | 4.00% | 3.22% | 17.60% |
| Infrastructure | | 5.37% | 14.74% |
| Private Equity | | 8.48% | 22.16% |
| Total Portfolio | 100.00% | 4.09% | 10.90% |
| Expected Long-term Real Return | | 3.47% | |
| Expected Long-term Rate of Inflation | | 2.75% | |
| Expected Long-term Rate of Return | | $1.0347 \times 1.0275 - 1 = 6.32\%$ | |
| Expected Long-term Rate of Return Selected | | 6.00% | |

Based on the results shown in the table above, CMC agrees that the 6.00% expected long-term rate of return selected by LACERA is reasonable for the purposes described above. We do note that for accounting purposes under Governmental Accounting Standards Board Statements 74 and 75, the effective rate used may be a blend of this long-term rate and a current bond index rate, as required in those standards.

¹ The "Survey of Capital Market Assumptions, 2018 Edition" published by Horizon Actuarial Services, LLC, does not include results for all possible classes of investable assets. As a result, we mapped allocations of OPEB Plan investments to asset classes that were not explicitly represented in survey results to a reasonable alternative that was included.



LONG-TERM HEALTH CARE COST TREND RATES

Annual per capita health care claims costs are expected to increase in future years as a result of medical inflation, utilization, leverage in the plan design, and improvements in technology adjusted for any implicit and/or explicit cost containment features. Long-term health care trend rates are typically used to reflect an assumed pattern of annual increases in expected health care claims costs and contributions (if applicable) during each period subsequent to the measurement date. ASOP 6 provides specific guidance concerning the selection of long-term health care cost rates for the purpose of measuring retiree group benefit plan obligations or establishing actuarially determined contribution amounts for these plans.

CMC reviewed the proposed long-term medical cost trend rates (Medical Trend Rates) provided in the 2018 Investigation of OPEB Program Experience Report. Milliman selected Medical Trend Rates based on the Society of Actuaries (SOA) Long Term Healthcare Cost Trends Model (v2019_b), which is often referred to as the “Getzen Model” because it was originally developed by Professor Thomas E. Getzen for the SOA. We note that one common criticism of the Getzen Model is that it generates a longer transition period from short-term trend rates to ultimate trend rates when compared to transition periods produced by other models. Another criticism, somewhat less commonly voiced, is that the Getzen Model is not elastic with respect to the development of trend rates for health care cost components, such as in-patient, out-patient, professional services, and prescription drug costs.

Our understanding is that Milliman has modified the Getzen Model to reflect:

- An offset to correct the implicit aging of the population—an artifact of the Getzen Model development process—included in trend rates as required under Section 3.12.1(a) of ASOP 6;
- An adjustment equal to the expected long-term rate of inflation plus 0.75% to reflect future changes in carrier administrative costs as recommended under Section 3.12.1(a) of ASOP 6;
- Adjustments to reflect the potential cost impacts of changes that may be applicable to certain health care plans under the Affordable Care Act (ACA), including but not limited to the excise tax on high-value health insurance plans, the cost of mandated benefits, and the addition of fees, such as the Patient-Centered Outcomes Research Institute (PCORI) fee, in accordance with the guidance provided in Section 3.12.1(a) of ASOP 6; and,
- Adjustments, if needed, to produce trend rates that are rounded to the nearest 0.1%.

CMC believes that the modifications outlined above are reasonable for the purposes stated herein.

The Getzen Model produces short-term, intermediate-term, and long-term rates based on various inputs provided by the user. Milliman selected the following inputs to calibrate the Getzen Model for the OPEB Program:

- Trends through 2022—These trend rates are based on information provided by LACERA’s health consultant, and reflect actual experience and changes as required under Section 3.7.11 of ASOP 6.
- 2028 GDP Percentage Share—The assumed percentage of the Gross Domestic Product dedicated to health care costs in 2028. The recommended range of percentages provided in the SOA-published “Getzen Model Long-Run Medical Cost Trends: Update for 2019 – 2028+” (2019 Getzen Model Manual) for the assumed health share of GDP in 2028 is 17.5% to 23.5%. Milliman selected the recommended value from the 2019 Getzen Model Manual—a 20.5% health share of GDP in 2028.



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- **Inflation Rate**—The recommended range for inflation rates provided in the 2019 Getzen Model Manual is 1.50% to 4.00%. As required under Section 3.12 of ASOP 27, Milliman selected a 2.75% inflation assumption, which is consistent with the expected long-term rate of inflation selected by LACERA and used for various purposes as of June 30, 2018.
- **Real GDP Per Capita Growth**—The expected growth in Real GDP during future periods. Table II.C1 in the 2018 Medicare Trustees Report shows a range of real wage growth rates from 0.60% (“Low-Cost”) to 1.80% (“High-Cost”). Milliman selected the recommended value from the 2019 Getzen Model Manual—1.50% per year growth in Real GDP.
- **Excess Medical Cost Growth**—The ratio of expected increases in health care expenditures over expected increases in income and wages. Milliman selected the 1.20% recommended value for this parameter provided in the 2019 Getzen Model Manual.
- **GDP Resistance Point and Limit Year**—The projected health share of GDP percentage where additional increases in costs meet resistance and the year in which this limit is expected to be reached. Milliman selected the 25.0% recommended value for the GDP Resistance Point, and 2075 for the GDP Limit Year, provided in the 2019 Getzen Model Manual.

The values listed above for the parameters used in the Getzen Model are all within ranges produced and accepted by researchers, forecasters, government officials, and other interested parties, and appear to meet the criteria outlined in Section 3.6 of ASOP 27, as well as the requirements in Section 3.12.5 of ASOP 6, concerning the selection of reasonable assumptions. As a result, CMC believes that the inputs selected by Milliman for the purposes of calibrating the Getzen Model for the OPEB Program are reasonable. Overall, CMC did not uncover any concerns with the parameters or modifications employed by Milliman in their use of the Getzen Model, and we have determined that the Getzen Model described above is an acceptable basis for the selection of long-term medical cost trend rates for the OPEB Program.

CMC also reviewed the proposed long-term dental / vision cost trend rates provided in the 2018 Investigation of OPEB Program Experience Report. Milliman selected a 4.25% underlying dental / vision trend rate, which was developed based on the expected long-term rate of inflation (2.75%) plus 1.50%. As required under Section 3.12 of ASOP 27, these parameters are consistent with the values selected for similar inputs used in the development of long-term medical cost trend rates. CMC believes that the inputs selected by Milliman for the purposes of developing the 4.25% underlying dental / vision trend rate are reasonable.

MEDICARE PART B PREMIUM TREND RATES

CMC reviewed the proposed Medicare Part B premium trend rates contained in Exhibit 7–6 in the 2018 Investigation of OPEB Program Experience Report. The proposed Medicare Part B premium trend rates initially start at 9.40% and grade down to an ultimate rate equal to 4.30%. Medicare Part B Premium increases are subject to a statutory “hold harmless” provision that limits annual increases in Part B premiums to the increase, if any, included in Social Security benefits. According to a 2017 CMS announcement, this “hold harmless” provision usually applies to approximately 70% percent of Part B enrollees each year, but the percentage of “hold harmless Part B enrollees” who will pay less than the full monthly premium was projected to drop to around 28% in 2018. In late 2018, CMS estimated that only about 3.50% of “hold-harmless Part B enrollees” were expected to pay less than the full 2019 monthly premium. Based on this anecdotal evidence, we would expect to see a large initial trend rate followed by more-or-less steady state trends in subsequent periods. The proposed Medicare Part B trend rates follow this pattern. As a result, we believe that the proposed trend rates are reasonable for the purposes stated herein.



Section XIII — Findings and Conclusions from the Actuarial Review

In general, we find Milliman’s work to be accurate and complete, and we have not identified any material findings.

We have no findings of material discrepancies with generally accepted actuarial principles or professional standards, and our recommendations are limited to suggesting minor improvements to the OPEB Program Experience Study process. We have summarized our recommendations for future experience studies:

- In our report, we identified some areas in which we believe there could be some simplification of assumptions. We recognize that there may be valid reasons for the more complex assumptions, and do not disagree with those assumptions. However, some simplification could be made with only a very minor change in results.
- In our opinion, it is helpful to add some commentary as to the rationale in changing assumptions. This helps provide documentation of the thought process behind the recommended changes. While Milliman does this to some extent, we would suggest they expand this discussion. This is a preference issue, of course, and we recognize that each firm and consultant have personal styles, and that the client’s wishes are also a significant consideration.

As part of the actuarial review of the 2018 OPEB Program Actuarial Valuation Report scheduled later this year, we will be reviewing Milliman’s valuation process and confirming the valuation results. As part of that project, we will be reviewing the reasonableness of Milliman’s estimated cost impact of the proposed assumption changes. While we are not able to fully quantify the changes at this point, we believe the changes are reasonable in light of general actuarial rules of thumb and our experience with other OPEB plans.

Attachment 5

Milliman's Presentation slides

Los Angeles County OPEB Program

2018 Valuation Results

Robert Schmidt, FSA, EA, MAAA
Janet Jennings, ASA, MAAA
AUGUST 7, 2019



Agenda

Highlights

Timeline

Process Summary

Assumptions

Valuation Summary Results

Historical Information

Cavanaugh Macdonald Review

Questions and Comments

Appendix

Glossary

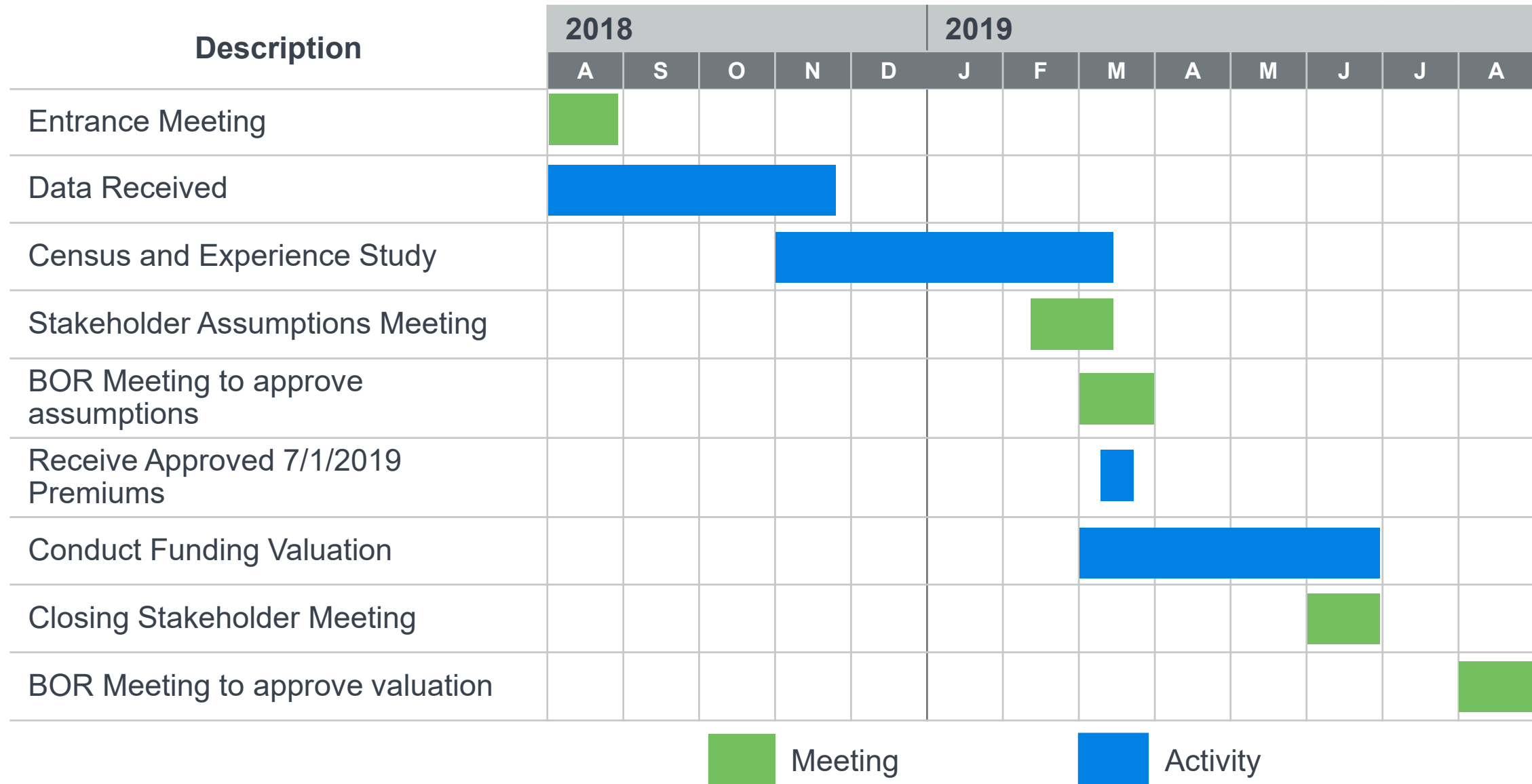
Highlights

Highlights

- First valuation under an agent structure
- Reduction in liabilities and costs
 - Increase in discount rate from the 2018 experience study
 - Favorable July 1, 2019 renewals
 - Assets performing better than expected
- Membership continues to increase
- Stakeholder collaboration
- Actuarial review by Cavanaugh Macdonald

Timeline

Timeline



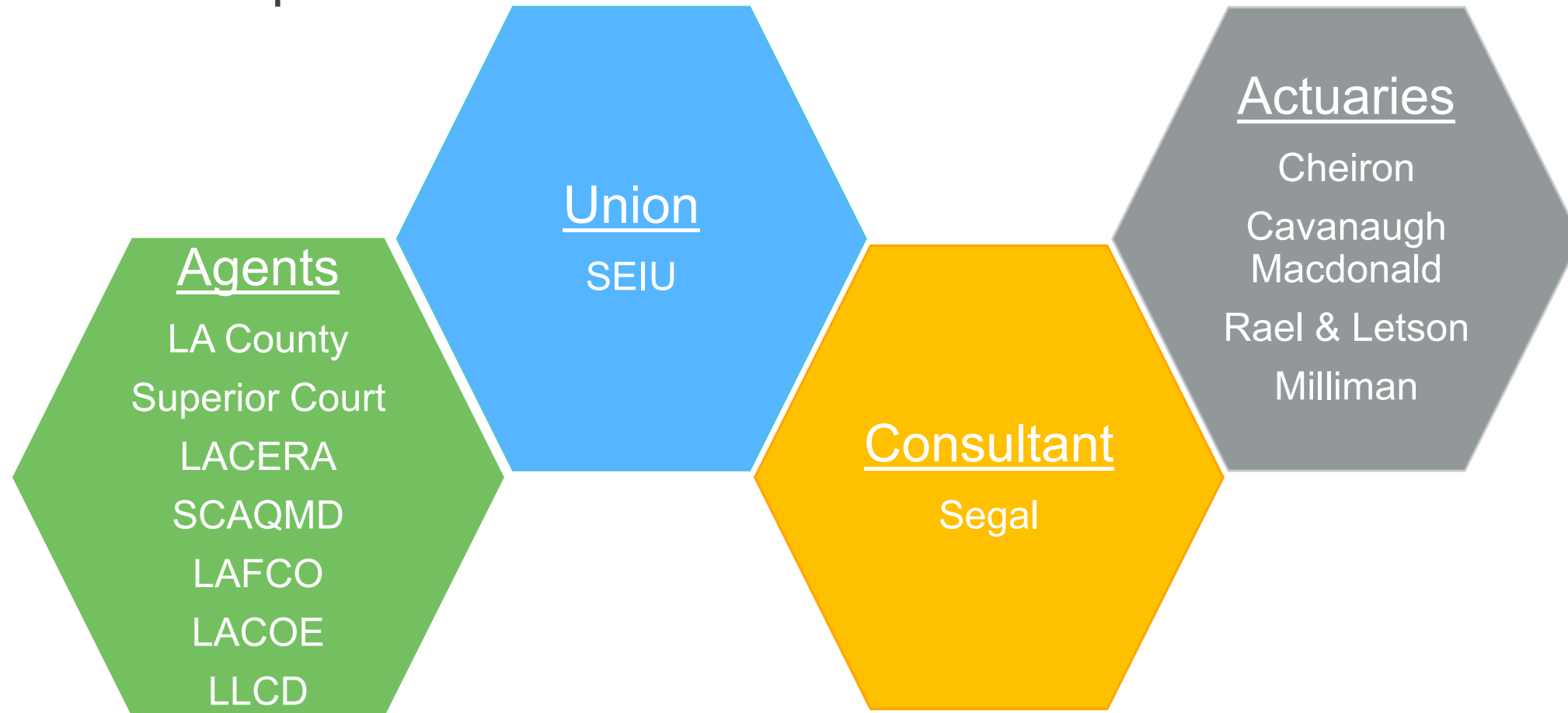
Process Summary

Process Summary

- July 1, 2016 Last OPEB Experience Study
- July 1, 2017 Last OPEB Funding Valuation
- July 1, 2018 Experience Study and July 1, 2018 Funding Valuation
- July 1, 2019 OPEB Funding Valuation
- July 1, 2020 OPEB Experience Study and Funding Valuation
- Experience study returns to three year cycle
- Continue with annual funding valuations

Process Summary (continued)

- Similar to the July 1, 2016 experience study and July 1, 2016 valuation
- Collaborative process



Process Summary (continued)

- Experience study assumptions
 - 2016 Retirement benefit related demographic and economic assumptions
 - 2018 Vested terminated members retirement rates
 - 2018 OPEB demographic assumptions
 - Health initial enrollment, health plan and coverage tier selection, and other OPEB assumptions
 - 2018 OPEB economic assumptions (discount rate and trend)
- Experience study cost method change from PUC to EAN
- Valuation assumption changes
 - Claim costs
 - Trend updated with July 1, 2019 premiums and ACA fee adjustments
- Valuation based on
 - June 30, 2018 census data
 - July 1, 2018 and July 1, 2019 health plan premiums

Assumptions

Investment Return and Health Assumptions

The Investment Return Assumption was set in the 2018 Experience Study.

- Agents that are prefunding through the OPEB Trust have an expected return of 6.00% based on Meketa's 2018 capital market assumptions.
- Agents not prefunding through the OPEB Trust have an expected return of 3.69% based on the County general assets.

The following assumptions were updated after the 2018 Experience Study

- Medical and Dental/Vision claim costs
- Health cost trend rates with adjustments for July 1, 2019 premiums and calendar year 2019 ACA health insurer fee moratorium
 - Medical
 - Dental/Vision

Valuation Summary Results

Analysis of Change

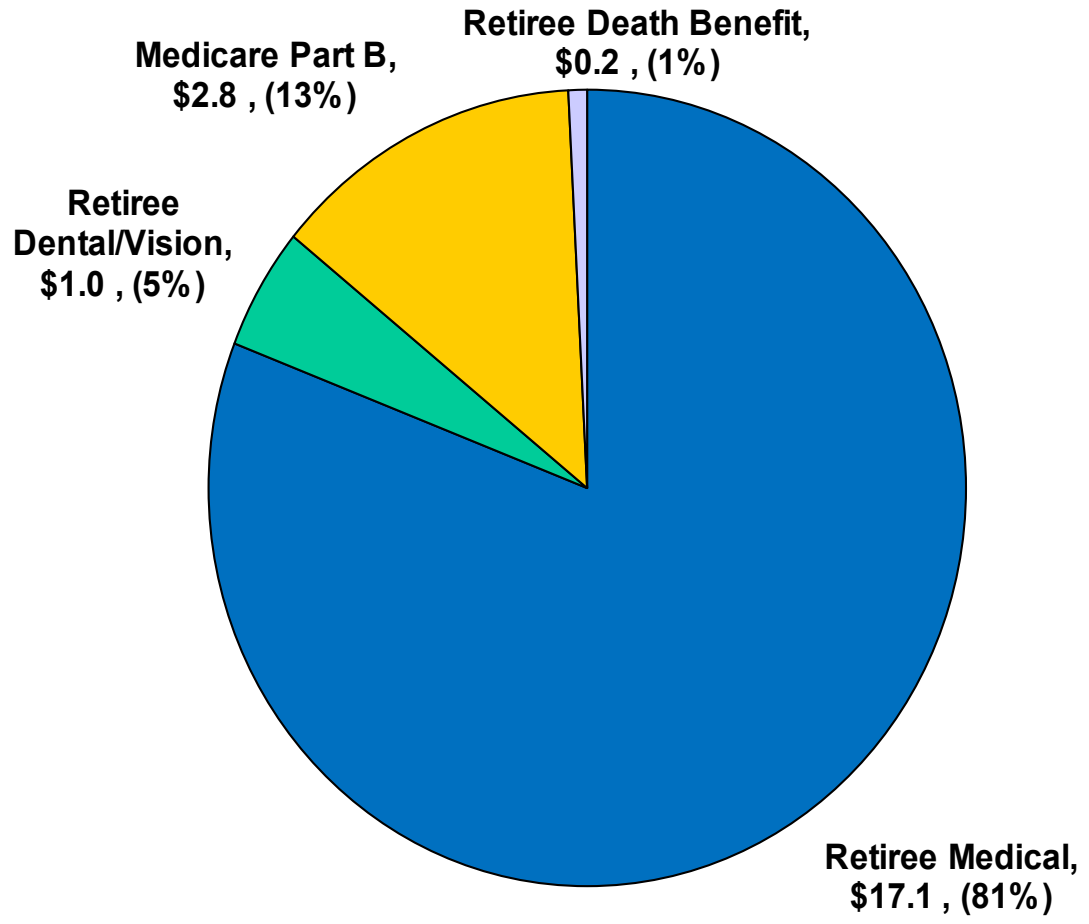
| Sources of Change | Actuarial Accrued Liability | (Assets) | Unfunded Actuarial Accrued Liability | Normal Cost Rate | ADC Percentage |
|--|-----------------------------------|-----------|---|---------------------|-------------------|
| A. July 1, 2017 Valuation | \$ 26.30 | \$ (0.74) | \$ 25.56 | 12.54% | 25.57% |
| Recognition of Excise Tax | 1.41 | - | 1.41 | 1.14% | 1.85% |
| 2018 Experience Study Changes ¹ | (6.94) | - | (6.94) | (5.03%) | (6.47%) |
| Expected One-year Change | 1.34 | (0.17) | 1.17 | 0.09% | (1.74%) |
| B. July 1, 2018 Valuation Expected | \$ 22.11 | \$ (0.91) | \$ 21.20 | 8.74% | 19.21% |
| Claim Cost Experience | (0.51) | - | (0.51) | (0.21%) | (0.51%) |
| Trend Assumption (Gain)/Loss ² | (0.55) | - | (0.55) | (0.23%) | (0.56%) |
| Other Experience (Gain)/Loss | 0.02 | - | 0.02 | 0.11% | 2.44% |
| Asset (Gain)/Loss | - | (0.03) | (0.03) | 0.00% | (0.02%) |
| C. July 1, 2018 Valuation | \$ 21.07 | \$ (0.94) | \$ 20.13 | 8.41% | 20.56% |

¹ Nearly all of the change is due to the investment earnings assumption change. Please refer to the July 1, 2018 funding valuation report, Section 2B "Background on Accounting Requirements" for details of this change.

² Includes impact of July 1, 2019 renewals and the Health Insurer Fee

All dollar amounts are expressed in billions.

Actuarial Accrued Liability by Benefit Type

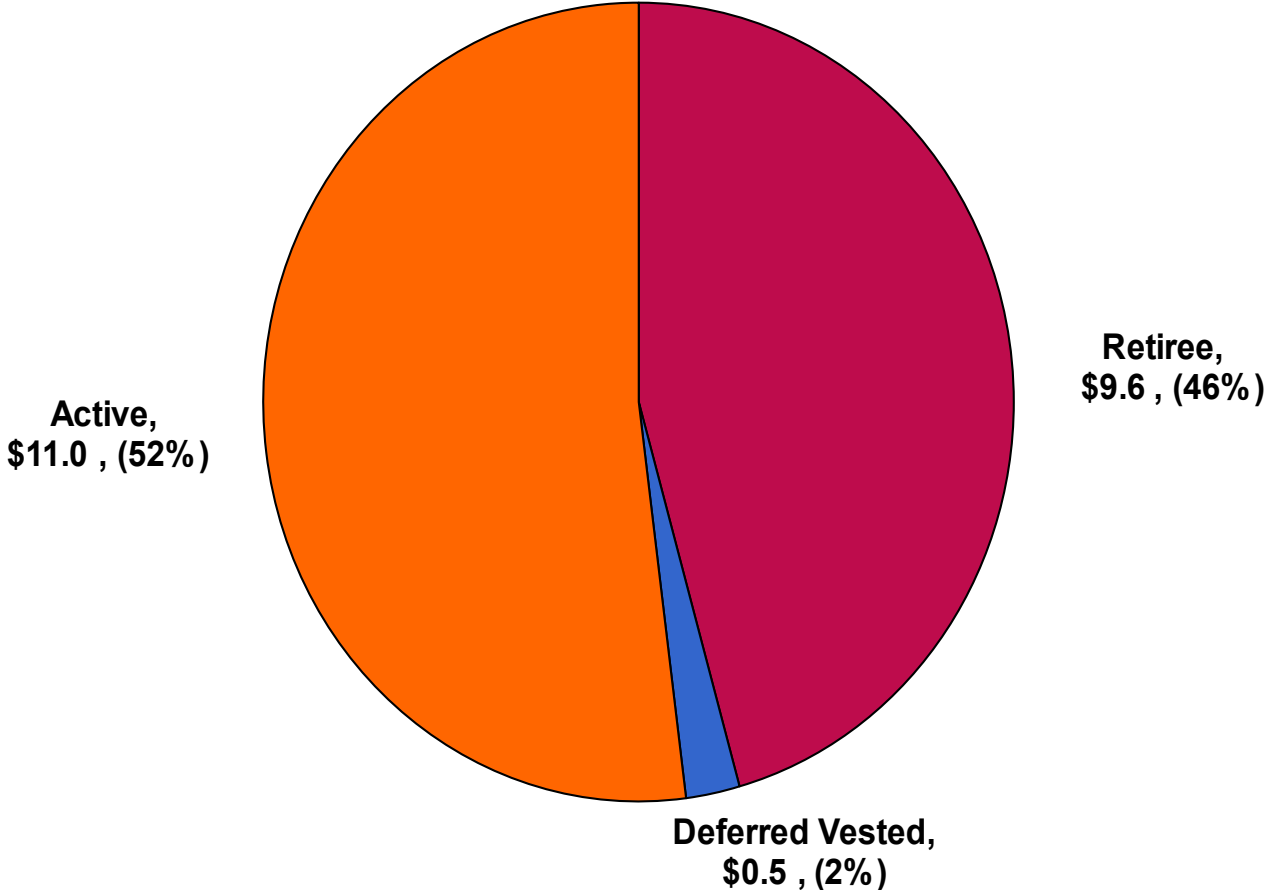


All dollar amounts are expressed in billions.



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Actuarial Accrued Liability by Member Status

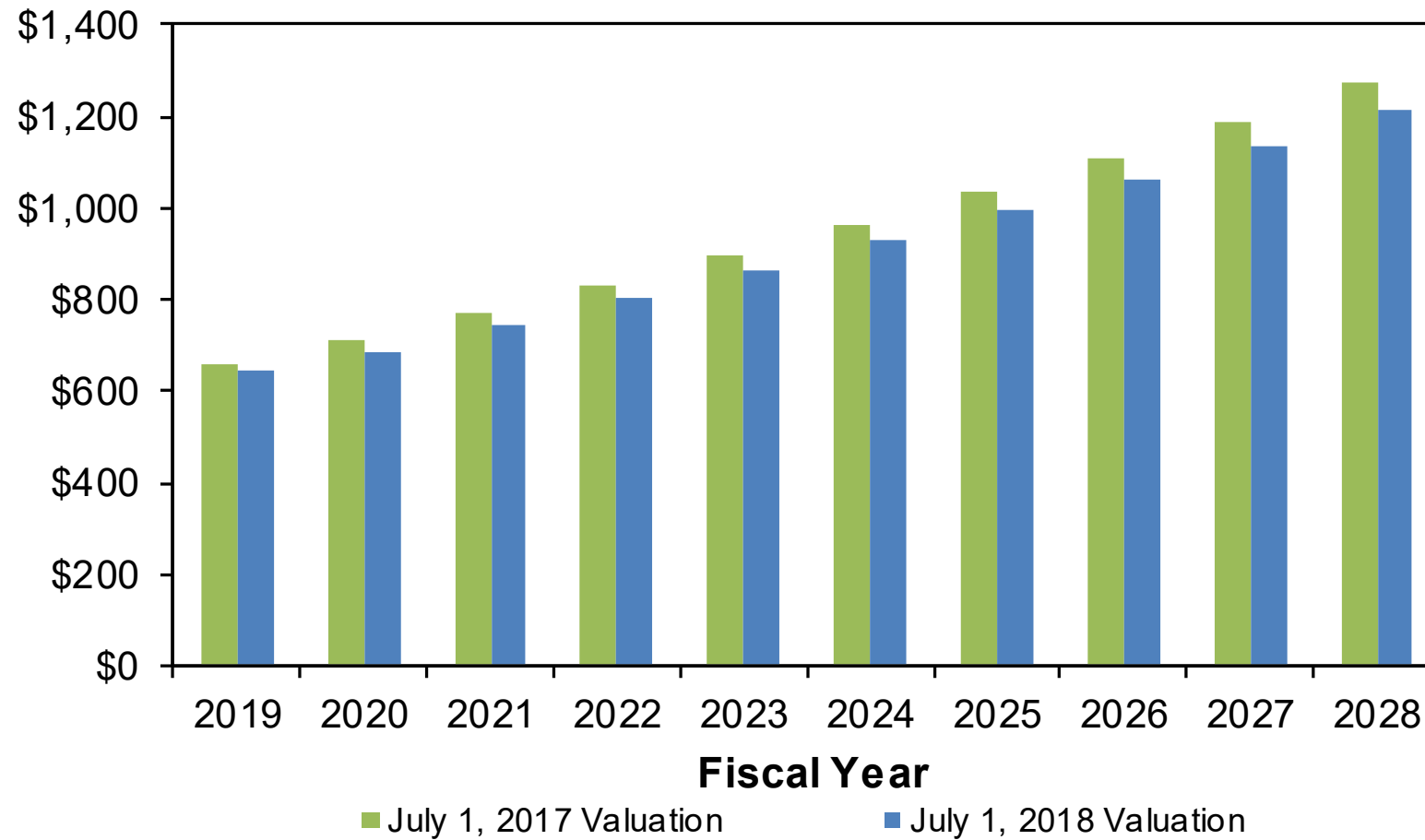


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Projected Paid Benefits



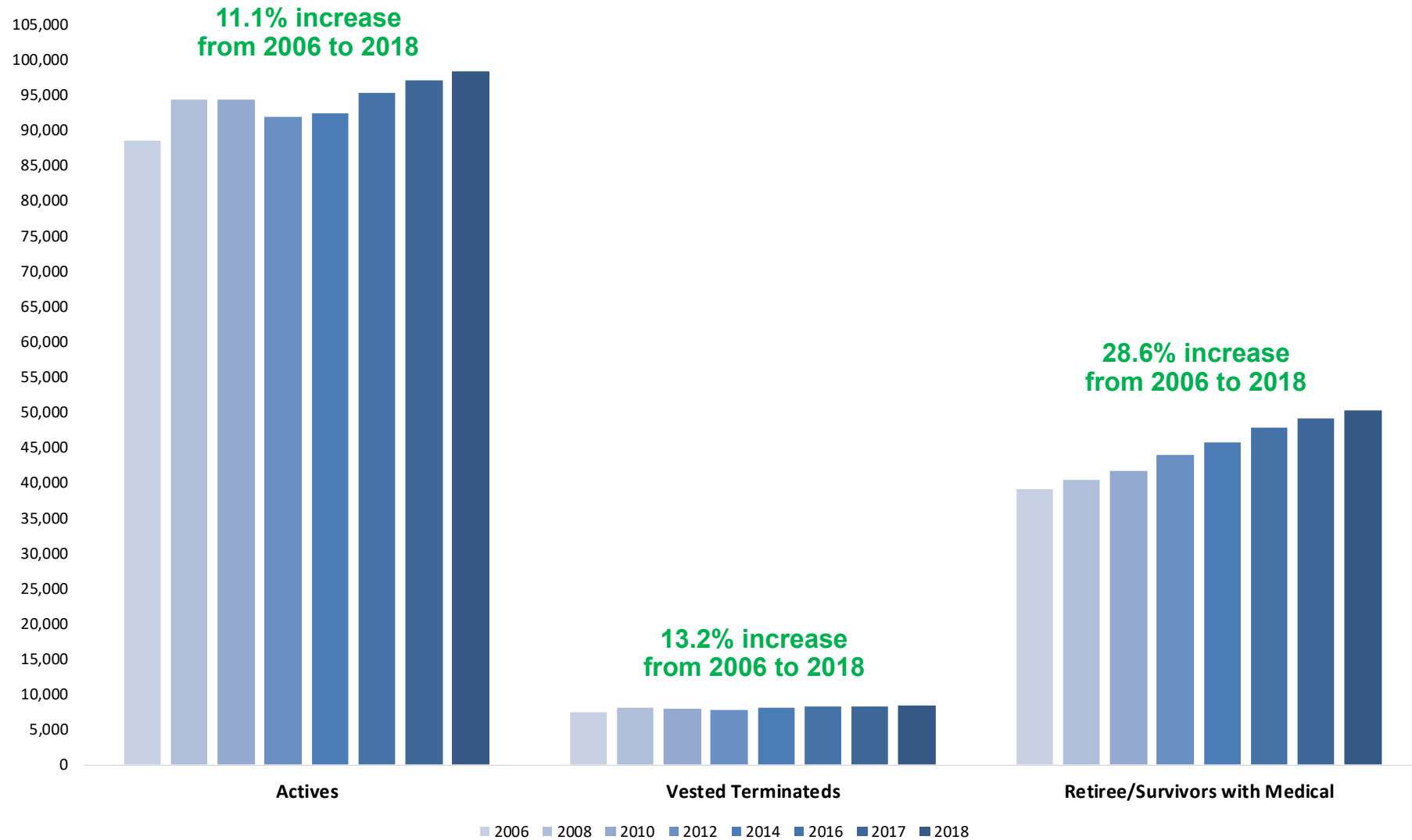
All amounts are expressed in millions of dollars.

Historical Information

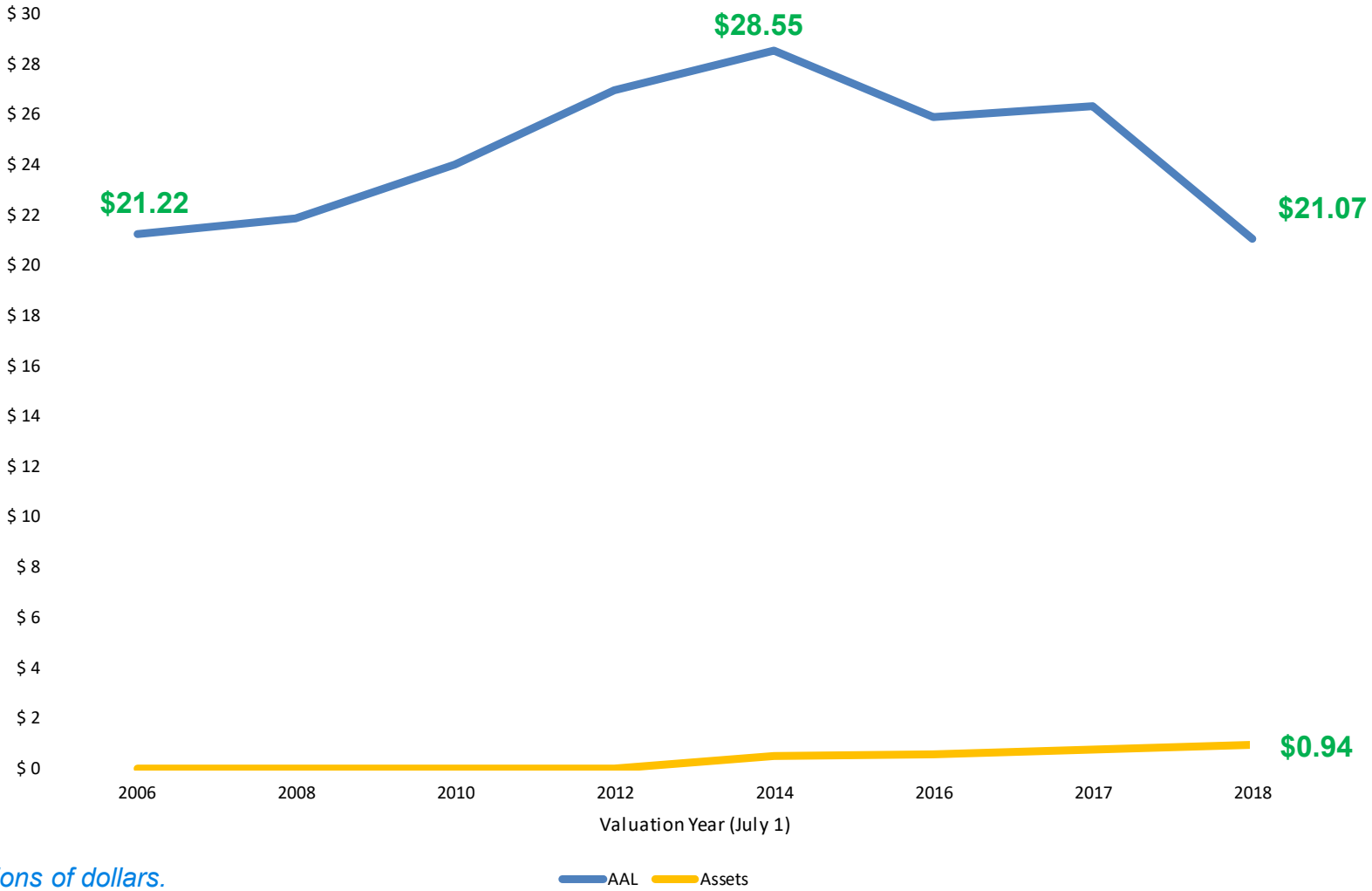
History of Changes

| Valuation Year | Investment Return Assumption | | Changes |
|----------------|------------------------------|-------------------|--|
| | Prefunding Agents | Outside Districts | |
| 2006 | 5.00% | 5.00% | Initial OPEB Valuation and Segal actuarial review |
| 2008 | 5.00% | 5.00% | Investigation of Experience Study |
| 2010 | 5.00% | 5.00% | Investigation of Experience Study and Segal actuarial review |
| 2012 | 4.35% | 4.35% | 2013 Investigation of Experience Study |
| 2014 | 3.75% | 3.75% | Initial Valuation with OPEB Trust assets |
| 2016 | 4.50% | 4.50% | Initial Valuation reflecting Tier 2, Investigation of Experience Study and Segal actuarial review |
| 2017 | 4.50% | 4.50% | Beginning of annual valuations |
| 2018 | 6.00% | 3.69% | Initial agent Valuation, 2018 Investigation of Experience Study and Cavanaugh Macdonald actuarial review |

Number of Members Increasing, Particularly Retirees



Actuarial Accrued Liability (AAL) and Assets

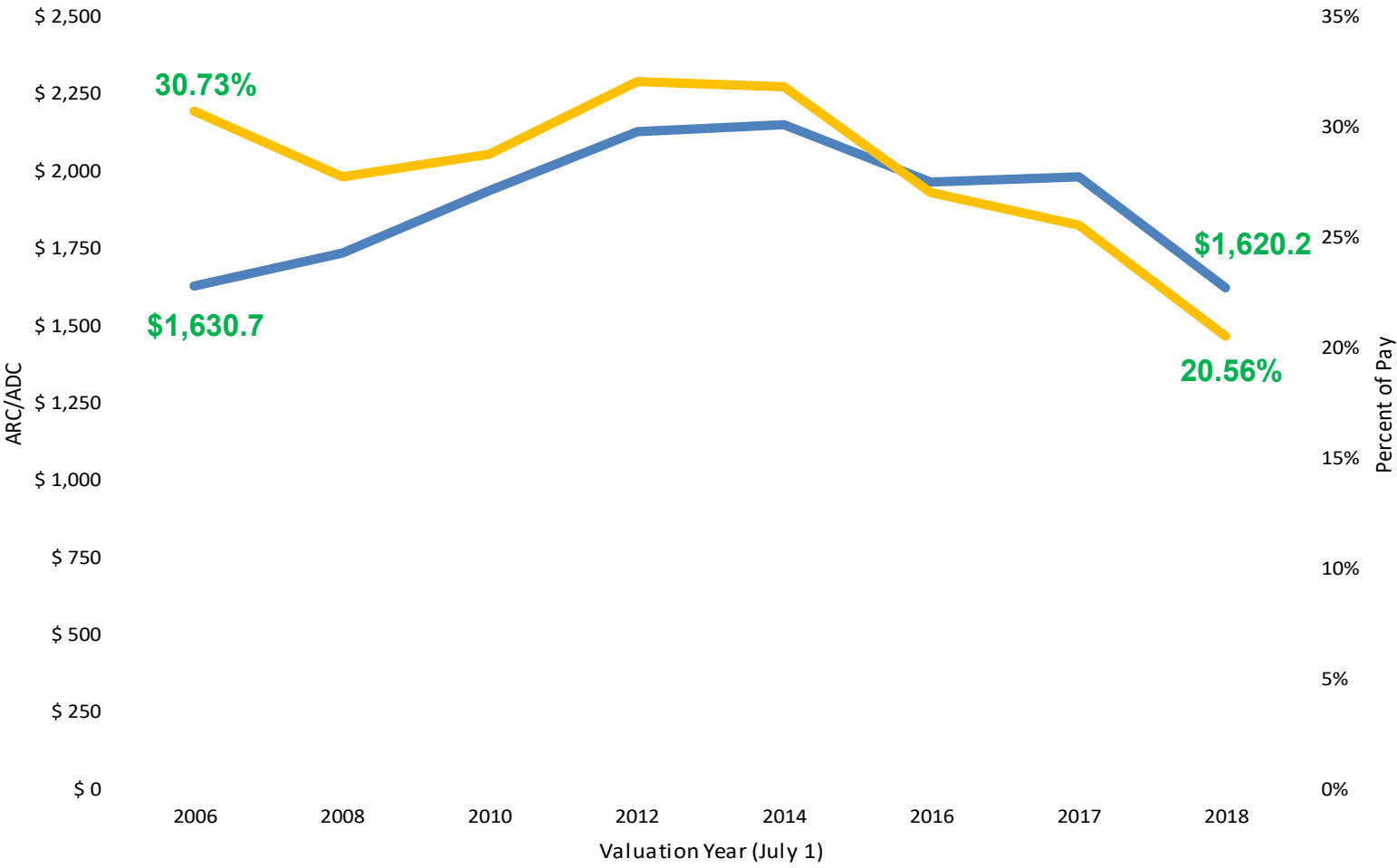


All amounts are expressed in billions of dollars.



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ARC/ADC History



All dollar amounts are expressed in millions of dollars.

— ARC/ADC — ARC/ADC as a % of Pay



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Cavanaugh Macdonald Review

Questions and Comments?

Appendix

Investment Earnings Approach Background

- The investment earnings assumption for Government Accounting Standards Board (GASB) accounting and funding used to be the same
 - Blended of expected return from the OPEB Trust and General Assets
 - Based on the percent of Annual Required Contribution (ARC) that was funded
- New GASB statements now have a more prescribed approach for accounting
- For funding, using an approach consistent with actuarial standards for the discount rate assumption

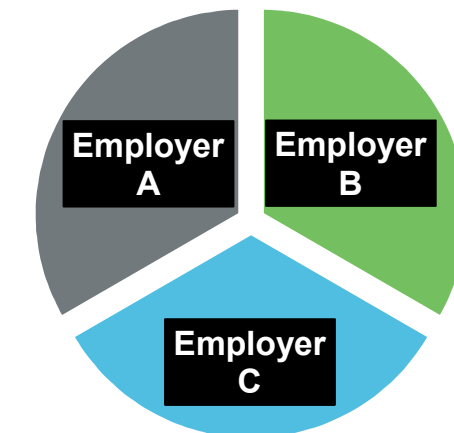
Investment Earnings for Each Agent

- Cost sharing has combined assets with proportionate shares
- OPEB reporting changed from Cost Sharing to Agent effective July 1, 2018
- Pre-funding creates need for more explicit asset tracking
 - Employers have different funding policies
 - Necessitates an agent structure
- Agent structure partitions assets according to each employer's funding actions
- Each agent's investment earnings assumption should be aligned with their funding policy
 - For agents that are pre-funding, the OPEB Trust return is supported by actuarial standards
 - For agents that are not pre-funding, the County general fund investment earnings is used

Cost Sharing Plan



Agent Plan



Investment Earnings – OPEB Trust

- The OPEB Trust expected return is 6.00%
- Based on Meketa’s 2018 capital market assumptions and investment forecast model

| Asset Class | Estimated Annual Arithmetic Return | Asset Allocation |
|--|------------------------------------|------------------|
| Cash | 1.81% | 2.00% |
| Investment Grade Bonds | 2.78% | 8.00% |
| TIPS | 3.08% | 6.00% |
| High Yield Bonds | 4.98% | 6.00% |
| Bank Loans | 4.80% | 10.00% |
| Emerging Market Bonds | 5.75% | 4.00% |
| Global Equity | 8.01% | 50.00% |
| REIT's | 10.26% | 10.00% |
| Commodities | 7.02% | 4.00% |
| Expected Arithmetic Return (10 yrs) ⁽¹⁾ | | 6.07% |
| Expected Geometric Return (10 yrs) ⁽²⁾ | | 6.00% |

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

Investment Earnings – General Assets

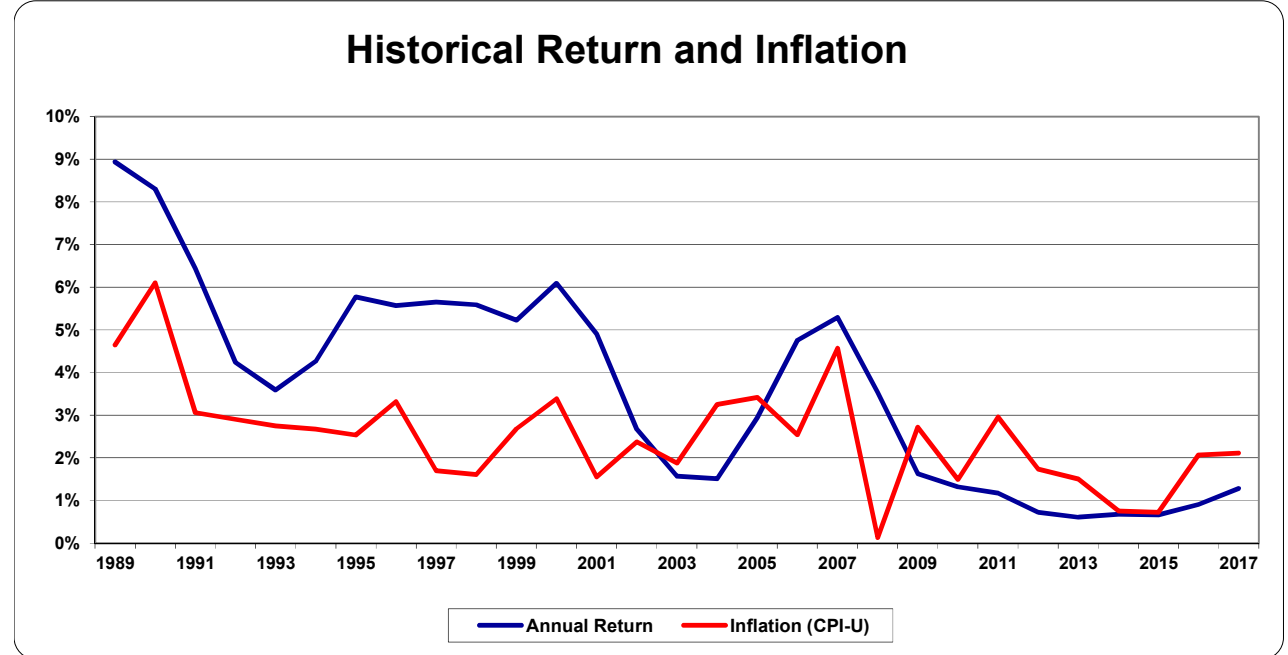
- Based on June 30, 2018 County General Fund balance sheet
- Assumption of 3.69% is within the building block approach range

| Asset Class | Expected Arithmetic Nominal Return (30 yrs) | Asset Allocation |
|--|---|------------------|
| Cash | 3.04% | 37.41% |
| Short-term U.S. Bonds | 4.10% | 62.59% |
| Expected Arithmetic Return (30 yrs) ⁽¹⁾ | | 3.70% |
| Expected Geometric Return (30 yrs) ⁽²⁾ | | 3.69% |

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

Investment Earnings – General Assets Building Block Approach

- Real returns on County general assets from 1989 through 2017 averaged 1.1% per year
- However, current projections indicate that real returns of 0.5% to 1.0% are more likely going forward based on the current asset allocation
- With 2.75% inflation, the range is between 3.25% and 3.75%



Investment Earnings by Agent

OPEB Trust Long Term Rate of Return (6.00%)

- Pre-funding Agents
 - County
 - LACERA
 - Superior Court

General Assets Rate of Return (3.69%) *

- Portion of Agent funded by County
 - SCAQMD
 - LAFCO
 - LACOE
 - LLCD (100% County)

General Assets Rate of Return (3.69%)

- Portion of Agent not funded by County
 - SCAQMD
 - LAFCO
 - LACOE

- Change from prior 4.50% assumption to new 2018 OPEB Experience Study assumption results in a 25.08% decrease in AAL and a decrease in ADC of 6.06% of payroll from the 2018 OPEB Experience Study.

* The discount rate for this group changed from 6.00% in the 2018 OPEB Experience Study to 3.69% in the July 1, 2018 OPEB Funding Valuation due to a change in the special funding decision.

Actuarial Cost Method (PUC) to (EAN)

- The actuarial cost method is a way to divide liabilities between the Actuarial Accrued Liability (AAL) and the future Normal Costs (NC)
- LACERA has been using Projected Unit Credit (PUC)
 - Funding and GASB 43 and 45 accounting
- LACERA must now use Entry Age Normal (EAN)
 - For GASB 74 and 75 accounting
- We recommend EAN for funding effective with the July 1, 2018 valuation
 - Consistency between funding and accounting is desirable
 - Will also be consistent with retirement program actuarial cost method
 - This change is a “shift” from AAL to future normal costs
- Impact of change is a 2.25% increase in AAL and a 0.38% of payroll increase in ADC

Glossary

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.

| | |
|--|---|
| Affordable Care Act (“ACA”) | A law enacted with the goal of providing all Americans access to affordable health insurance. |
| Actuarial Accrued Liability (“AAL”) | 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. |

Glossary (continued)

| | |
|---|--|
| 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. LACERA has adopted market value. |
| Amortization Payment | That portion of the ADC that is designed to recognize interest on and to amortize the Unfunded Actuarial Accrued Liability. |
| Actuarially Determined Contributions (“ADC”) | This is the employer's periodic contribution to a defined benefit OPEB plan, calculated in accordance with Actuarial Standards of Practice. |
| Annual Required Contributions (“ARC”) | This is the employer's periodic required contribution to a defined benefit OPEB plan, calculated in accordance with the set requirements for calculating actuarially determined OPEB information included in financial reports. This was a GASB 45 concept that is no longer used. |

Glossary (continued)

| | |
|---------------------------------|--|
| 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. |
| Entry Age Normal (“EAN”) | Actuarial Cost Method that allocates the present value of the projected benefits of each individual included in the valuation as a level percentage of the individual’s projected compensation between entry age and assumed exit (until maximum retirement age). |
| 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. |

Glossary (continued)

| | |
|--|--|
| Normal Cost (“NC”) | 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 (“PVFB”) | This is the value, as of the applicable date, of future payments for benefits and expenses under the Plan, where each payment is: <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 Unit Credit (“PUC”) | Actuarial Cost Method that takes 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. |

Glossary (continued)

| | |
|--|---|
| Projected Benefits | 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. |
| Substantive Plan | 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. |
| Trend Rate | 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. |
| Unfunded Actuarial Accrued Liability (“UAAL”) | The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. |



Thank you

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Janet Jennings

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Limitations and Reliances

This presentation is subject to the same data, methods, assumptions, and plan provisions as in the July 1, 2018 Experience Study report issued June 25, 2019 and in the July 1, 2018 Valuation report issued June 26, 2019.

- All caveats, limitations, and certifications from those reports apply to this presentation.



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



Janet Jennings, ASA, MAAA
Associate Actuary

July 24, 2019

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Vivian H. Gray
Ronald A. Okum
J.P. Harris, Alternate

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: Legislative Proposal—Board Self-Evaluations in Closed Session

RECOMMENDATION

That the Board of Retirement consider whether to:

1. Approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform relating to board self-evaluations held in closed session; or
2. Alternatively, if the legislative proposal is submitted to but not approved by the SACRS membership for inclusion in the SACRS 2020 Legislative Platform, sponsor legislation relating to board self-evaluations held in closed session.

BACKGROUND

Under the California Constitution, retirement boards of public retirement systems have sole and exclusive fiduciary responsibility over the assets of a public retirement system; retirement boards also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and services to participants and beneficiaries. A retirement board's duty to its participants and beneficiaries take precedence over any other duty, and retirement board members must discharge their duties with care, skill, prudence, and diligence.

As fiduciaries, retirement board members are tasked with a large number of duties and responsibilities. For example, the summary documents entitled "Powers and Duties of Retirement Board Members" and "Powers and Duties of Investment Board Members," which are provided to voters to enable them to evaluate candidates for the LACERA boards, contain 11 categories of duties. These include attending board and committee meetings (including reviewing relevant meeting materials); overseeing LACERA management through policies, procedures, governance processes, operational reports, and budgets; reviewing disability retirement applications; overseeing litigation, vendors, and consultants; ensuring legal compliance; and overseeing investments.

The members of the LACERA boards make many important administrative and investment decisions to fulfill LACERA's mission. Board members are currently required to receive a minimum of 24 hours of education every two years related to topics such as fiduciary responsibilities, ethics, pension funding, and pension fund governance. Ongoing education ensures that board members have the necessary skills and knowledge to perform their duties and fulfill their responsibilities.

Although the LACERA boards are required by law to receive a minimum level of continuing education on a regular basis but are not required to conduct self-evaluations, periodic board self-evaluations are generally considered a best practice to ensure continuous improvement in good board governance. Board self-evaluations can foster open communication, reinforce accountability to stakeholders, and enhance board effectiveness through a shared understanding of strategic goals and objectives.

The Board of Investments (BOI) Charter currently provides that a self-assessment (i.e., self-evaluation) of the BOI's effectiveness of its performance in achieving its objectives, its committees, and its use of consultants be conducted on at least an annual basis. The Board of Retirement (BOR) Charter does not contain a policy on self-evaluations.

On December 17, 2018, trustee Shawn Kehoe requested that staff place an item for discussion by the Insurance, Benefits and Legislative Committee on sponsoring legislation that would allow board self-evaluations to be conducted in closed session. At its January 10, 2019 meeting, the Insurance, Benefits and Legislative Committee discussed the staff memorandum dated December 28, 2018 that outlined the issue of the Ralph M. Brown Act not providing an exception for board self-evaluations to be conducted in closed session. Staff was further instructed to provide an action plan for a legislative proposal that would provide for such an exception.

Staff is providing this legislative proposal for consideration by the Insurance, Benefits and Legislative Committee and the BOR and BOI. If approved, the proposal will be submitted to the SACRS Legislative Committee for inclusion in its 2020 Legislative Platform, which is expected to be voted on by the SACRS membership at the SACRS 2019 Fall Conference. However, if the SACRS membership does not approve inclusion of the proposal, staff recommends that BOR and BOI sponsor the legislation.

LEGISLATIVE POLICY STANDARD

LACERA's Legislative Policy does not contain a legislative policy standard related to expanding the Ralph M. Brown Act to provide for board self-evaluations to be conducted in closed session. However, the BOR and BOI are to address administrative and organizational matters that affect both boards (Legislative Policy, page 7). Therefore, approval of this proposal is subject to determination by the BOR and BOI.

CURRENT LAW

The Ralph M. Brown Act (Government Code Sections 54950 – 54963) provides that the actions and deliberations of local public agencies are conducted in open and public

meetings with posted agendas. The Brown Act enables members of the public to attend and participate in local agency meetings. Courts have construed the Brown Act liberally in favor of openness and narrowly with respect to the law's limited exemptions.

The Brown Act applies to meetings of the legislative body of a local agency. Local agencies include counties, cities, school districts, municipal corporations, special districts, any board, commission, or agency thereof, and other local public agencies. The legislative body is the governing body of a local agency or any other local body created by state or federal law. As the governing bodies of the retirement system for the County of Los Angeles created under state law, the BOR and BOI of LACERA are subject to the Brown Act.

The Brown Act provides for closed sessions under certain limited circumstances most commonly to avoid revealing confidential information. A matter can only be considered in closed session if specifically provided for by the Brown Act and not merely because the matter is sensitive, embarrassing, or controversial.

ISSUE

Assuming the BOR will also have a policy on self-evaluations like the BOI, the self-evaluations of both boards must be conducted in open session because there is currently no provision in the Brown Act that allows board self-evaluations to be held in closed session, which would provide an environment conducive to candor and self-reflection by individual board members. If the LACERA boards determine that board self-evaluations should be conducted in closed session, then the Brown Act must be amended to specifically provide that board self-evaluations be allowed to be held in closed session.

PROPOSED SOLUTION

The Brown Act's provisions that relate to closed sessions consist of two parts. One part provides how the closed session item is described on the agenda. The other part is a specific provision that describes the nature and purpose of the item to be considered in closed session. If board self-evaluations are to be considered in closed session, then the Brown Act must be amended to provide the manner in which board self-evaluations are described on the agenda and to specifically provide that board self-evaluations may be held in closed session.

Accordingly, staff proposes two changes to the Brown Act:

- Add a new subdivision (l) to existing Government Code Section 54954.5 that would describe a board self-evaluation as a closed session item on the agenda.
- Add a new Section 54956.97 to the Government Code that would provide for board self-evaluations to be held in closed session and provides a definition of board self-evaluations.

Attached is the legislative proposal to the SACRS Legislative Committee and contains specific language for the proposed solution. Note that this language may change in the course of the legislative process due to further formulation and legislative drafting practices, including review by the Legislature’s Legislative Counsel. As such, the following is a list of key elements that should be in the legislation in order to meet the objectives of this proposal.

Elements of the Proposed Solution

- Agenda item entitled “BOARD SELF-EVALUATION” with additional information regarding agencies and individuals acting as consultants who facilitate the board self-evaluation.
- Authority for the legislative body of a local agency to conduct a board self-evaluation in closed session.
- Definition of “board self-evaluation.”
 - Evaluation process to assess board performance.
 - Uses quantitative and qualitative techniques.
 - Facilitated by local agency staff or external consultants.
 - Scope of evaluation process includes but is not limited to assessing board processes, reviewing board and committee performance, and enhancing skills and competencies of board members.
- Provides that no action shall be taken in the closed session with respect to the board self-evaluation, so that follow-up implementation of ideas generated during the evaluation is discussed in open session.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD consider whether to:

1. Approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform relating to board self-evaluations held in closed session; or
2. Alternatively, if the legislative proposal is submitted to but not approved by the SACRS membership for inclusion in the SACRS 2020 Legislative Platform, sponsor legislation relating to board self-evaluations held in closed session.

Attachment

SACRS 2020 Legislative Platform

cc: Steven P. Rice
JJ Popowich
Joe Ackler, Acker & Associates

SACRS 2020 Legislative Platform Submission Information

- **Title of Issue**
Board Self-Evaluations in Closed Session
- **Retirement Association/Name**
Los Angeles County Employees Retirement Association
- **Contact Name**
Barry Lew, Legislative Affairs Officer
- **Contact Phone Number**
626-564-2370
- **Contact Email Address**
blew@lacera.com
- **Description of Issue**
Periodic board self-evaluations are generally considered a best practice to ensure continuous improvement in good board governance. Board self-evaluations can foster open communication, reinforce accountability to stakeholders, and enhance board effectiveness through a shared understanding of strategic goals and objectives.

The Ralph M. Brown Act (Government Code Sections 54950 – 54963) provides that the actions and deliberations of local public agencies are conducted in open and public meetings with posted agendas. The Brown Act provides for closed sessions under certain limited circumstances most commonly to avoid revealing confidential information.

There is currently no provision in the Brown Act that allows board self-evaluations to be held in closed session, which would provide an environment conducive to candor and self-reflection by individual board members.
- **Recommended Solution**
Amend the Brown Act to provide the manner in which board self-evaluations are described on the agenda and to specifically provide that board self-evaluations may be held in closed session.

-- Add a new subdivision (l) to existing Government Code Section 54954.5 that would describe a board self-evaluation as a closed session item on the agenda.

-- Add a new Section 54956.97 to the Government Code that would provide for board self-evaluations to be held in closed session and provides a definition of board self-evaluations.

- **Specific language changed or added to the 1937 Act and suggested code section number(s)**

Add a new Subdivision (I) to Section 54954.5 of the Government Code:

54954.5. (I) With respect to every item of business to be discussed in closed session pursuant to Section 54956.97:

BOARD SELF-EVALUATION

(Additional information listing the names of agencies or title of representatives facilitating the closed session as consultants.)

Add a new Section 54956.97 to the Government Code:

54956.97 (a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency from holding a closed session to conduct a board self-evaluation. No action shall be taken in the closed session with respect to the board self-evaluation.

(b) For purposes of this section, "board self-evaluation" means an evaluation process established by the legislative body of a local agency to assess board performance through quantitative and qualitative techniques and facilitated by local agency staff or external consultants. The evaluation process may include but is not limited to assessing board processes; reviewing the performance of the board as a whole and its committees; and enhancing the skills and competencies of individual board members.

- **Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?**
The proposal would allow all local agencies including the SACRS retirement systems to be able to conduct board self-evaluations in closed session in an environment conducive to candor and self-reflection by board members.
- **Do you anticipate the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations/systems?**
No, the proposal would enable the SACRS retirement associations to conduct board self-evaluations in closed session. They are not required to conduct the evaluations in closed session, but they would not be prevented from doing so.

- **Who will support or oppose this proposed change in the law?**
Local agencies that want to conduct board self-evaluations in closed session would support the proposal. Opposition may come from the California News Publishers Association, which advocates for the public's right to know and access to state and local government records and meetings.
- **Who will be available from your association/system to testify before the Legislature?**
Barry Lew, Legislative Affairs Officer
Joe Ackler, Ackler & Associates

July 31, 2019

TO: Each Member,
Board of Retirement
Board of Investments

FROM: Joint Organizational Governance Committee

FOR: August 7, 2019 Board of Retirement Meeting
August 14, 2019 Board of Investments Meeting

SUBJECT: Approval of Revised Education and Travel Policy

At the July 26, 2019 Joint Organizational Governance Committee (JOGC) meeting, the committee voted to recommend that the Board of Retirement and Board of Investments (Boards) approved a revised Education and Travel Policy (Policy). Attached as Exhibit A is a clean copy of the revised Policy. Attached as Exhibit B is a redlined copy of the Policy showing changes from the current version. A clean copy of the current Policy is attached as Exhibit C.

The changes are extensive. Highlights are summarized below. The JOGC will consider the impact of the Internal Audit Division's June 20, 2019 Board and Staff Education & Travel Audit report at the August 14, 2019 JOGC meeting. Additional changes may be recommended by the JOGC at that meeting. However, the JOGC recommends that the changes made in the attachments be approved now.

SUMMARY OF REVISIONS

The proposed revisions to the Policy impose additional limits on the number and cost of travel. The revisions are intended to create a Policy that is more complete, better organized, clearer, and easier to administer for travelers and the administrative staff responsible for processing and paying travel expenses. Many of the revisions are directed to improve control and compliance standards to ensure that enforceable procedures exist and that the proper paperwork is submitted for travel approvals and expenses to document that the Policy is being followed consistently and transparently. The proposed Policy also enhances transparency by requiring the existing monthly and quarterly reports be posted on lacera.com. The proposed Policy continues to recognize the importance of education and administrative travel to Board Members and staff to properly perform LACERA's fiduciary duty.

Specifically, the proposed Policy addresses the following main issues:

1. **Terminology.** The current Policy variously uses the terms "conferences," "seminars," and meetings." These terms are not defined. They are not used consistently. Sometimes they are used together, and sometimes separately. The proposed Policy replaces these three terms with two defined terms, "Educational Conferences" and "Administrative Meetings," which are intended to encompass all travel in two defined categories. These definitions are included in the Statement of Purpose so that the scope of the Policy is clear at the beginning of the document. The remainder of the proposed Policy sets forth the provisions that apply to each of these categories.
2. **Overall Policy Structure.** The Policy, including both existing and new provisions, is reorganized so that as a whole it is organized in a logical structure from purpose and definitions, to approval, to claims for reimbursement, reimbursable expenses, cancelation, and miscellaneous other provisions.
3. **Number of Educational Conferences.** The proposed Policy reduces the number of permitted Educational Conferences for Board Members to 4 per fiscal year (from 8 in the current Policy) for Members of a single Board and 6 per fiscal year (from 12 in the current Policy) for Members of both Boards. Only 1 international conference is permitted by any Member.
4. **Administrative Travel.** Both Board Members and staff engage in travel for LACERA administrative purposes. The Boards have encouraged administrative activities through, for example, the Legislative Policy, the Board of Retirement's Engagement Policy, the Board of Investments' Corporate Governance Policy, state and national legislative and regulatory initiatives, and Board-approved participation and positions in certain organizations. This emphasis on engagement has led to Board Member and staff involvement in a wide variety of state, national, and international pension-related organizations. Staff also travels for day-to-day LACERA business purposes. While the current Policy covers administrative travel, its terms in this area are much more limited than with educational travel. The proposed Policy attempts to address this gap by providing separate procedures for Board approval of administrative travel by Board Members.
5. **Approval.** A restructured Section 705.00 defines the standards for approval of travel, including travel that is pre-approved and travel that is subject to approval for educational and administrative purposes. The Policy provides separate procedures for Board approval of administrative travel by Board Members. Where travel for a single purpose (such as an organizational leadership position) will occur multiple

times per year, only one approval at the beginning of the year will be required. The proposed Policy restructures the approach to local travel by providing that travel in California is preapproved where the total cost for a conference or meeting is \$2,000 or less, subject to a \$10,000 overall annual limit without Board approval. This section also provides for additional information, including a description of the educational or administrative purpose, an estimate of total cost, and the number of additional travel days (if any), to be included in Board approval memos to assist in the Boards' decision-making process, which will contribute to monitoring of costs and educational need as well as enhancing transparency. The proposed Policy provides that Educational Conferences may not be arranged by Board Members whose terms are ending or by staff whose employment is ending.

6. **Claims for Reimbursement.** The proposed Policy includes a new Section 705.03.2 providing a defined process for the processing and approval of reimbursement requests, and notification of deficiencies. This section provides roles and responsibilities for administrative and accounting staff to assist in ensuring compliance with policy requirements before reimbursements are made.
7. **Ground Transportation.** In Section 705.10, language is added encouraging the use of taxis and ride sharing services, such as UBER and Lyft. Language is added providing that limousine and executive car services shall not be used in domestic locations unless the cost for such services is comparable to that of taxi services and/or airport parking, although they may be used in international locations.
8. **Monthly and Quarterly Travel Reports.** Currently, the monthly and quarterly travel reports provided to the Board are not agendaized or posted on lacera.com. The proposed Policy requires both steps in Section 705.12 to facilitate Board review in compliance with the Brown Act and to enhance public transparency of Board Member and staff travel.
9. **Meals between Board Members and Staff.** Section 705.16 of the proposed Policy provides that such meals will be reimbursed pursuant to the methods described in Attachment A. This issue is not addressed in the current Policy.
10. **Applicable Law and Review.** In the proposed Policy, Section 705.18 is added to clarify that the Policy is to be implemented in accordance with applicable law. Section 705.19 provides for annual review of the Policy and amendment by the Boards at any time.

11. *Reimbursement Schedule, Attachment A.* This attachment is revised in the proposed Policy in several ways that are intended to ensure adequate controls on travel expense reimbursement, such as:

- Airfare Standards. Domestic and international fares are pegged to no more than the fares charged by specified reference airlines for the applicable fare type under the Policy for the desired dates of travel.
- Meals. Written documentation must be provided to support the dietary/medical restriction and LACERA business exceptions to the rule that meals pre-paid by LACERA to the conference provider will not be reimbursed.
- Alcoholic beverages. The cost of such beverages will not be reimbursed.
- Lodging. Room upgrades and bed and breakfast additions will be at the traveler's own expense, without good cause.
- Damaged or lost property. The proposed Policy provides this issue will be addressed in a separate LACERA policy.

12. *Pre-Approved Conferences, Attachment B.* The proposed Policy adds conferences sponsored by the National Association of Corporate Directors (NACD) to the pre-approved list with preference to the Board of Investments.

Attachments

c: Steven P. Rice
JJ Popowich
Jonathan Grabel
Beulah Auten
Ted Granger
Richard Bendall
Harvey Leiderman

EXHIBIT A

Clean Proposed Revised Policy



Education and Travel Policy

Approved: Board of Investments, _____, 2019
Board of Retirement, _____, 2019

EDUCATION AND TRAVEL POLICY

Statement of Purpose

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

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

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

- Board Members and staff receive current benefit, financial policy and operational information pertinent to the administration of public pension plans, the administration and management of the retiree health care program, and the investment of public pension funds,
- When authorized by the Board, Board Members and staff may travel to advocate and communicate positions and information that protect and further the interests of the Trust, such as legislative advocacy, speaking, and internal meetings, and to participate in pension, retirement, healthcare, investment, and governance-related organizations, and
- Board Members may complete their minimum required 24 hours of “board member education” every two years as mandated by Government Code §31522.8.

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

EDUCATION AND TRAVEL POLICY

increasingly necessary in light of today's global economy and LACERA's ongoing prudent investment of a substantial portion of its assets outside the United States.

It is expected with respect to all travel that Board Members and staff will only incur expenses that a reasonable and prudent person would incur if traveling on personal business.

This policy applies to Educational Conference and Administrative Meetings. "Educational Conferences" are those conferences, seminars, and meetings that have an educational purpose. "Administrative Meetings" are meetings that have a non-educational purpose in furtherance of LACERA's interests, including legislative advocacy, speaking engagements, information-exchange among Board Members and between Board Members and staff, participation in pension-related organizations, and similar events.

705.00 – APPROVAL

A. Board Members

All travel by Board Members require approval of that member's Board, except as expressly provided in this policy.

1. Except as provided in Section 705.00.A.2 and 8, Educational Conferences must contain an average of five hours of substantive content per day, excluding travel days. Every Board Member is authorized to attend up to 4 approved Educational Conferences per fiscal year (of which no more than 1 may be international), and up to 6 if the Board Member is serving simultaneously on both Boards (of which no more than 1 may be international). "International" Conferences" are those Educational Conferences outside the United States, Canada, and Mexico. Two Educational Conferences separated by no more than one day, with no additional common carrier travel, count as one conference for purposes of this section. The necessity of Administrative Meetings shall be reviewed and authorized by the respective Board. Due to the unique nature of Administrative Meetings, this travel does not have number limits, subject to the cost limits of Section 705.00.A.2, and does not count towards the maximum approved number limits for travel unless in conjunction with an Educational Meeting.
2. Educational Conferences and Administrative Meetings in California where the total cost of attendance is no more than \$2,000 are pre-approved for attendance and reimbursement, provided that a Board Member may not incur

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over \$10,000 for all expenses of attending all such Educational Conferences and Administrative Meetings in a fiscal year without Board approval. Such Educational Conferences must contain substantive content but are not subject to the five-hour per day content requirement or number limits of Section 705.00.A.1.

3. Educational Conferences listed on Attachment C are preapproved for attendance and expense reimbursement provided all other policy requirements are met.
4. Educational Conferences not listed on Attachment C and not covered by Section 705.00.A.2 require prior approval by the Board. Memoranda submitted to the Board seeking approval to attend conferences or meetings shall include a description of the agenda and educational or administrative purpose for the conference or meeting, the registration fee, hotel rate, estimated airfare, estimated total cost, and the number of additional travel days (if any) under Section 705.09.
5. Attending an International Conference requires prior Board approval whether or not such conference meeting is listed on Attachment C. Not more than three Board members shall be authorized to attend the same International Conference without specific Board approval,
6. The Board may ratify attendance at otherwise unapproved conferences, seminars and meetings for good cause explained in a written communication to the Board presented at the next available Board meeting following completion of the event.
7. Requests for Educational Conference and Administrative Meeting attendance and travel arrangements must be made in writing and directed to the appropriate Executive Board Assistant.
8. Prior to attending an International Benefit Conference, a Board Member is required to attend an American Health Insurance Plans (AHIP) National Policy Forum or World Health Care Congress. Prior to attending an International Investment Conference a Board Member is required to successfully complete the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program or the University of Pennsylvania Wharton School of Business Portfolio Concepts and Management course. These

EDUCATION AND TRAVEL POLICY

foundational courses do not count towards the number limits of Section 705.00.A.1.

9. Board members shall cease arranging future travel for Educational Conferences once they become aware their term of service will end. For appointed members, this occurs in the final year of their appointment and after the Board of Supervisors votes on the next appointment. For elected members this occurs if an elected member is replaced once election results are certified by the Board of Supervisors. For the Ex-Officio Member, this occurs once a retirement is announced.

- B. Staff Members. All travel by staff requires approval by each of the following: the staff member's Division Manager; the Assistant Executive Officer (AEO), if any, over such staff member; and the Chief Executive Officer (CEO). Staff members shall cease arranging future travel for Educational Conferences once a retirement, termination, or other end of LACERA employment is announced. For purposes of all staff travel approvals and decisions under any provision of this policy, the Chief Investment Officer shall have sole authority.

705.01 – AUTHORIZED EXPENSES

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

705.02 – COSTS OF ADMINISTRATION

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

705.03 - CLAIMS FOR REIMBURSEMENT

1. Submission. An education and travel expense reimbursement shall be claimed by completing an expense voucher form available on the LACERA intranet website and submitting it to the appropriate authorizing person. Board Members may submit their expense reimbursements to their respective Executive Board Assistant and staff to their Division Manager. All expense reimbursement requests shall be accompanied

EDUCATION AND TRAVEL POLICY

by receipts and/or other reasonable documentation. Expense reimbursement records are subject to disclosure under the Public Records Act, with redaction of confidential information. The deadline for submitting an education and travel reimbursement claim is 90 days after completing the education, or 30 days after the fiscal year-end, whichever comes first. Extensions to this deadline may be granted by the Chair (for Board Members) or the CEO (for staff) upon showing good cause.

2. Approval. The Executive Board Assistants will review, for compliance with this policy, all expense reimbursement requests by Board Members prior to submission. The CEO, the AEO, if any, over a staff member, and the staff member's Division Managers will review and approve, for compliance with this policy, all expense reimbursement requests for staff prior to submission. The Financial and Accounting Services Division (FASD) will review all Board Member and staff expense reimbursement requests for compliance with this policy and shall only pay those that are in compliance. FASD will notify the Executive Board Assistants of all deficiencies in a submission by a Board Member, and the Executive Board Assistants will in turn notify the respective Board Member. FASD will notify the AEO, if any, over a staff member, and/or the CEO, and the staff member's Division Manager of deficiencies in a submission by staff. LACERA will not reimburse Board Members or staff for expenses that are not authorized under this policy unless specifically exempted by the Board (for Board members) or the CEO (for staff).

705.04 – BOARD PRIORITY WHERE ATTENDANCE IS LIMITED

Should an Educational Conference or Administrative Meeting provider limit Board Member attendance, it is the Boards' intent to provide attendance priority to the specified Board as designated in Attachment C. The basis for this designation is for the Board of Retirement Members to have attendance priority for benefit, healthcare, plan administration, and general policy conferences and for the Board of Investments Members to have priority for investment and actuarial conferences. Should a conference not listed in Attachment C be approved by both Boards, such conference will be prioritized by the CEO in the manner used to set Board Priority in Attachment C.

705.05 – SELECTION OF ATTENDEES WHERE ATTENDANCE IS LIMITED

In the event attendance at a an Educational Conference where the number of LACERA representatives that may attend is limited, the Executive Board Assistant shall canvass the Board with conference priority, per Attachment C, to identify those Board Members interested in attending. Canvassing shall only be done following Board approval for the event, unless otherwise authorized by the Board Chair. In the event more Board Members

EDUCATION AND TRAVEL POLICY

from the Priority Board desire to attend than the event provider will accommodate or this policy allows, such attendance will be determined by the appropriate priority listing as described in Attachment B. After fulfilling attendance needs for the Board with attendance priority, remaining attendance opportunity will shift to the other Board. Priority for international travel as it relates to investment events shall be given to the Board of Investments.

705.06 – CANCELTION OF TRAVEL ARRANGEMENTS

A. Responsibility for Timely Cancellation

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

B. Responsibility for Untimely Cancellation Costs

Individuals are responsible for all costs LACERA incurs as a result of the individual's failure to cancel education and travel arrangements before cancellation charges accrue, unless the failure to cancel was due to facts or circumstances beyond the traveler's control. The traveler must reimburse LACERA within 30 days after notification of the amount due. If reimbursement is not made within such 30-day period, and payment is still due, the amount shall be deducted from any payment due the traveler from LACERA. If a Board Member is enrolled for an Educational Conference or Administrative Meeting but fails to attend or timely cancel and LACERA incurs an expense as a result (e.g., conference registration, travel and lodging cancellation fees), that conference or meeting counts toward the limit under Section 705.00.A.1 until the Board Member reimburses LACERA for all expenses incurred cancellation is excused under Section 705.06.C.

C. Approval of Cancellation Costs with Good Cause

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

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Should a Board Member disagree with the Board Officer's determination, the Board Member may request the Executive Board Assistant to agendaize the matter for the Board's consideration.

705.07 – CASH ADVANCES

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

705.08 – EXPENSES FOR TRAVELING COMPANIONS

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

705.09 – ADDITIONAL TRAVEL DAYS TO MINIMIZE OVERALL TRAVEL COST

Travel resulting in arrival one day prior to and/or one day after an Educational Conference or Administrative Meeting will be reimbursed if reasonably necessary because of time constraints. Travel resulting in arrival two days prior to and/or one day after international travel will be reimbursed as reasonably necessary based on the location of the Educational Conference. In addition, lodging and per diem for extra days prior to or after an Educational Conference or Administrative Meeting will be reimbursed if such extension results in lower overall trip costs. If a Board Member or staff adds personal travel before or after a trip, the extra personal days outside of the above restrictions shall not be reimbursed. For staff, cost comparisons for trip extensions shall include the costs of salary for any work days lost by the extension. Written justification for travel expenses incurred prior to or after an Educational Conference or Administrative Meeting shall be submitted with the claim for reimbursement.

705.10 – GROUND TRANSPORTATION

Individuals will be expected to use taxis or ride sharing services (i.e., Lyft, UBER) to and from domestic destinations. Limousine or executive car services shall not be used in domestic locations unless the cost for such services is comparable to that of taxi services and/or airport parking; they may be used without restriction in international locations. Reimbursement of rental vehicles require justification and prior approval from the Chief Executive Officer. When renting a vehicle, purchase of optional insurance is not necessary as LACERA's insurance will cover the same risks.

EDUCATION AND TRAVEL POLICY

705.11 – INTERNATIONAL TRAVEL INSURANCE

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

705.12 – TRAVEL REPORTS

A monthly Travel Report shall be submitted to both Boards listing the current fiscal year's completed, anticipated, and canceled Education Conferences and Administrative Meetings (including whether excused under Section 705.06.C) for Board Members and staff.

A quarterly Travel Report shall be submitted to both Boards listing Board Member and staff education and administrative travel expenses paid/reimbursed by LACERA. Such report shall identify whether each item of travel was for an Educational Conference or Administrative Meeting, the purpose, location, cost by expense category, whether excused under Section 705.06.C.

The monthly and quarterly reports shall be agendaized as reports for the Boards in the first month after they are available (and for privacy and personal security reasons, after travel has been completed) and shall be posted on lacera.com.

705.13 – REPORT FOLLOWING ATTENDANCE AT CONFERENCE AND SEMINARS

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

705.14 – TRAVEL BY NEWLY APPOINTED AND ELECTED BOARD MEMBERS

A person duly appointed or elected to the Board of Retirement or Board of Investments shall, for purposes of this policy, be deemed to have assumed the office of Board Member as of the date the person's appointment is approved or election is certified by the Board of Supervisors. It is the intent of this Section that incoming Board Members attend seminars and conferences as part of their orientation and preparation to assume the duties of a LACERA Board Member.

EDUCATION AND TRAVEL POLICY

For purposes of Section 705.00, seminars and conferences related to the topics listed in Government Code §31522.8 that are attended during the six months prior to the date an individual's term of office commences shall be counted towards the number of seminars and conferences that may be attended during the first fiscal year of the individual's term in office.

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

705.15 – BOARD MEMBER MEALS WITH OTHER MEMBERS AND/OR STAFF

Meals between Board Members and between Board Members and staff will be reimbursed by the methods described in Attachment A.

705.16 – BROWN ACT COMPLIANCE

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

705.17 – WAIVER OF POLICY PROVISIONS

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

705.18 – APPLICABLE LAW

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

EDUCATION AND TRAVEL POLICY

705.19 – REVIEW

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

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

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

TRANSPORTATION:

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

A. Airline Travel

1. Board Members and staff will travel in coach/economy class except that they may travel in business class or its equivalent for:
 - a. Flights having a scheduled non-stop flight time or total connecting travel time from original departing airport to the final destination airport of five hours or more, and
 - b. Red-eye flights. "Red-eye flights" are defined as flights in which a majority of the flight time occurs between 10:00 PM and 6:00 AM.
 - c. Flights arriving or departing at an international location, including Canada and Mexico.
2. LACERA will reimburse the additional cost of coach/economy class seats advertised as having additional leg room regardless of flight time.
3. Air travel will only be reimbursed at the lowest available fare at the time of purchase (for class travel authorized under this Policy) offered by United, American, or Delta for the dates of travel. Other carriers are authorized, but reimbursement shall not exceed this limitation.
4. Recognizing air carriers have begun charging for incidental items historically included in the ticket price (for example, checking luggage, providing pillows, blankets, and non-alcoholic beverages during flights, etc.), LACERA also will reimburse carrier charges for such incidental items upon submission of an itemized receipt. Alcoholic beverages will not be reimbursed.
5. Substantiation of airline travel shall include a copy of the ticket or E-mail confirmation showing the cost of the air travel.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

6. Board Members and staff traveling by air to conduct LACERA business may use only regularly-scheduled airline services operating by an air carrier certified by the Federal Aviation Administration or comparable foreign authority. Board Members and staff are prohibited from traveling on LACERA business via private aircraft, including but not limited to aircraft owned, leased, or rented by the individual Board Member or staff. Persons traveling on LACERA business via private aircraft will be deemed to be acting outside the scope of their responsibilities and employment. They will not be covered by LACERA's liability insurance.

B. Other Common Carrier Travel

1. Travel permitted under this policy should be accomplished in the most cost-effective and efficient manner practicable, considering the costs of the mode of transportation, travel time, accommodations, and per diem.
2. Generally air travel is the most cost-effective and efficient means for long distance travel, with "long distance travel" defined as a travel to a site more than 600 miles from LACERA's headquarters.
3. Where a traveler has special travel needs or concerns such that travel by air for long distance travel is not practicable, then the traveler may use an alternate common carrier (e.g., train or bus) and incur such reasonable expenses associated with that mode of travel (e.g., sleeper car, additional days of per diem).
4. Substantiation of other common carrier travel shall include a copy of the ticket or E-mail confirmation showing the cost of the travel.

LODGING:

A. Room Cost

Reimbursement is limited to a standard class single room rate, including mandatory taxes and hotel fees. Actual expenses for lodging will be reimbursed upon submittal of receipts. For example, room upgrades, and bed & breakfast additions will be at the expense of the traveler, unless for good cause such as the unavailability of standard rooms and/or international destinations.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

B. Government Rates

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

C. Attendance at Educational Conferences, Administrative Meetings, and Investor Meetings

LACERA acknowledges that the cost of a standard room at an event hotel may exceed the standard lodging reimbursement rate. Nevertheless, Board Members and staff attending events may stay at the designated hotel to promote convenient access, networking, and safety. Reimbursement for lodging at an event is limited to the standard room rate charged by the event hotel unless for good cause such as the unavailability of standard rooms and/or international destinations. When lodging at the event hotel is unavailable, reimbursement is limited to the best available rate for a standard room at a nearby hotel of comparable quality. The traveler will be responsible for any excess cost. This also applies for staff attendance at investor meetings.

D. Travel Not Connected With An Established Hotel Venue

The maximum lodging amounts are intended to cover the cost of lodging at adequate, suitable and moderately-priced facilities located near the destination city's airport or the specific area in the destination city where LACERA's business will be conducted without association with an established hotel venue. Reimbursement for lodging connected with such travel is limited to:

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

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

MEALS:

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

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

Written justification as to which of the above two exceptions applies will be provided with the reimbursement request.

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

Meal Reimbursement

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

A. The Per Diem Method

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

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

breakfast and lunch times, the traveler receives the per diem for breakfast and lunch; if the travel occurs during normal lunch and dinner times, the traveler receives the per diem for lunch and dinner, etc.

B. The Actual Receipt Method

1. Under the Actual Receipt Method, reimbursement shall be requested only for the actual cost paid for a meal.
2. Actual cost reimbursed will not to exceed \$100 per day, provided that in no case will the cost of alcoholic beverages be reimbursed.
3. Receipts shall include the following information:
 - a. meal cost amount, and
 - b. Date and location.
4. Credit card receipts are sufficient provided they include the required information.
5. Annotating the meal receipt with the business purpose for the meal will assist staff with processing reimbursements, and if the receipt is for more than the individual, the names of persons whose meals are covered by the receipt.
6. If a host provides a meal, and actual expenses are not incurred, then that meal should be excluded from reimbursement

PORTERAGE:

1. Maximum reimbursement for Porterage is \$10 per day of travel (that is, days involving transportation from home to a travel location, from one travel location to another, and from the final destination to home).
2. Porterage shall be based on the actual amount expended and documented on the claim form.

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

3. Porterage may not be claimed if reimbursement for meals is claimed using the Per Diem Method, as the Per Diem Method's IRS tables already factor in porterage reimbursement.

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

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

OTHER BUSINESS EXPENSES: Other business expenses reasonably incurred in connection with LACERA business, such as business and personal telephone, fax, internet access, gym access (including the standard gym fee charged by the traveler's hotel or, if hotel gym access is not available, the reasonable cost of daily access to a local gym or health facility), dry cleaning, and similar business expenses, shall be reimbursed upon submittal of receipts. The cost of membership in TSA Pre, Global Entry, NEXUS, SENTRI, or other expedited security and border processing programs shall be reimbursed upon submittal of receipts. Technology needs, for both international and domestic travel, may be discussed with the Systems Division in advance to develop appropriate solutions for the traveler's needs and to manage cost.

Reimbursement for lost or damages property is subject to a separate policy to be developed.

EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

PROCEDURE FOR SELECTION OF ATTENDEES
AT EDUCATIONAL CONFERENCES WHERE
ATTENDANCE IS LIMITED

The following procedures apply to authorize attendance at Educational Conferences where attendance is limited.

A. Board Member Priority Listings

1. Each Board shall keep separate Board Member Education Priority Listings.
2. Each Board shall keep two listings:

a. Domestic Priority List

Events held in the United States shall be considered domestic events for purposes of this policy.

b. International Priority List

Events held outside of the United States shall be considered international events for purposes of this policy.

3. Board Member Priority Listings will be maintained by the Executive Board Assistants.

B. Creating Priority Listings

1. Each Board member will be assigned an Initial Priority Date.
2. The Initial Priority Date will be the later of:
 - a. Board of Supervisor's Appointment date (includes Treasurer Tax Collector), or
 - b. Board of Supervisor's Election Certification date, or
 - c. Date the Board Member last attended a Domestic/International event, as appropriate for list being created.
3. In the event the Board Member is serving concurrent elected or appointed terms, the Appointment/Election date will be earliest date in the current

EDUCATION AND TRAVEL POLICY

Board Member Priority

Attachment B

concurrent term of service. Board service will be bridged if the break in Board service is less than 18 months. Bridging Board service provides equity between the regularly appointed members and regularly elected members.

4. The Executive Board Assistant will sort the Board Members by Initial Priority Date. The Board Member with the oldest date will have the highest priority and the Board Member with the newest date will have the lowest priority.
5. In the event more than one Board Member has the same Initial Priority Date, the priority will be determined for such members by last name alphabetically.

C. Updating a Priority List

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

D. Selection of Board Members Authorized to Attend

When the number of Board Members interested in attending an event exceeds the number of attendees permitted by the sponsor, the Executive Board Assistant will document members indicating an interest in attending (Interested Members). Interested Members shall be authorized to attend in accordance with their priority on the applicable Priority List. Upon being authorized to attend, the Board Member shall be placed at the bottom of the Priority List.

In the event a Board Member authorized to attend in accordance with the above paragraph later decides not to attend, such Board Member's position on the Priority List shall be restored to its former position, and the next Interested Member on the Education Priority List shall be authorized to attend.

EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

In selecting Board Members to attend events, a Board Member shall not be considered as an Interested Member if such Board Member is disqualified from attending pursuant to the limitations imposed by Section 705.06.

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

Board Priority Listing
for Pre-Approved Educational Conferences

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

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

Board Priority Listing
for Pre-Approved Educational Conferences

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

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

Board Priority Listing
for Pre-Approved Educational Conferences

| Conference/Seminar/Meeting | Priority | |
|---|----------------------------|-----------------------------|
| | Board of Retirement | Board of Investments |
| National Association of Corporate Directors (NACD) Conferences | | ✓ |
| National Association of Securities Professionals Annual Pension and Financial Services Conference | | ✓ |
| National Conference on Public Employees Retirement Systems (NCPERS) meetings, conferences and workshops | ✓ | |
| National Institute on Retirement Security (NIRS) conferences, seminars, and meetings | ✓ | |
| Pacific Pension Institute (PPI) domestic conferences, seminars, and meetings | | ✓ |
| Pension Real Estate Association (PREA) annual spring and fall conferences and institute | | ✓ |
| Public Retirement Journal conferences and seminars | ✓ | |
| State Association of County Retirement Systems (SACRS) meetings, educational conferences, seminars and symposiums | ✓ | |
| United Nations Principals of Responsible Investing (UNPRI) events | | ✓ |

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

Board Priority Listing
for Pre-Approved Educational Conferences

| Conference/Seminar/Meeting | Priority | |
|---|----------------------------|-----------------------------|
| | Board of Retirement | Board of Investments |
| University of Pennsylvania Wharton School's Pension Fund and Investment Management and the Portfolio Concepts and Management courses. | | ✓ |
| World Healthcare Congress conferences, seminars and meetings | ✓ | |
| World Pension Forum domestic conferences | | ✓ |

EXHIBIT B

Redlined Proposed Revised Policy



Education and Travel Policy

Approved: Board of Investments, ~~March 6, 2017~~ _____, 2019
Board of Retirement, ~~March 3, 2017~~ _____, 2019

EDUCATION AND TRAVEL POLICY

Statement of Purpose

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

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

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

- Board Members and staff receive current benefit, financial ~~and policy~~ and operational information pertinent to the administration of public pension plans, the administration and management of the retiree health care program, and the investment of public pension funds,
- When authorized by the Board, Board Members and staff may travel to advocate and communicate positions and information that protect and further the interests of the Trust, ~~and such as legislative advocacy, speaking, and internal meetings, and to participate in pension, retirement, healthcare, investment, and governance-related organizations, and~~
- Board Members may complete their minimum required 24 hours of "board member education" every two years as mandated by Government Code §31522.8.

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

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EDUCATION AND TRAVEL POLICY

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

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

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

705.00 – EDUCATIONAL CONTENT REQUIREMENT

~~Except as provided in Section 705.01.A.1, conferences and seminars must contain an average of five hours of substantive content per day, excluding travel days.~~

705.01 – EDUCATION AUTHORIZATION

A. Board Members

~~Local educational conferences and seminars not requiring common carrier travel and lodging and where the registration fee is \$500 or less are approved for attendance. Such conferences and seminars~~

~~It is expected with respect to all travel that Board Members and staff will only incur expenses that a reasonable and prudent person would incur if traveling on personal business.~~

~~This policy applies to Educational Conference and Administrative Meetings. "Educational Conferences" are those conferences, seminars, and meetings that have an educational purpose. "Administrative Meetings" are meetings that have a non-educational purpose in furtherance of LACERA's interests, including legislative advocacy, speaking engagements, information-exchange among Board Members and between Board Members and staff, participation in pension-related organizations, and similar events.~~

705.00 – APPROVAL

A. Board Members

~~All travel by Board Members require approval of that member's Board, except as expressly provided in this policy.~~

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EDUCATION AND TRAVEL POLICY

1. Except as provided in Section 705.00.A.2 and 8, Educational Conferences must contain an average of five hours of substantive content per day, excluding travel days. Every Board Member is authorized to attend up to 4 approved Educational Conferences per fiscal year (of which no more than 1 may be international), and up to 6 if the Board Member is serving simultaneously on both Boards (of which no more than 1 may be international). "International" Conferences" are those Educational Conferences outside the United States, Canada, and Mexico. Two Educational Conferences separated by no more than one day, with no additional common carrier travel, count as one conference for purposes of this section. The necessity of Administrative Meetings shall be reviewed and authorized by the respective Board. Due to the unique nature of Administrative Meetings, this travel does not have number limits, subject to the cost limits of Section 705.00.A.2, and does not count towards the maximum approved number limits for travel unless in conjunction with an Educational Meeting.

4.2. Educational Conferences and Administrative Meetings in California where the total cost of attendance is no more than \$2,000 are pre-approved for attendance and reimbursement, provided that a Board Member may not incur over \$10,000 for all expenses of attending all such Educational Conferences and Administrative Meetings in a fiscal year without Board approval. Such Educational Conferences must contain substantive content but are not subject to the five-hour per day content requirement or number limits of Section 705.00.A.1.

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

3.4. Educational ~~conferences, seminars, and meetings~~Conferences not listed on Attachment C and not covered by Section 705.0400.A.42 require prior approval by the Board. Memoranda submitted to the Board seeking approval to attend conferences, ~~seminars and~~ or meetings shall include a description of the agenda and educational or administrative purpose for the conference or meeting, the registration fee and, hotel rate, estimated airfare, estimated total cost, and the number of additional travel days (if any) under Section 705.09.

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EDUCATION AND TRAVEL POLICY

~~4.5.~~ Attending a conference, seminar and meeting held outside of the United Statesan International Conference requires prior Board approval whether or not such conference, ~~seminar or~~ meeting is listed on Attachment C. Not more than three Board members shall be authorized to attend the same International Conference without specific Board approval,

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~~5.6.~~ The Board may ratify attendance at otherwise unapproved conferences, seminars and meetings for good cause explained in a written communication to the Board presented at the next available Board meeting following completion of the event.

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~~6.7.~~ Requests for ~~conference~~ Educational Conference and Administrative Meeting attendance and travel arrangements must be made in writing and directed to the appropriate Executive Board ~~staff secretary~~ Assistant.

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~~B.~~ Prior to attending an International Benefit Conference, a Board Member is required to attend an American Health Insurance Plans (AHIP) National Policy Forum or World Health Care Congress. Prior to attending an International Investment Conference a Board Member is required to successfully complete the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program or the University of Pennsylvania Wharton School of Business Portfolio Concepts and Management course. ~~Staff Members~~ The Chief Executive Officer, or designee, shall approve staff education and travel.

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~~8.~~ 705.02 - These foundational courses do not count towards the number limits of Section 705.00.A.1.

~~9.~~ Board members shall cease arranging future travel for Educational Conferences once they become aware their term of service will end. For appointed members, this occurs in the final year of their appointment and after the Board of Supervisors votes on the next appointment. For elected members this occurs if an elected member is replaced once election results are certified by the Board of Supervisors. For the Ex-Officio Member, this occurs once a retirement is announced.

~~B.~~ Staff Members. All travel by staff requires approval by each of the following: the staff member's Division Manager; the Assistant Executive Officer (AEO), if any, over such staff member; and the Chief Executive Officer (CEO). Staff members shall cease arranging future travel for Educational Conferences once a retirement, termination, or

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EDUCATION AND TRAVEL POLICY

other end of LACERA employment is announced. For purposes of all staff travel approvals and decisions under any provision of this policy, the Chief Investment Officer shall have sole authority.

705.01 – AUTHORIZED EXPENSES

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

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705.03-02 – COSTS OF ADMINISTRATION

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

705.0403 - CLAIMS FOR REIMBURSEMENT

1. Submission. An education and travel expense reimbursement shall be claimed by completing an expense voucher form available on the LACERA intranet website and submitting it to the appropriate authorizing person. Board Members may submit their expense reimbursements to their respective Executive Board staff secretaries ~~Assistant~~ and staff to their Division Manager. All expense reimbursement requests shall be accompanied by receipts and/or other reasonable documentation. Expense reimbursement records are subject to disclosure under the Public Records Act, with redaction of confidential information. The deadline for submitting an education and travel reimbursement claim is 90 days after completing the education, or 30 days after the fiscal year-end, whichever comes first. Extensions to this deadline may be granted by the Chair (for Board Members) or the CEO (for staff) upon showing good cause.

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2. Approval. The Executive Board Assistants will review, for compliance with this policy, all expense reimbursement requests by Board Members prior to submission. The CEO, the AEO, if any, over a staff member, and the staff member's Division Managers will review and approve, for compliance with this policy, all expense reimbursement requests for staff prior to submission. The Financial and Accounting Services Division (FASD) will review all Board Member and staff expense reimbursement requests for compliance with this policy and shall only pay those that are in compliance. FASD will

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EDUCATION AND TRAVEL POLICY

notify the Executive Board Assistants of all deficiencies in a submission by a Board Member, and the Executive Board Assistants will in turn notify the respective Board Member. FASD will notify the AEO, if any, over a staff member, and/or the CEO, and the staff member's Division Manager of deficiencies in a submission by staff. LACERA will not reimburse Board Members or staff for expenses that are not authorized under this policy unless specifically exempted by the Board (for Board members) or the CEO (for staff).

705.0504 – BOARD PRIORITY WHERE ATTENDANCE IS LIMITED

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

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705.06-05 – SELECTION OF ATTENDEES WHERE ATTENDANCE IS LIMITED

In the event attendance at a ~~conference or seminar~~Educational Conference where the number of LACERA representatives that may attend is limited, ~~at the Executive Board staff secretary~~Assistant shall canvass the Board with conference priority, per Attachment C ~~or so designated~~, to identify those Board Members interested in attending. Canvassing shall only be done following Board approval for the event, unless otherwise authorized by the Board Chair. In the event more Board Members from the Priority Board desire to attend than the ~~conference~~event provider will accommodate or this policy allows, such attendance will be determined by the appropriate priority listing as described in Attachment B. After fulfilling attendance needs for the Board with attendance priority, remaining attendance opportunity will shift to the other Board. Priority for international travel as it relates to investment events shall be given to the Board of Investments.

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705.07 – CONFERENCE ATTENDANCE LIMITATIONS

A. Number of Conferences Subject to Reimbursement per Fiscal Year

Every **705.06 – CANCELATION OF TRAVEL ARRANGEMENTS**

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EDUCATION AND TRAVEL POLICY

A. Responsibility for Timely Cancellation

~~1. Board Member is authorized to attend up to 8 approved conferences per fiscal year, Members and up to 12 if the Board Member is serving simultaneously staff are responsible for timely canceling education and travel arrangements made on both Boards.~~

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~~2. It is the policy's intent for Board members to have the ability to maximize attending local educational conferences. As such, conferences his/her behalf which will not be used so that do not require common carrier travel and lodging is under \$1,500, are not subject to the 8 (or 12, as applicable) conference attendance limit.~~

B. Failing to Attend or Canceling a Conference Timely

~~Travel expenses no costs will be incurred by a Board Member for the first 8 (or 12, as applicable) approved conferences the Board Member attends per fiscal year are subject to reimbursement by LACERA.~~

B. Responsibility for Untimely Cancellation Costs

~~Individuals are responsible for all costs LACERA incurs as a result of the individual's failure to cancel education and travel arrangements before cancellation charges accrue, unless the failure to cancel was due to facts or circumstances beyond the traveler's control. The traveler must reimburse LACERA within 30 days after notification of the amount due. If reimbursement is not made within such 30-day period, and payment is still due, the amount shall be deducted from any payment due the traveler from LACERA, in accordance with this Education and Travel Policy. If a Board Member is enrolled for a conference an Educational Conference or Administrative Meeting but fails to attend or timely cancel and LACERA incurs an expense as a result (e.g., conference registration, travel and lodging cancellation fees), that conference or meeting counts toward the limit under Section 705.00.A.1 until the Board Member reimburses LACERA for all expenses incurred, unless the failure to cancel cancellation is excused under Section 705.42(e)-06.C.~~

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C. Approval of Cancellation Costs with Good Cause

~~C. If the individual believes the failure to cancel was due to facts or circumstances beyond their control, they must submit a written excuse to the Board Chair, or to the CEO if~~

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EDUCATION AND TRAVEL POLICY

the individual is staff, within 30 days after receiving notification of the cancelation expenses due. For Board Members, the Board Chair will approve or disapprove the excuse in writing to the individual, with a copy to the Executive Board Assistant. If the individual is a Board Chair, then the written excuse must be submitted to that Board's Vice Chair who will then approve or disapprove the excuse. If the individual is a Vice Chair simultaneously serving as the acting Chair, then the Vice Chair's written excuse must be submitted to that Board's Secretary who will then approve or disapprove the excuse. Should a Board Member disagree with the Board Officer's determination, the Board Member may request the Exceeding the Number of Conferences Subject to Reimbursement per Fiscal Year

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

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~~D. Seminars and Conferences Outside the United States~~

~~In addition to the limitations described in 705.06, the following limitations shall apply to attending conferences and seminars outside the United States (International Conferences). For purposes of Section 705.07.D.1 and 2, conferences and seminars in Canada and Mexico shall not be considered International Conferences:~~

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- ~~1. An individual Board member shall not be authorized to attend more than two International Conferences in any fiscal year if the member serves on one Board, or more than three International Conferences in any fiscal year if the member serves on two Boards,~~
- ~~2. Not more than three Board members shall be authorized to attend the same International Conference,~~
- ~~3. Prior to attending an International Benefit Conference, a Board Member is required to attend an American Health Insurance Plans (AHIP) National Policy Forum or World Health Care Congress, and~~

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EDUCATION AND TRAVEL POLICY

~~4. Prior to attending an International Investment Conference a Board Member is required to successfully complete the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program or the University of Pennsylvania Wharton School of Business Portfolio Concepts and Management course.~~

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~~705.08 – Executive Board Assistant to agendaize the matter for the Board's consideration.~~

705.07 – CASH ADVANCES

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

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705.09 – 08 – EXPENSES FOR TRAVELING COMPANIONS

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

705.409 – ADDITIONAL TRAVEL DAYS TO MINIMIZE OVERALL TRAVEL COST

Travel ~~the resulting in arrival one~~ day prior to and/or ~~the one~~ day after ~~a conference an Educational Conference or Administrative Meeting~~ will be reimbursed if reasonably necessary because of time constraints. ~~More than one additional day~~ Travel resulting in ~~arrival two days~~ prior to and/or ~~one day~~ after international travel will be reimbursed as reasonably necessary based on the location of the ~~conference Educational Conference~~. In addition, lodging and per diem for extra days prior to or after ~~a conference an Educational Conference or Administrative Meeting~~ will be reimbursed if such extension results in lower overall trip costs. ~~If a Board Member or staff adds personal travel before or after a trip, the extra personal days outside of the above restrictions shall not be reimbursed.~~ For staff, cost comparisons for trip extensions shall include the costs of salary for any work days lost by the extension. Written justification for travel expenses incurred prior to or after ~~a conference an Educational Conference or Administrative Meeting~~ shall be submitted with the claim for reimbursement.

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705.14 – 10 – GROUND TRANSPORTATION

Individuals will be expected to use ~~group shuttle service~~ ~~taxi~~ or ~~ride sharing services (i.e., Lyft, UBER)~~ to and from ~~metropolitan domestic~~ destinations. ~~Limousine or executive car services shall not be used in domestic locations~~ unless ~~the cost for such~~ ~~uses~~ services is

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EDUCATION AND TRAVEL POLICY

~~precluded by time constraints or it is safer, more efficient, or more economical comparable to hire a taxi services and/or rent a car, pay for airport parking, fuel, etc.; they may be used without restriction in international locations. Reimbursement of an alternative mode of transportation will be limited to the cost of the group shuttle service unless otherwise justified rental vehicles require justification and prior approval from the Chief Executive Officer.~~ When renting a vehicle, purchase of optional insurance is not necessary as LACERA's insurance will cover the same risks.

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705.12 — CANCELING EDUCATION AND TRAVEL ARRANGEMENTS

A. Responsibility for Timely Cancellation

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

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B. 705.11 Responsibility for Untimely Cancellation Costs

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

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C. Responsibility for Untimely Cancellation Costs with Good Cause

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

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EDUCATION AND TRAVEL POLICY

~~must be submitted to that Board's Secretary who will then approve or disapprove the excuse. Should a Board Member disagree with the Board Officer's determination, the Board Member may request the Board's staff secretary to agendize the matter for the Board's consideration.~~

705.13 – INTERNATIONAL TRAVEL INSURANCE

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

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705.14-12 – TRAVEL REPORTS

~~The Chief Executive Officer shall submit a~~ monthly Travel Report shall be submitted to both Boards listing the current fiscal year's completed, anticipated, and canceled education attendance Education Conferences and Administrative Meetings (including whether excused under Section 705.06.C) for Board Members. ~~Such report will include staff's educational travel, and staff.~~

A quarterly Travel Report shall be submitted to both Boards listing Board Member and staff education and administrative travel expenses paid/reimbursed by LACERA ~~shall be provided to both Boards.~~ Such report shall identify whether each item of travel was for an Educational Conference or Administrative Meeting, the purpose, location, and cost. ~~Such report will include staff's education and administrative travel, by expense category, whether excused under Section 705.06.C.~~

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The monthly and quarterly reports shall be agendized as reports for the Boards in the first month after they are available (and for privacy and personal security reasons, after travel has been completed) and shall be posted on lacera.com.

705.15-13 – REPORT FOLLOWING ATTENDANCE AT CONFERENCE AND SEMINARS

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

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EDUCATION AND TRAVEL POLICY

~~705.16-14~~ — TRAVEL BY NEWLY APPOINTED AND ELECTED BOARD MEMBERS

A person duly appointed or elected to the Board of Retirement or Board of Investments shall, for purposes of this policy, be deemed to have assumed the office of Board Member as of the date the person's appointment is approved or election is certified by the Board of Supervisors. It is the intent of this Section that incoming Board Members attend seminars and conferences as part of their orientation and preparation to assume the duties of a LACERA Board Member.

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For purposes of Section 705.~~0700~~, seminars and conferences related to the topics listed in Government Code §31522.8 that are attended during the six months prior to the date an individual's term of office commences shall be counted towards the number of seminars and conferences that may be attended during the first fiscal year of the individual's term in office.

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

~~705.17~~–~~705.15~~ – BOARD MEMBER MEALS WITH OTHER MEMBERS AND/OR STAFF

Meals between Board Members and between Board Members and staff will be reimbursed by the methods described in Attachment A.

~~705.16~~ – BROWN ACT COMPLIANCE

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

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~~705.18~~~~17~~ – WAIVER OF POLICY PROVISIONS

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EDUCATION AND TRAVEL POLICY

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

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705.18 – APPLICABLE LAW

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

705.19 – REVIEW

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

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EDUCATION AND TRAVEL POLICY

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

TRANSPORTATION:

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EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

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

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

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

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

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

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EDUCATION AND TRAVEL POLICY
Reimbursement Schedule
Attachment A

TRANSPORTATION:

A. Airline Travel

1. Board Members and staff will travel in coach/economy class except that they may travel in business class or its equivalent for:

- a. Flights having a scheduled non-stop flight time or total connecting travel time from original departing airport to the final destination airport of five hours or more, and
- b. Red-eye flights. "Red-eye flights" are defined as flights in which a majority of the flight time occurs between 10:00 PM and 6:00 AM.
- c. Flights arriving or departing at an international location, including Canada and Mexico.

2. LACERA will reimburse the additional cost of coach/economy class seats advertised as having additional leg room regardless of flight time.

3. Air travel will only be reimbursed at the lowest available fare at the time of purchase (for class travel authorized under this Policy) offered by United, American, or Delta for the dates of travel. Other carriers are authorized, but reimbursement shall not exceed this limitation.

3.4. Recognizing air carriers have begun charging for incidental items historically included in the ticket price (for example, checking luggage, providing pillows, blankets, and non-alcoholic beverages during flights, etc.), LACERA also will reimburse carrier charges for such incidental items upon submission of an itemized receipt. Alcoholic beverages will not be reimbursed.

4.5. Substantiation of airline travel shall include a copy of the ticket or E-mail confirmation showing the cost of the air travel.

5.6. Board Members and staff traveling by air to conduct LACERA business may use only regularly-scheduled airline services operating by an air carrier certified by the Federal Aviation Administration or comparable foreign authority. Board Members and staff are prohibited from traveling on LACERA business via

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EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

private aircraft, including but not limited to aircraft owned, leased, or rented by the individual Board Member or staff. Persons traveling on LACERA business via private aircraft will be deemed to be acting outside the scope of their responsibilities and employment. They will not be covered by LACERA's liability insurance.

B. Other Common Carrier Travel

1. Travel permitted under this ~~Travel Policy~~ policy should be accomplished in the most cost-effective and efficient manner practicable, considering the costs of the mode of transportation, travel time, accommodations, and per diem.
2. Generally air travel is the most cost-effective and efficient means for long distance travel, with "long distance travel" defined as a travel to a site more than 600 miles from LACERA's headquarters.
3. Where a traveler has special travel needs or concerns such that travel by air for long distance travel is not practicable, then the traveler may use an alternate common carrier (e.g., train or bus) and incur such reasonable expenses associated with that mode of travel (e.g., sleeper car, additional days of per diem).
4. Substantiation of other common carrier travel shall include a copy of the ticket or E-mail confirmation showing the cost of the travel.

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LODGING:

A. Room Cost

Reimbursement is limited to a standard class single room rate, including mandatory taxes and hotel fees. Actual expenses for lodging will be reimbursed upon submittal of receipts. ~~For example, room upgrades, and bed & breakfast additions will be at the expense of the traveler, unless for good cause such as the unavailability of standard rooms and/or international destinations.~~

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B. Government Rates

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EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

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

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C. Attendance at Educational Conferences, Administrative Meetings, and Investor Meetings

LACERA acknowledges that the cost of a standard room at ~~a conference~~ an event hotel may exceed the standard lodging reimbursement rate. Nevertheless, Board Members and staff attending ~~conferences are expected to~~ events may stay at the designated ~~conference meeting~~ hotel to promote convenient ~~educational~~ access, networking, and safety. Reimbursement for lodging at ~~a conference meeting~~ an event is limited to the standard room rate charged by the ~~conference meeting~~ event hotel unless for good cause such as the unavailability of standard rooms and/or international destinations. When lodging at the ~~conference~~ event hotel is unavailable, reimbursement is limited to the best available rate for a standard room at a nearby hotel of comparable quality. The traveler will be responsible for any excess cost. This also applies for staff attendance at investor meetings.

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D. Travel Not Connected With Conferences or Investor Meetings An Established Hotel Venue

The maximum lodging amounts are intended to cover the cost of lodging at adequate, suitable and moderately-priced facilities located near the destination city's airport or the specific area in the destination city where LACERA's business will be conducted without association with an established hotel venue. Reimbursement for lodging connected with ~~all non-conferences~~ such travel is limited to:

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

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EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

MEALS:

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

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

~~If reimbursement is requested under with the Per Diem Method or the Actual Receipt Method for a meal pre-paid by LACERA, written~~ Written justification as to which of the above two exceptions applies will be provided with the reimbursement request.

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

Meal Reimbursement

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

A. The Per Diem Method

1. Under the Per Diem Method the traveler agrees to accept a flat rate for meal expense for actual meals eaten and is not required to submit receipts.
2. The per diem allowance will be computed using the Meals & Incidental Expenses rate (the "M&IE Rate") published by the Internal Revenue Service and in effect on the date of travel for the locality of travel.

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EDUCATION AND TRAVEL POLICY
Reimbursement Schedule
Attachment A

3. The per diem allowance shall be claimed in accordance with the Meals & Incidental Expenses Breakdown (M&IE Breakdown) per the IRS, based on the M&IE Rate. The portion of the per diem the traveler receives depends upon when the travel occurs. For example, if the travel occurs during normal breakfast and lunch times, the traveler receives the per diem for breakfast and lunch; if the travel occurs during normal lunch and dinner times, the traveler receives the per diem for lunch and dinner, etc.

B. The Actual Receipt Method

1. Under the Actual Receipt Method, reimbursement shall be requested only for the actual cost paid for a meal.
2. Actual cost reimbursed will not to exceed \$100 per day, provided that in no case will the cost of alcoholic beverages be reimbursed.
3. Receipts shall include the following information:
 - a. ~~Meal~~meal cost amount, and
 - b. Date and location.
4. Credit card receipts are sufficient provided they include the required information.
5. Annotating the meal receipt with the business purpose for the meal will assist staff with processing reimbursements, and if the receipt is for more than the individual, the names of persons whose meals are covered by the receipt.
6. If a host provides a meal, and actual expenses are not incurred, then that meal should be excluded from reimbursement

PORTERAGE:

1. Maximum reimbursement for Porterage is \$10 per day of travel (that is, days involving transportation from home to a travel location, from one travel location to another, and from the final destination to home).

EDUCATION AND TRAVEL POLICY
Reimbursement Schedule
Attachment A

2. Porterage shall be based on the actual amount expended and documented on the claim form.
3. Porterage may not be claimed if reimbursement for meals is claimed using the Per Diem Method, as the Per Diem Method's IRS tables already factor in porterage reimbursement.

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

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

OTHER BUSINESS EXPENSES: Other business expenses reasonably incurred in connection with LACERA business, such as business and personal telephone, fax, internet access, gym access (including the standard gym fee charged by the traveler's hotel or, if hotel gym access is not available, the reasonable cost of daily access to a local gym or health facility), dry cleaning, and similar business expenses, shall be reimbursed upon submittal of receipts. The cost of membership in TSA Pre, Global Entry, NEXUS, SENTRI, or other expedited security and border processing programs shall be reimbursed upon submittal of receipts. Technology needs, for both international and domestic travel, may be discussed with the Systems Division in advance to develop appropriate solutions for the traveler's needs and to manage cost.

Reimbursement for lost or damages property is subject to a separate policy to be developed.

EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

PROCEDURE FOR SELECTION OF ATTENDEES
~~AT CONFERENCES, SEMINARS AND MEETINGS WHERE~~
AT EDUCATIONAL CONFERENCESWHERE
ATTENDANCE IS LIMITED

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

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A. Board Member~~Education~~ Priority Listings

1. Each Board shall keep separate Board Member Education Priority Listings.
2. Each Board shall keep two listings:
 - a. Domestic ~~Education~~-Priority List
~~Conferences, seminars and meetings~~Events held in the United States shall be considered domestic events for purposes of this policy.
 - b. International ~~Education~~-Priority List
~~Conferences, seminars and meetings~~Events held outside of the United States shall be considered international events for purposes of this policy.
3. Board Member ~~Education~~-Priority Listings will be maintained by the Executive Board ~~staff secretary~~Assistants.

B. Creating~~Education~~ Priority Listings

1. Each Board member will be assigned an Initial Priority Date.
2. The Initial Priority Date will be the later of:
 - a. Board of Supervisor's Appointment date (includes Treasurer Tax Collector), or
 - b. Board of Supervisor's Election Certification date, or

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EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

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

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

C. Updating an ~~Education~~ Priority List

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

D. Selection of Board Members Authorized to Attend

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

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EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

In the event a Board Member authorized to attend in accordance with the above paragraph later decides not to attend, such Board Member's position on the ~~Education~~ Priority List shall be restored to its former position, and the next Interested Member on the Education Priority List shall be authorized to attend.

In selecting Board Members to attend ~~conferences and seminars~~ events, a Board Member shall not be considered as an Interested Member if such Board Member is disqualified from attending pursuant to the limitations imposed by Section 705.0706.

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

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

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

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

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

| Conference/Seminar/Meeting | Priority | |
|---|---------------------|----------------------|
| | Board of Retirement | Board of Investments |
| Harvard Kennedy School, Trustee Leadership Forum for Retirement Security, Initiative for Responsible Investment | | ✓ |
| Harvard Law School Labor and Work Life Conference and Capital Matters Conference | | ✓ |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Employee Benefits Conference | ✓ | |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Benefits Conference for Public Employees | ✓ | |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Health Care Cost Management Conference | ✓ | |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Investments Institute | | ✓ |
| International Foundation of Employee Benefit Plans (IFEBP) Annual Washington Legislative Update Conference | ✓ | |
| Information Management Network (IMN) Beneficial Owners' International Securities Lending Summit Annual Conference | | ✓ |

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

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

| Conference/Seminar/Meeting | Priority | |
|---|---------------------|----------------------|
| | Board of Retirement | Board of Investments |
| Institutional Limited Partners Association (ILPA) conferences and meetings | | ✓ |
| International Corporate Governance Network (ICGN) domestic conferences and meeting | | ✓ |
| Milken Institute domestic conferences and meetings | | ✓ |
| <u>National Association of Corporate Directors (NACD) Conferences</u> | | ✓ |
| National Association of Securities Professionals Annual Pension and Financial Services Conference | | ✓ |
| National Conference on Public Employees Retirement Systems (NCPERS) meetings, conferences and workshops | ✓ | |
| National Institute on Retirement Security (NIRS) conferences, seminars, and meetings | ✓ | |
| Pacific Pension Institute (PPI) domestic conferences, seminars, and meetings | | ✓ |
| Pension Real Estate Association (PREA) annual spring and fall conferences and institute | | ✓ |
| Public Retirement Journal conferences and seminars | ✓ | |

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

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

| Conference/Seminar/Meeting | Priority | |
|---|---------------------|----------------------|
| | Board of Retirement | Board of Investments |
| State Association of County Retirement Systems (SACRS) meetings, educational conferences, seminars and symposiums | ✓ | |
| United Nations Principals of Responsible Investing (UNPRI) events | | ✓ |
| University of Pennsylvania Wharton School's Pension Fund and Investment Management and the Portfolio Concepts and Management courses. | | ✓ |
| World Healthcare Congress conferences, seminars and meetings | ✓ | |
| World Pension Forum domestic conferences | | ✓ |

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EXHIBIT C

Current Policy



Education and Travel Policy

**Approved: Board of Investments, March 6, 2017
Board of Retirement, March 3, 2017**

EDUCATION AND TRAVEL POLICY

Statement of Purpose

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

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

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

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

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

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

EDUCATION AND TRAVEL POLICY

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

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

705.00 – EDUCATIONAL CONTENT REQUIREMENT

Except as provided in Section 705.01.A.1, conferences and seminars must contain an average of five hours of substantive content per day, excluding travel days.

705.01 – EDUCATION AUTHORIZATION

A. Board Members

1. Local educational conferences and seminars not requiring common carrier travel and lodging and where the registration fee is \$500 or less are approved for attendance. Such conferences and seminars must contain substantive content but are not subject to the five-hour per day content requirement of Section 705.00.
2. Educational conferences, seminars and meetings listed on Attachment C are preapproved for attendance and expense reimbursement provided all other policy requirements are met.
3. Educational conferences, seminars, and meetings not listed on Attachment C and not covered by Section 705.01.A.1 require prior approval by the Board. Memoranda submitted to the Board seeking approval to attend conferences, seminars and meetings shall include the registration fee and hotel rate.
4. Attending a conference, seminar and meeting held outside of the United States requires prior Board approval whether or not such conference, seminar or meeting is listed on Attachment C.
5. The Board may ratify attendance at otherwise unapproved conferences, seminars and meetings for good cause explained in a written communication to the Board.

EDUCATION AND TRAVEL POLICY

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

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

705.02 - AUTHORIZED EXPENSES

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

705.03 - COSTS OF ADMINISTRATION

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

705.04 - CLAIMS FOR REIMBURSEMENT

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

705.05 – BOARD PRIORITY WHERE ATTENDANCE IS LIMITED

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

EDUCATION AND TRAVEL POLICY

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

705.06 - SELECTION OF ATTENDEES WHERE ATTENDANCE IS LIMITED

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

705.07 – CONFERENCE ATTENDANCE LIMITATIONS

A. Number of Conferences Subject to Reimbursement per Fiscal Year

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

B. Failing to Attend or Canceling a Conference Timely

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

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

LACERA will not reimburse a Board Member for expenses associated with

EDUCATION AND TRAVEL POLICY

conference attendance by a Board Member during the remainder of the fiscal year once the sum of approved conferences a Board Member attends plus those for which LACERA has incurred unreimbursed, unexcused cancelation expenses reaches 8 (or 12). The Board Member shall be responsible for all such expenses, including without limitation the registration fee, lodging, transportation and meal expenses. A Board member may place on the agenda of the member's respective Board a request to approve exceeding the conference limit specified in this Section.

D. Seminars and Conferences Outside the United States

In addition to the limitations described in 705.06, the following limitations shall apply to attending conferences and seminars outside the United States (International Conferences). For purposes of Section 705.07.D.1 and 2, conferences and seminars in Canada and Mexico shall not be considered International Conferences:

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

705.08 - CASH ADVANCES

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

705.09 - EXPENSES FOR TRAVELING COMPANIONS

Education and travel expenses for family members and/or traveling companions are not

EDUCATION AND TRAVEL POLICY

reimbursable by LACERA.

705.10 – ADDITIONAL TRAVEL DAYS TO MINIMIZE OVERALL TRAVEL COST

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

705.11 - GROUND TRANSPORTATION

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

705.12 – CANCELING EDUCATION AND TRAVEL ARRANGEMENTS

A. Responsibility for Timely Cancelation

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

B. Responsibility for Untimely Cancelation Costs

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

EDUCATION AND TRAVEL POLICY

C. Responsibility for Untimely Cancellation Costs with Good Cause

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

705.13 – INTERNATIONAL TRAVEL INSURANCE

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

705.14 - TRAVEL REPORTS

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

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

705.15 - REPORT FOLLOWING ATTENDANCE AT CONFERENCE AND SEMINARS

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

EDUCATION AND TRAVEL POLICY

705.16 - TRAVEL BY NEWLY APPOINTED AND ELECTED BOARD MEMBERS

A person duly appointed or elected to the Board of Retirement or Board of Investments shall, for purposes of this policy, be deemed to have assumed the office of Board Member as of the date the person's appointment is approved or election is certified by the Board of Supervisors. It is the intent of this Section that incoming Board Members attend seminars and conferences as part of their orientation and preparation to assume the duties of a LACERA Board Member.

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

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

705.17 - BROWN ACT COMPLIANCE

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

705.18 – WAIVER OF POLICY PROVISIONS

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

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

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

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

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

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

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

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

TRANSPORTATION:

A. Airline Travel

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

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

B. Other Common Carrier Travel

1. Travel permitted under this Travel Policy should be accomplished in the most cost-effective and efficient manner practicable, considering the costs of the mode of transportation, travel time, accommodations, and per diem.
2. Generally air travel is the most cost-effective and efficient means for long distance travel, with “long distance travel” defined as a travel to a site more than 600 miles from LACERA’s headquarters.
3. Where a traveler has special travel needs or concerns such that travel by air for long distance travel is not practicable, then the traveler may use an alternate common carrier (e.g., train or bus) and incur such reasonable expenses associated with that mode of travel (e.g., sleeper car, additional days of per diem).
4. Substantiation of other common carrier travel shall include a copy of the ticket or E-mail confirmation showing the cost of the travel.

LODGING:

A. Room Cost

Reimbursement is limited to a standard class single room rate, including mandatory taxes and hotel fees. Actual expenses for lodging will be reimbursed upon submittal of receipts.

B. Government Rates

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

C. Attendance at Conferences and Investor Meetings

LACERA acknowledges that the cost of a standard room at a conference hotel may exceed the standard lodging reimbursement rate. Nevertheless, Board Members

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

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

D. Travel Not Connected With Conferences or Investor Meetings

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

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

MEALS:

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

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

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

If reimbursement is requested under with the Per Diem Method or the Actual Receipt Method for a meal pre-paid by LACERA, written justification as to which of the above two exceptions applies will be provided with the reimbursement request.

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

Meal Reimbursement

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

A. The Per Diem Method

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

B. The Actual Receipt Method

1. Under the Actual Receipt Method, reimbursement shall be requested only for the actual cost paid for a meal.
2. Actual cost reimbursed will not to exceed \$100 per day.
3. Receipts shall include the following information:

EDUCATION AND TRAVEL POLICY

Reimbursement Schedule

Attachment A

- a. Meal cost amount, and
 - b. Date and location.
4. Credit card receipts are sufficient provided they include the required information.
 5. Annotating the meal receipt with the business purpose for the meal will assist staff with processing reimbursements, and if the receipt is for more than the individual, the names of persons whose meals are covered by the receipt.
 6. If a host provides a meal, and actual expenses are not incurred, then that meal should be excluded from reimbursement

PORTERAGE:

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

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

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

OTHER BUSINESS EXPENSES:

Other business expenses reasonably incurred in connection with LACERA business, such as business and personal telephone, fax,

EDUCATION AND TRAVEL POLICY

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internet access, gym access (including the standard gym fee charged by the traveler's hotel or, if hotel gym access is not available, the reasonable cost of daily access to a local gym or health facility), dry cleaning, and similar business expenses, shall be reimbursed upon submittal of receipts. The cost of membership in TSA Pre, Global Entry, NEXUS, SENTRI, or other expedited security and border processing programs shall be reimbursed upon submittal of receipts. Technology needs, for both international and domestic travel, may be discussed with the Systems Division in advance to develop appropriate solutions for the traveler's needs and to manage cost.

EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

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

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

A. Board Member Education Priority Listings

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

2. Each Board shall keep two listings:

a. Domestic Education Priority List

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

b. International Education Priority List

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

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

B. Creating Education Priority Listings

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

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

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

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

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

EDUCATION AND TRAVEL POLICY

Board Member Priority

Attachment B

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

C. Updating an Education Priority List

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

D. Selection of Board Members Authorized to Attend

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

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

EDUCATION AND TRAVEL POLICY
Board Member Priority
Attachment B

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

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

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

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

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

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

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

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

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

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

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

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

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

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



July 31, 2019

TO: Each Member
Board of Retirement

FOR: Board of Retirement Meeting on August 7, 2019

SUBJECT: Item VII.D. – Discussion and Possible Action

There are currently no written materials pertaining to the above mentioned item.

July 31, 2019

TO: Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: Potential Legislation to List the Board of Retirement's Responsibilities

RECOMMENDATION

That the Board of Retirement (Board) consider and provide guidance to staff regarding whether to pursue legislation to add a statute to the County Employees Retirement Law of 1937 (CERL) that lists and clearly states the Board's responsibilities in a single provision.

LEGAL AUTHORITY

The Board of Retirement's Legislative Policy standards support proposals that provide clarification, technical updates, or conforming changes to CERL. (Legislative Policy, page 6.) Legislation to consolidate a list of the Board's responsibilities in a single statutory provision falls within this provision of the policy. In addition, pursuit of such legislation is within the Board's responsibility for management of the system under Government Code Sections 31520 and 31520.1, and it is within the Board's plenary administrative authority under Article XVI, Section 17 of the California Constitution.

DISCUSSION

This matter is presented to the Board at the request of Trustee Pryor, made at the July 11, 2019 Board of Retirement meeting in compliance with Section II(6) of the Board's Regulations.

Currently, CERL describes the Board of Retirement's areas of responsibility in numerous sections throughout the statute. There is no single provision that lists those responsibilities. Mr. Pryor believes it would be advantageous and eliminate confusion as to the responsibilities of the Board of Retirement and the Board of Investments for CERL to include a single statute listing all of the Board's responsibilities. The proposed statute would not supplant or modify the existing detailed sections throughout CERL, require a restructuring of CERL, or change the substance of CERL. The proposal would not change the authority already granted to the Boards; it would not address the Board of

Each Member, Board of Retirement
Re: Potential Legislation to List the Board of Retirement's Responsibilities
July 31, 2019
Page 2

Investments. Further, the provision would not require the support of other CERL systems because, in that LACERA is the only system with a Board of Retirement and a Board of Investments, the provision would be framed as a LACERA-only statute.

Memoranda previously provided to the Boards by Chief Counsel and outside fiduciary counsel describing in detail both Boards' responsibilities are attached as Exhibits A and B, respectively. The law has not changed since those memos were written. The proposed statute would include the list of Board of Retirement responsibilities stated in these memos.

If the Board directs staff to move ahead with legislation, staff will inform the State Association of County Retirement Systems (SACRS) Legislative Committee as a courtesy.

CONCLUSION

Based on the information above, staff requests the Board's direction as to whether to pursue legislation to add a statute to CERL that lists and clearly states the Board's responsibilities in a single provision.

Attachments

c: JJ Popowich
Jon Grabel
Barry Lew
Richard Bendall
Bernie Buenaflor
Allan Cochran
Cassandra Smith
Derwin Brown

EXHIBIT A

March 27, 2018 Chief Counsel Memo

FOR INFORMATION ONLY

March 27, 2018

TO: Each Member
Board of Retirement
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: April 4, 2018 Joint Board of Retirement and Board of Investments Meeting

SUBJECT: Joint and Separate Responsibilities of the Boards

At the March 15, 2018 Board of Retirement (BOR) meeting, certain BOR members requested a legal analysis of the joint and separate responsibilities of the BOR and the Board of Investments (BOI) (together, Boards) in order to facilitate a clear understanding and compliance with applicable law.

LEGAL AUTHORITY

The responsibilities of the Boards are enumerated in Article XVI, Section 17 of the California Constitution, the County Employees Retirement Law of 1937 (CERL), Cal. Gov't Code §§ 31450, *et seq.*, the California Public Employees' Pension Reform Act of 2013 (PEPRA), Cal. Gov't Code §§ 7522, *et seq.*, and the Internal Revenue Code, 26 U.S.C. §§ 401(a), *et seq.*

The Boards' overarching plenary authority and fiduciary responsibilities are addressed in Article XVI, Section 17 of the Constitution. Article XVI, Section 17 applies generally to all California public pension boards. The Constitution does not change the division of responsibilities between the Boards as established in CERL.

Specific operational responsibilities of the Boards are set forth in CERL and PEPRA, which describe the duties of LACERA's Boards in detail.

LACERA is the only California public pension system that has separate boards for administration and investments (although a number of California charter cities have established separate pension funds and boards for safety and general members).

DISCUSSION

A. Constitution.

Under Article XVI, Section 17 of the Constitution, "the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for

investment of moneys and administration of the system.” The Constitution only uses the singular term “retirement board,” but it does not create that board. Rather, the Constitution confers duties on governing board(s) otherwise established by plan sponsor agencies under the laws that provide for their respective plans. For example, the Public Employees’ Retirement Law, Cal. Gov’t Code §§ 20000, *et seq.* (PERL), establishes the Board of CalPERS; the Teachers’ Retirement Law, Cal. Ed. Code §§ 22000, *et seq.*, establishes the Board of CalSTRS. So, too, CERL authorizes the twenty California counties adopting the CERL to establish the retirement boards for their respective county systems. For Los Angeles County, CERL authorized the County to establish two boards for jointly governing a single retirement system, and the County exercised that authority to create the BOI. Because of the unique authority granted by CERL, both LACERA Boards have constitutional fiduciary obligations that are important to the performance of their coordinated governance of the retirement system. The Boards both have the same constitutional mission and the same fiduciary duties of prudence and loyalty. It is important to review these fiduciary duties because they have a direct bearing on how the Boards should interact with each other in considering their joint and separate operational responsibilities under CERL.

Article XVI, Section 17 provides for the following duties, which apply to both the BOR and the BOI:

- “The retirement board . . . shall have the sole and exclusive fiduciary responsibility over the assets” of the system. (Section 17(a).)
- “The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries.” (Section 17(a).)
- Fund assets “are trust funds and shall be held for the exclusive purposes of providing benefits to participants . . . and their beneficiaries and defraying reasonable expenses of administering the system.” (Section 17(a).)
- Trustees “shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board’s duty to its participants and their beneficiaries shall take precedence over any other duty.” This is the duty of loyalty. (Section 17(b); *see also* CERL, Section 31595(a).)
- Trustees “shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would

use in the conduct of an enterprise of a like character and with like aims.” This is the duty of prudence. (Section 17(b).)

In addition, Article XVI, Section 17 includes two duties that apply to the BOI, although the BOI is not mentioned by name:

- Trustees “shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.” (Section 17(d); see *also* CERL, Section 31595(c).)
- The board, “consistent with the exclusive fiduciary responsibilities vested in it, shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.” (Section 17(e).)

The BOR and BOI share the same constitutional fiduciary duties in furtherance of the same purpose. The trustees of the boards are co-fiduciaries of the retirement system. The Boards must work together to achieve the purpose of the fund. The need to work together is a constitutional requirement that follows from the duty of prudence because any reasonable trustee in a like position must cooperate fully with their trustees on the other board. Joint effort also follows from the duty of loyalty because the interests of the members and their beneficiaries could be impaired if there are jurisdictional disagreements between the Boards. The Boards must respect clear lines drawn in CERL as to their separate and joint authorities. The Boards should also be flexible and collaborative in addressing ambiguities in the law as to board authority where they exist in CERL and PEPRA and in addressing special circumstances that may prudently require joint action or joint communication.

B. CERL and PEPRA.

1. Background.

a. BOR.

Section 31520 of CERL provides, “Except as otherwise delegated to the board of investments and except for statutory duties of the county treasurer,¹ the management of the retirement system is vested in the board of retirement” Section 31520 provides for a five-member board of retirement. However, where a system (like LACERA) provides for safety member contributions and retirement, Section 31520.1 provides for a nine-

¹ CERL provides that the Boards may delegate certain responsibilities, such as the holding and investment of assets, to the treasurer. The Boards have not exercised this authority.

member board of retirement, with an alternate safety member. The nine members include four elected by the members (two by general members, one by safety members, and one by retired members), four appointed by the board of supervisors, and the county treasurer, sitting ex officio. Section 31520.5 provides for a retired member alternate to the board of retirement.

LACERA has had its Board of Retirement since the fund's formation in 1938.

b. BOI.

Section 31520.2 provides that, in any county with over \$800 million in assets, the board of supervisors may establish a nine-member board of investments. The membership of the board of investments follows the same pattern as described above for the board of retirement, except that there are no alternate members.

LACERA has had a Board of Investments since 1972, shortly after the Board of Supervisors voted to authorize it. LACERA is the only CERL system with a board of investments. Under Section 31520.2(b), "The board of investments shall be responsible for all investments of the retirement system."

2. Definition of "Board."

The responsibilities of the BOR and BOI are contained in various CERL and PEPRA provisions. Sometimes, the statutes are clear and specific as to which board is given a particular responsibility. Other provisions simply use the term "board" or are vague as to whether they apply to the BOR, the BOI, or both. Section 31459.1 provides a definition of "board" which is applicable only to LACERA, as follows:

(a) In a county in which a board of investments has been established pursuant to Section 31520.2:

(1) As used in Sections 31453, 31453.5, 31454, 31454.1, 31454.5, 31472, 31588.1, 31589.1, 31591, 31592.3, 31594, 31595.1, 31595.9, 31596, 31596.1, 31601.1, 31607, 31610, 31611, 31612, 31613, 31616, 31618, 31621.11, 31625, 31639.26, 31784, and 31872, "board" means board of investments.

(2) As used in the first paragraph of Section 31592.2 and the first paragraph and subdivision (c) of the second paragraph of Section 31595, "board" means a board of investments.

(3) Sections 31521, 31522, 31522.1, 31522.2, 31523, 31524, 31525, 31528, 31529, 31529.5, 31535.1, 31580.2, 31614, 31680, and 31680.1,

apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(4) Subdivision (a) of Section 31526 and subdivisions (a) and (b) of the second paragraph of Section 31595 apply to both the board of retirement and board of investments, and “board” means either or both the board of retirement and board of investments.

(b) In Article 17 (commencing with Section 31880) of this chapter, “board” means the Board of Administration of the Public Employees’ Retirement System.

(c) In all other cases, “board” means the board of retirement.

(d) This section shall apply only in a county of the first class, as defined in Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

The specific CERL sections mentioned in Section 31459.1 are discussed in detail in the next section of this memo. Section 31459.1 does not list all provisions of CERL that specifically mention the board of investments. Other provisions must be interpreted in developing a list of the Boards’ responsibilities. In addition, it is important to note that Section 31459.1 is not itself a grant of authority to either board; it is a definitional section to assist in interpreting some but not all of the substantive provisions of CERL that describe specific areas of board responsibility.

3. Responsibilities and Authorities of the Boards.

As quoted above, Section 31520 states that “the management of the retirement system is vested in the board of retirement,” and Section 31520.2(b) provides that “The board of investments shall be responsible for all investments of the retirement system.” However, these statements are so general that they do not provide much practical guidance in understanding how the many specific functions of managing a public retirement system are to be handled by the Boards.

Understanding of the detailed allocation of responsibilities is found in the definition quoted above from Section 31459.1 and in other provisions of CERL that specifically mention one or both of the Boards. Based on Section 31459.1 and the rest of CERL, certain responsibilities belong to both the BOI and the BOR, certain responsibilities belong to the BOI, and everything else that is not specifically identified belongs to the BOR. The next three subsections of this memo list specific responsibilities that fall into each category. CERL is a long and complex statute, over 360 pages in length. There may be specific separate responsibilities of the BOR or BOI that are not listed below. However, the lists below include major responsibilities and authorities of the Boards.

a. Joint Responsibilities and Authorities of the BOR and BOI.

Under CERL, there are two specific responsibilities and authorities that require joint action of both the BOR and the BOI:

- i. Appointment of personnel.* (Sections 31522.1, 31522.2, 31522.4.)
These provisions provide that “the board of retirement and both the board of retirement and board of investment may appoint” the retirement administrator and other staff. Since LACERA has both the BOR and BOI, the statutory language giving appointing authority to “both” the BOR and the BOI governs. Appointing authority includes the power to approve organizational staffing needs, classifications and classification changes, evaluation, compensation adjustments, and discipline. Accordingly, appointment of staff is a statutory joint responsibility of the Boards.

Long ago, the Boards determined to retain joint appointing authority over the Chief Executive Officer (CEO) and delegate appointing authority for all other positions, other than the Chief Audit Executive,² to the CEO. This structure is reflected in County Salary Ordinance provisions, as required by CERL.³

The Salary Ordinance provides, “The person appointed by the Boards of Retirement and Investments to act as retirement administrator pursuant to Government Code Section 31522.2, shall be known as the Chief Executive Officer.” (Ordinance 6.127.020(A).) The Salary Ordinance defines “Appointing Authority” for the CEO as “the board of retirement and the board of investments jointly” and for staff as the “retirement administrator.” (Ordinance 6.127.040(B)(1).)

² The Boards have determined that they are the appointing authority for the Chief Audit Executive (CAE) with respect to appointment, discipline, dismissal, and/or removal. The Audit Committee is the CAE’s appointing authority with respect to performance management and salary adjustments. The CAE reports to the CEO for administrative purposes. The role of the Boards, the Audit Committee, and CEO are fully described in the Audit Committee Charter. Note that changes to the Salary Ordinance to implement the system described in this footnote, as approved by the Boards in January 2017, are pending approval by the Board of Supervisors as of the date of this memo.

³ This structure is not unique to LACERA. A similar arrangement exists in the City of San José, which has separate boards to administer its Police and Fire Department Retirement Plan and its Federated City Employees’ Retirement System. By City Charter (Section 810.1(a)), however, the two boards have the authority to “jointly appoint the chief executive officer and the chief investment officer.”

The CEO's compensation "may be determined by written agreement between the boards of retirement and investments and such designated person." (Ordinance 6.127.030(B)(1); see also Ordinance 6.127.040(C).) The CEO's salary may be adjusted "by the boards of retirement and investments," even if it falls outside designated Salary Ranges. (Ordinance 6.127.030(B)(3).) The Boards jointly may authorize additional compensation to the CEO for "exceptional or extraordinary service." (Ordinance 6.127.030(B)(2).) The County's Table of Classes of Positions with Salary Schedule and Level does not state the CEO's compensation; instead, it refers back to the Board's joint compensation setting authority under Ordinance 6.127.020(A). (Ordinance 6.127.050, Note N37.)

Under the Ordinance, salary adjustments and performance management for LACERA staff are the responsibility of the CEO as Appointing Authority under Chapter 127 of the Ordinance.

The Boards also have the independent authority, by joint resolution, to create a Performance Compensation Program for LACERA employees. (Ordinance 6.127.030(C).)

The Boards may, by joint action, request a change in the Ordinance. However, at present, the structure for personnel is as described above. The Civil Services Rules are consistent, where applicable.

- ii. Budget approval. (Section 31580.2.) This statute provides that, where "the board of retirement, or the board of retirement and the board of investments, have appointed personnel . . . , the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earnings of the retirement fund." At LACERA, since the Boards jointly appoint personnel under CERL as discussed above, the responsibility and authority to adopt a budget belongs as a matter of law under Section 31580.2 to both Boards acting jointly. This is in fact the way LACERA conducts its budget process.

Although appointment of personnel and budget approval are the only two specified areas of joint Board action under CERL and PEPR, there may be other important issues that flow from the specified areas or otherwise reasonably should be handled by both Boards. Examples include: litigation that presents significant organizational risks; union contracts; legislation that affects LACERA's overall governance structure; changes in LACERA's

Mission, Values, or Vision; joint committees such as the Audit Committee;⁴ policies that affect both Boards, such as the Audit Committee Charter, Education and Travel Policy, Legislative Policy, Code of Ethical Conduct, Conflict of Interest Code, and similar policies that cross board lines; and engagement of fiduciary counsel to advise both Boards. As noted above, a spirit of cooperation, collaboration, and flexibility is legally required among the Boards as a matter of their co-fiduciary duties in addressing other issues of joint interest.

b. BOI Responsibilities and Authorities.

CERL is generally structured so that the responsibilities and powers of the BOI are specifically identified. Any responsibilities and powers not given to the BOI belong to the BOR. Despite this structure, there are still some ambiguities because Section 31459.1 is not complete and other CERL and PEPR provisions are also ambiguous. Responsibilities and authorities that the BOI, and its trustees, may separately exercise as identified in governing law include the following:

- i. All investments.* (Sections 7514.2, 31520.2(b), 31594, 31595, 31595.1, 31595.9, 31601.1, 31602, 31603.) The BOI “shall be responsible for all investments of the retirement system.” (Section 31520.2(b).) The statutory authority is very broad. Investments may be made “in any form or type of investment deemed prudent” in compliance with the BOI’s fiduciary duties. (Section 31494.) Note that investments in real property require approval by at least six votes, except that nine votes are required if the Board of Supervisors or County Board of Education has a material interest. (Section 31601.1.) Investments in in-state infrastructure projects are specifically addressed by statute. (Section 7514.2.)
- ii. Diversification of investments.* (Section 31595(c).) The BOI is required to “diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.” (*Id.*) This same language appears in Article XVI, Section 17(d).

⁴ The responsibilities and authorities of the Audit Committee include oversight of Internal Audit, oversight of the CAE (see footnote 2), oversight of and recommendations regarding selection of the External Auditor, monitoring of the financial reporting process, monitoring management’s system of internal controls and compliance, and conflicts and ethics. These responsibilities are fully defined in the Audit Committee Charter approved by both Boards.

- iii. Delegation of investment authority. (Sections 31595, 31595.1, 31596.) The BOI has the authority and discretion to “invest, or delegate the authority to invest, the assets of the fund.” (Section 31595.) One party to whom the BOI may delegate authority is the treasurer. (Sections 31595.1, 31596.)
- iv. Actuarial investigations, assumptions, and valuations. (Sections 31453, 31453.6, 31454, 31454.1, 31515.1.) The BOI has sole authority under CERL over actuarial matters related to the pension fund. Actuarial issues are also recognized in the Constitution, which provides that board (as to LACERA, the BOI) “shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.” (Article XVI, Section 17(e).)
- v. Retirement benefit funding policy. (Sections 7522.52, 31591.) The BOI sets the funding policy for LACERA, which includes the funding goal, annual implementation, allocation of actuarial assets, and the valuation cycle.
- vi. Recommendation of interest rates on deposits. (Sections 31453, 31454, 31472, 31591.) Based on actuarial investigation, valuation, and recommendations, the BOI recommends to the Board of Supervisors changes in the interest rate on deposits.
- vii. Recommendation of member contribution rates. (Sections 31453, 31454, 31621.11, 31625, 31639.26, 31872.) Based on actuarial input, the BOI recommends to the Board of Supervisors the rates of member contributions.
- viii. Recommendation of employer contribution rates and appropriations. (Sections 31453, 31453.5, 31454, 31454.5, 31495.) Similarly, the BOI recommends to the Board of Supervisors employer contributions rates and appropriations based on actuarial findings.
- ix. Transfer of excess interest. (Section 31592.2(a).) The BOI has authority, when the surplus interest in excess of the amount credited to contributions and reserves exceeds 1% of total assets, to transfer such surplus into a county advance reserve for the payment of benefits.
- x. Selection of custodian. (Section 31596.) The BOI is responsible to select LACERA’s custodian.

- xi. Investment, actuarial, custodial, and investment legal expenses. (Section 31596.1) The BOI manages expenses of investment, the fund's actuary, the custodian, and investment counsel, all of which are then charged against investment earnings or fund assets as the BOI determines.
- xii. Adopt BOI regulations. (Sections 31525, 31526(a).) The BOI is required to adopt board regulations providing for election of officers, their terms, meetings, and all other matters relating to the administrative procedure of the board.
- xiii. Interest on unpaid installments of death benefit. (Section 31784.) The BOI determines the rate at which interest is paid to a person who elects to receive a death benefit over time.
- xiv. Certain Plan E actions. (Sections 31488, 31491(f) and (g), 31492(b) and (c).) The interest and mortality tables adopted by the BOI are used for calculation of the early retirement adjustment factors that may be employed under Plan E. (Section 31491(f).) The BOI also adjusts primary insurance amounts for Plan E based on the advice of the actuary. (Section 31491(g).) In addition, the BOI approves the actuarial equivalence of a Plan E member's election for an increased survivor allowance. (Section 31492(c).)
- xv. Filling of BOI vacancies. (Section 31523.1.) The BOI is required to cause an election to be held at the earliest possible date for any vacancy in the elected positions.
- xvi. Separation from County service. (Section 31524.) Separation from County service of an elected member vacates the trustee's office.
- xvii. 24 hours of trustee education. (Section 31522.8.) BOI trustees are required to obtain 24 hours of education every two years on the subjects listed in Section 31522.8.
- xviii. Conflict and revolving door limits. (Section 31528.) Members of the BOI may not have a personal interest, direct or indirect, in the making of any investment, the profit or losses on any investments, or the sale of any investment, or act as agent for others in the use of trust funds. BOI members also may not, for a period of two years after leaving office, act as an agent or attorney for or otherwise represent for compensation any person, except the County, before the BOI, BOR, or staff by personal appearance or any oral or written communication for the purpose of influencing LACERA administrative or legislative

action or concerning a contract, grant, or purchase or sale of good or property. Beyond Section 31528, the BOI has authority to regulate conflicts that may arise in the conduct of its affairs and the matters under its authority.

- xix. Authority to obtain legal representation. (Sections 31529, 31529.1, 31529.5, 31529.6, 31529.9, 31607.) The BOI may retain outside counsel to act as counsel for the board or assist in the performance of its responsibilities.
- xx. Securities and investment-related litigation. Authorization and oversight of securities and other investment-related litigation is the responsibility of the BOI because the issues involve matters within the broad investment responsibility of that board.
- xxi. Issuance of subpoenas. (Section 31535.1) The BOI has the authority to issue subpoenas in connection with its areas of responsibility.
- xxii. OPEB trust investments and trust administration. (Sections 31694.1, 31694.3, 31694.5.) The BOI may invest Other Post-Employment Benefit (OPEB) trust assets contributed by participating employers. The BOI is trustee under the County, Court, and Master OPEB Trust Agreements with responsibility for trust investment and administration.
- xxiii. Approval of travel. The BOI has the responsibility under the Education and Travel Policy to approve travel for its trustees according to the terms of the policy.
- xxiv. Committees. Under the BOI Regulations, the BOI Chair may appoint such standing and ad hoc committees as he or she deems necessary to accomplish the BOI's responsibilities. The BOI as a whole also has authority to establish committees.

The BOI has the authority to perform and manage their specific responsibilities as listed above, adopt policies and procedures, retain other consultants and vendors, and take other reasonable and necessary actions related to their specifically assigned responsibilities. The BOI's authorities and responsibilities are further addressed in the BOI's Regulations (or Bylaws), Board Charter, Powers Reserved Defined, Powers Reserved and Delegated Authorities, the Powers and Duties of Investments Board Members, Investment Policy Statement, Corporate Governance Committee Charter, Corporate Governance Principles and Policy, Domestic Proxy Voting Guidelines, and other existing policies and procedures. The BOI must manage its meetings and affairs so as to comply with the Brown Act, Cal. Gov't Code 54950, *et seq.*

c. BOR Responsibilities and Authorities.

Under Section 31520, “the management of the retirement system is vested in the” BOR, except for those responsibilities specifically assigned to both Boards or the BOI. Accordingly, the short answer to the question of the BOR’s responsibilities and authorities is that the BOR separately can do anything, required under CERL, PEPRA, and the Constitution to manage the system, that is not specifically listed in paragraph 3(a) (joint BOR and BOI responsibilities) and paragraph 3(b) (BOI responsibilities). However, to provide a more helpful response, the responsibilities and authorities that may be separately exercised by the BOR include the following:

- i. Pension benefits administration upon service retirement.* (Section 31670.) The BOR approves all service retirements and administers all issues and processes under CERL and PEPRA related to delivery and support of pension benefits, including Member Services, Benefits, and Quality Assurance.
- ii. Compensation earnable and pensionable compensation.* (Sections 7522.34, 31461.) The BOR makes determinations as to whether pay codes are compensation earnable under CERL. The BOR also acts upon pensionable compensation recommendations under PEPRA, although there is less board discretion under PEPRA than there is under CERL because PEPRA does not specifically reference a board determination.
- iii. Disability retirement benefits administration.* (Sections 31530, 31720 *et seq.*) The BOR approves all disability retirements. In that role, the BOR administers Disability Retirement Services, engages physicians, manages the board’s medical advisor, decides applications, appoints referees to conduct appeal hearings, receives and acts upon referee reports, sets rules for disability applications and hearings, and makes such other decisions and performs such other oversight as required for delivery of disability retirement benefits. Member Services, Benefits, and Quality Assurance may also be necessary, from time to time, to support the administration of disability retirement.
- iv. All other benefits and benefit-related issues.* All other benefits and benefit-related issues under CERL and PEPRA, including, for example, survivor benefits, death benefits, investigation of benefits questions, felony forfeiture, and reciprocity, are within the BOR’s authority.

- v. Collections. The BOR oversees collection issues, including underpayment of contributions and overpayment of benefits.
- vi. Administrative appeals. The BOR has established and oversees an administrative appeals process, and hears and decides member appeals with regard to plan administration issues. The administrative appeals process adopted by the BOR provides due process to members with disputes.
- vii. Procedure for assessing and determining whether an element of compensation was paid to enhance benefits. (Section 31542.) The BOR is required to implement a procedure to address potential “pension spiking.” If the BOR determines that compensation was paid to enhance a member’s benefit, the member or employer may present evidence that the compensation was not paid for that purpose and request the BOR to reverse its decision. This requirement was implemented in part through the administrative appeals process described in (vi) above.
- viii. LACERA operations. All LACERA operational issues are addressed by the BOR, other than those assigned to the Boards jointly or to the BOI as described in the preceding sections of this memo. The BOR’s operational responsibilities are broad, except as limited, and include such important matters as privacy, Public Records Act requests, member communications, and all issues not specifically provided to be performed elsewhere.
- ix. Financial and accounting services. (Section 31593.) Aside from financial, actuarial, and auditing responsibilities of the BOI and the Audit Committee as explained above, the BOR monitors and supervises the Financial and Accounting Services Division and related financial reporting compliance issues and approves retention of LACERA’s external financial auditor based on a recommendation from the Audit Committee.
- x. Personnel issues. The personnel function, which includes Human Resources, is part of the management of the system, and is therefore under the jurisdiction of the Board of Retirement. Personnel issues includes employment claims and litigation. This responsibility excludes the CEO and the CAE, which report jointly to both Boards as noted above. It also excludes classification, compensation, and union contracts (although negotiations will be overseen by the BOR), which are joint board responsibilities. In addition, it is reasonable to

acknowledge that both Boards have an interest in significant personnel issues concerning senior management, such as the Chief Counsel, who regularly advise the BOR. Accordingly, while the BOR will have oversight responsibility for most personnel issues, certain personnel issues may appropriately be addressed by both Boards working together or by the BOI alone.

- x. Aids to benefits administration.* The BOR's broad authority over benefits, including service retirements, disability retirements, and other benefits, encompasses the ability to procure consultants and whatever other aids are necessary for the effective performance of that work.
- xii. Tax compliance issues.* The BOR oversees tax qualification issues and monitors that LACERA remains in compliance with applicable requirements of the Internal Revenue Code. The BOR also monitors compliance with other tax laws, such as state and federal withholding requirements for member and beneficiary payments.
- xiii. Adopt BOR regulations.* (Sections 31525, 31526.) The BOR is required to adopt board regulations providing for election of officers, their terms, meetings, and all other matters relating to the administrative procedure of the board.
- xiv. Filling of BOR vacancies.* (Section 31523.) The BOR is required to cause an election to be held at the earliest possible date for any vacancy in the elected positions.
- xv. Separation from County service.* (Section 31524.) Separation from County service of an elected member vacates the trustee's office.
- xvi. 24 hours of trustee education.* (Section 31522.8.) BOR trustees are required to obtain 24 hours of education every two years on the subjects listed in Section 31522.8.
- xvii. Conflict and revolving door limits.* (Section 31528.) Members of the BOR may not have a personal interest, direct or indirect, in the making of any investment, the profit or losses on any investments, or the sale of any investment, or act as agent for others in the use of trust funds. BOR members also may not, for a period of two years after leaving office, act as an agent or attorney for or otherwise represent for compensation any person, except the County, before the BOI, BOR, or staff by personal appearance or any oral or written communication for the purpose of influencing LACERA administrative or legislative action or concerning a contract, grant, or purchase or sale of goods or

property. Beyond Section 31528, the BOR has authority to regulate conflicts that may arise in the conduct of its affairs and the matters under its authority.

- xviii. Authority to obtain legal representation. (Sections 31529, 31529.1, 31529.5, 31529.6, 31529.9.) The BOR may retain outside counsel to act as counsel for the board or assist in the performance of its responsibilities.
- xix. Litigation related to LACERA benefits, operations, and management. All non-investment related litigation is managed by the BOR, with the possible exception that there may be limited, extraordinary situations where good governance and fiduciary duty suggests that the best case management will be performed by both Boards.
- xx. Issuance of subpoenas. (Section 31535.1) The BOR has the authority to issue subpoenas in connection with its areas of responsibility.
- xxi. Administration of the OPEB program. (Sections 31691, 31694.) The BOR administers the retiree healthcare program under the 1982 Agreement, as amended, with the County and under separate agreements with participating districts.
- xxii. Approval of travel. The BOR has the responsibility under the Education and Travel Policy to approve travel for its trustees according to the terms of the policy.
- xxiii. Committees. Under the BOR Regulations, the BOR Chair may appoint such standing and ad hoc committees as he or she deems necessary to accomplish the BOR's responsibilities. The BOR as a whole also has the authority to establish committees.

The BOR also has the authority to perform and manage their specific responsibilities as listed above, adopt policies and procedures, and take other reasonable and necessary actions related to their specifically assigned responsibilities. The BOR's authorities and responsibilities are further addressed in the BOR's Regulations, Board Charter, Committee Charters, the Power and Duties of Retirement Board Members, Policies and Procedures for Handling Disability Applications, Procedures for Disability Retirement Hearings, and other existing policies and procedures. The BOR must manage its meetings and affairs to comply with the Brown Act, Cal. Gov't Code 54950, *et seq.*

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CONCLUSION

This summary of the Boards' responsibilities is based on the current state of the law. It is also important to repeat that, while this memo is intended to be comprehensive, there may be specific responsibilities of the Boards that are not mentioned with particularity. To the extent there are ambiguities in the law or the Boards would like to change existing practice, LACERA can seek legislative changes. The Boards, separately or jointly depending on the subject matter, also have the discretion to adopt additional policies and procedures to clarify their respective responsibilities.

| | | | |
|----|------------------|--------------------|--------------------|
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EXHIBIT B

June 15, 2018 Fiduciary Counsel Memo

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***CONFIDENTIAL AND PRIVILEGED
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To: Members of the Board of Retirement and Board of Investments
Los Angeles County Employees Retirement Association
c/o Steven P. Rice, Chief Counsel

Date: June 15, 2018

Subject: Boards' Responsibilities

It came to our attention yesterday that some members of the Boards had requested that we, as Fiduciary Counsel, provide an analysis of the law and policies establishing the respective responsibilities of the two Boards, separate and apart from the analysis presented to the Boards during the joint meeting held on April 4, 2018. This Memorandum addresses that request.

Chief Counsel submitted a Memorandum to the Boards, dated March 27, 2018, regarding the "Joint and Separate Responsibilities of the Boards," for the April 4th joint meeting (copy attached.) Prior to submitting that Memorandum, Chief Counsel afforded us an opportunity to review and comment on its content, which we did; our comments and suggestions were incorporated into the final Memorandum presented to the Boards. At the April 4, 2018 meeting, we accompanied Chief Counsel in presenting the Memorandum to the Boards and responding to Board member questions and comments. At the conclusion of the meeting counsel was directed to incorporate the Memorandum into the Board Charters.

Although not expressly stated in the Chief Counsel's Memorandum, we fully agree with the legal analysis and conclusions found in the Memorandum. The respective responsibilities of the two Boards are detailed extensively in the Memorandum, sourced to their statutory bases, and are consistent with the common law of trusts (particularly the law relating to the fiduciary obligations of co-trustees.) Where the law may not be crystal clear in its direction, the Boards have established reasonable policies and procedures to accommodate their respective duties and implement the intent of the law.

In sum, we believe that the March 27, 2018 Memorandum accurately states the current status of the law establishing the respective powers and duties of the Boards, and here confirm our agreement with its analysis and conclusions.

If we can provide further guidance to the Boards please let us know.

July 31, 2019

TO: Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 7, 2019 Board of Retirement Meeting

SUBJECT: Approval of External Review of Education and Travel Expenses, the Education and Travel Policy, and Implementation Practices for FYs 2016, 2017, 2018, and 2019

RECOMMENDATION

That the Board of Retirement (Board) provide direction in connection with a grant of authority to staff, through the Chief Counsel, to issue a Request for Proposals (RFP) for an external consultant to review LACERA's education and travel expenses, the Education and Travel Policy (Policy), and policy implementation practices during Fiscal Years (FY) 2016, 2017, 2018, and 2019, evaluate proposals, select a vendor, enter into a contract, and manage the vendor's review to completion and presentation of results and findings within 60 days, provided that notice of the selection of the vendor and key contract terms will be provided to the Board at its next meeting.

LEGAL AUTHORITY

The Board of Retirement has responsibility for management of the system under California Government Code Sections 31520 and 31520.1. The Board also has plenary authority over the fund's administration under Article XVI, Section 17 of the California Constitution. Review of LACERA expenses and policies are, therefore, within the authority of the Board.

The Board of Retirement and Board of Investments jointly formed an Audit Committee that, under its Charter, has the authority to conduct or authorize investigations and audits, both internal and external. The Audit Committee's authority, however, is not stated to be exclusive. The existence of the Audit Committee does not limit the ability of the Board of Retirement to separately review expenses and policies because such action is within the scope of the Board's statutory authority for management of the system as well as its plenary authority under the Constitution.

The Boards also formed a Joint Organizational Governance Committee (JOGC) that, under its Charter, reviews the Education and Travel Policy and makes recommendations

Each Member, Board of Retirement

Re: Approval of External Review of FY 2016-2019 Education and Travel Expenses and Policy

July 31, 2019

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regarding the Policy to the Boards. That authority also is not exclusive and does not constrain the Board of Retirement in conducting such review as it finds to be appropriate in the exercise of its plenary authority.

DISCUSSION

This memo is presented at the request of Chair Bernstein and Trustee Kehoe. The proposed review will provide an independent external review of education and travel expenses and the Education and Travel Policy. The resulting report will provide input on the amount of education and travel expenses by Board members and staff, comparison of such expenses to peer systems and other organizations, compliance with the Education and Travel Policy, and recommendations regarding the Policy and processes for education and travel.

LACERA's Internal Audit Division presented its Board and Staff Education & Travel Audit report dated June 20, 2019 at the Audit Committee's July 11, 2019 meeting. The report covered the FY 2018 year. The Audit Committee referred the report to the JOGC, which will consider it at the August 14, 2019 committee meeting. The proposed external review will supplement the work of Internal Audit by providing independent external analysis of expenses and the Policy, and recommendations based on such review. The proposed review will also provide information as to a longer period of time – FY 2016, 2017, 2018, and 2019 – than the single year (FY 2018) covered in the Internal Audit report. An external review is prudent in that it will provide the Board with additional information and perspective upon which to make decisions as to LACERA's education and travel needs and expenses, the Policy, and implementation practices.

The proposal provides for such review to be performed within the next 60 days and delegates authority to the Chief Counsel to select a vendor through an RFP process, oversee the work, and provide the consultant's report to the Board within that period. The proposal further provides that the Chief Counsel will notify the Board of the selected vendor and the key contract terms, including price, at the Board's next meeting.

CONCLUSION

Based on the above information, the Board is requested to provide direction in connection with a grant of authority to staff, through the Chief Counsel, to issue an RFP for an external consultant to review LACERA's education and travel expenses, the Policy, and policy implementation practices during FYs 2016, 2017, 2018, and 2019, evaluate proposals, select a vendor, enter into a contract, and manage the vendor's review to completion and presentation of results and findings within 60 days, provided that notice

Each Member, Board of Retirement

Re: Approval of External Review of FY 2016-2019 Education and Travel Expenses and Policy

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of the selection of the vendor and key contract terms will be provided to the Board at its next meeting.

c: JJ Popowich
Jon Grabel
Richard Bendall
Beulah Auten
Ted Granger

**FOR INFORMATION ONLY**

July 24, 2019

TO: Each Member
Board of Retirement

FROM: Fern M. Billingsy 
Senior Staff Counsel

DATE: Meeting of August 7, 2019

SUBJECT: **REPORT OF PENSIONABLE COMPENSATION AND COMPENSATION
EARNABLE ITEMS**

Within the last two months, staff submitted recommendations defining pensionable compensation of newly created pay items. We also informed your Board that we would return with additional items until all requested pay items have been reviewed. This memorandum will address existing pay items for which determinations have previously been made by your Board. The pay items have been slightly changed by adding new classifications or increasing the eligible pay amount.

ITEMS OF COMPENSATION

As you know, your Board is charged with determining which items of compensation qualify as pensionable earnings includable in the member's retirement allowance. Items of compensation have been analyzed as pensionable under the definition of "compensation earnable" in Government Code Section 31461, and the definition of "pensionable compensation" in Section 7522.34.

Based on these criteria, LACERA staff, reviewed and analyzed these items of remuneration to determine whether the items should be included in the member's final compensation when calculating a retirement benefit. We are currently in the process of reviewing over 60 pay items as a result of recent labor negotiations. Seventeen additional pay items are before you today.

Each Member
Board of Retirement
July 24, 2019
Page Two

Your Board has already made determinations regarding the inclusion of these seventeen (17) items of compensation in the definition of compensation earnable and pensionable compensation. However, as the pay items have been modified, staff reviewed the revised items to ensure the prior determinations still apply. Our review of these revised pay items is attached. For your convenience, the changes to the pay items have been bolded.

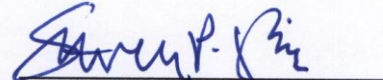
The pay items have been modified for the following reasons:

1. Changes to the amount of the standard salary levels allowed;
2. Inclusion of additional employment titles or responsibilities; and/or
3. Revisions of the flat dollar amount allowed

Nothing has changed in the character of the existing pay items. The initial analysis regarding these pay items remain relevant.

As these pay items already exist and have been reviewed by your Board, no additional determination is necessary. We provided the attachment so that your Board can be assured that all items are independently reviewed.

Reviewed and Approved



Steven P. Rice
Chief Counsel

FMB/et
Attachment

Attachment

| Revised Pay Codes INCLUDED under Section 31461 and EXCLUDED under 7522.34 | | |
|--|--|---|
| Event | Description | Earnings Code Description |
| INCLUDED under Section 31461 and EXCLUDED under 7522.34 | | |
| 209 | CRITICAL SHORTAGE RANGE /MANPOWER SHORTAGE RANGE | <p>This bonus provides a special hiring range which is at least one level, but not more than four schedules above the regular salary schedule established for a class. Upon the recommendation of the CAO because of recruitment difficulties, the Board approves the range and authorizes the appointment of persons to positions for which the range is to apply.</p> <p>Effective July 1, 2018, employees covered by this agreement shall receive an eight (8) standard salary levels (2.0176%) Manpower Shortage Range adjustment.</p> |
| 251 | PEACE OFFICER STANDARDS AND TRAINING (POST) BONUS - SUPERVISORY | <p>Provides bonus increasing from one and one-half percent (1½%) to a maximum three and one-half percent (3½%) for deputies that meet requirements defined by a new section of BU 612's Article 7, Section 11.</p> <p>Effective October 1, 2018, County Code 6.10.105 D, establishes any person who is employed in one of the classifications identified below and possesses a POST Supervisory certificate shall qualify for a Supervisory Bonus, provided all conditions have been met.</p> <p>Eligible employees are those in the following classifications:</p> <ul style="list-style-type: none"> - Captain (Item No. 2721) - Commander (Item No. 2723) - Captain, DA (Item No. 2896) - Detective (UC) (Item No. 9980) <p>Employees shall receive a bonus amount of 14 standard salary levels, which is 3.5574%.</p> <p>Eligible employees are those in the following classifications:</p> <ul style="list-style-type: none"> - Division Chief, Sheriff (UC) (Item No. 9968) - Assistant Sheriff (UC) (Item No. 9969) - Undersheriff (UC) (Item No. 9970) - Detective (UC) (Item No. 9977) - Detective (UC) (Item No. 9978) - Detective (UC) (Item No. 9979) <p>Employees shall receive a bonus amount of 3 ½%.</p> |
| 369 | ADVANCED EDUCATIONAL DEGREE BONUS | <p>Full-time Probation employees covered by this Memorandum of Understanding and who have a Master's degree from an accredited university in one of the following fields:</p> <ul style="list-style-type: none"> - Criminal Justice - Social Work - Psychology - Sociology - Marriage and Family Therapy (MFT) - Counseling - Public Administration - Communications (effective 10/1/2018) - Public Health (effective 10/1/2018) - OR - - Closely related field as determined by the Probation Department. <p>Employees will receive a 2% bonus, effective with the first pay period after presentation of written proof (i.e., official transcript) by the employee to Probation HR. Does not constitute a base rate bonus.</p> <p><u>BU 311 & 312</u>: Eligible items - All classes in BU 311, 312. For Registered Nurses (RN), on implementation of the RN 20-step salary range, any employee on a permanent full-time position who has a Bachelor's Degree in Nursing or a closely-related health field are paid a 2% bonus.</p> <p>Effective 4/1/2016, persons who are employed in a permanent, full-time position covered by this MOU who have an "accelerated" Masters degree (in the absence of a Bachelor's degree) in nursing or a closely related health field will receive a 2% bonus in addition to other compensation provided in this Article.</p> |

Revised Pay Codes

INCLUDED under Section 31461 and EXCLUDED under 7522.34

| Event | Description | Earnings Code Description |
|--|--|---|
| INCLUDED under Section 31461 and EXCLUDED under 7522.34 | | |
| 392 | LIBRARIAN BONUS | <p>Paid to various librarian classes where employees, in addition to regular in-charge duties, are responsible for more than one library or serve as regional coordinators, or serve as regional coordinators for more than one area.</p> <p>Effective 10/1/2018, employees in the class of Librarian V, who are assigned to have full in-charge responsibilities, as follows, shall be entitled to additional compensation of 5.5%, which is 22 standard salary levels (5.6468%):</p> <ol style="list-style-type: none"> 1. For more than one community library on a regular, ongoing basis; or 2. For a Group I Library ranked number one in at least two of the five Library Grouping System Major Operational Factors; or 3. Who in addition to their regular in-charge librarian assignment have on-going additional higher-level responsibilities due to a highly unusual factor (e.g., designated as the department's lead legislative representative, which requires the manager to participate in legislative meetings and events throughout the year.) <p>This bonus shall not constitute a base rate bonus.</p> <p>Paid at a rate of 2 standard salary schedules on the public salary schedule. Eligible Items #8335, 8336, 8337, 8339</p> |
| 504 | NIGHT SHIFT DIFFERENTIAL | <p>An additional hourly increment paid for each hour assigned to a night shift (i.e., 9:00pm and 8:00am), as defined by Code. Unless otherwise provided, the basic shift differential rate is \$1.00 per hour.</p> |
| 504NH | NIGHT SHIFT DIFFERENTIAL- RELIEF NURSE HOLIDAY NIGHT | <p>Relief Nurse inequity – 25% increase in the Holiday Pay rate. This provides the inequity for holiday pay for night shift while working on the holiday. This adjustment is already rolled into the chart identified in MOU 311, Article 60, Section 8, page 201.</p> <p>An additional hourly increment paid for each hour assigned to a night shift (i.e., 9:00pm and 8:00am), as defined by Code.</p> |
| 515 | WEEKEND BONUS | <p>An hourly-rate bonus paid for each hour worked on a weekend by any employee in a class represented by Bargaining Units 111, 112, 121, 122, 221, 222, 321, 341, 342, 432, 721, 722, 724, and 729. For this bonus, a "weekend" is defined as any hours occurring between the hours of 7:00 p.m. Friday and 7:00 a.m. Monday.</p> <p>Sheriff Department employees in the classification of Institutional Services Supervisor (Item #6796), Inmate Crew Leader Supervisor (Item #6779) and Head Cook (Item #6402) who work on a weekend (i.e. 7:00 p.m. on Friday through 7:00 a.m. on Monday) shall receive an additional \$1.00 per hour bonus for each hour worked on a weekend.</p> |
| 517 | EVENING SHIFT DIFFERENTIAL | <p>An additional hourly increment for hours worked on an evening shift. An "evening shift" is a regularly established work shift in which at least five-eighths of the shift falls between 4:00 p.m. and 11:00 p.m. Evening shift bonuses are hourly bonuses and are paid only for hours actually worked. Unless otherwise provided, the basic shift differential rate is \$1.00 per hour. This rate is applicable to all otherwise eligible classes except where different rates have been approved by the Board of Supervisors or established through negotiations, on which case the rates are on TIER. Typical positions eligible for shift differential bonuses are those found in 24-hour facilities. The following groups, series, or classes are excluded from receiving shift differentials: Fire Protection Series, Human Relations Consultant, Deputy Sheriff Group, Law Investigation Series, Lifesaving Series; persons assigned to greater than 40-hour workweeks, training positions (such as students, interns and resident physicians), Rainfall Observers, Recreation Series, and Safety Police Series. Open to various item numbers.</p> |

Revised Pay Codes

INCLUDED under Section 31461 and EXCLUDED under 7522.34

| Event | Description | Earnings Code Description |
|--|--|---|
| INCLUDED under Section 31461 and EXCLUDED under 7522.34 | | |
| 517NH | EVENING SHIFT DIFFERENTIAL-RELIEF NURSE HOLIDAY EVENING | <p>Relief Nurse inequity – 25% increase in the Holiday Pay rate. This provides the inequity for holiday pay for evening shift while working on the holiday. This adjustment is already rolled into the chart identified in MOU 311, Article 60, Section 8, page 201.</p> <p>An additional hourly increment for hours worked on an evening shift. An "evening shift" is a regularly established work shift in which at least five-eighths of the shift falls between 4:00 p.m. and 11:00 p.m. Evening shift bonuses are hourly bonuses and are paid only for hours actually worked. Unless otherwise provided, the basic shift differential rate is \$1.00 per hour. This rate is applicable to all otherwise eligible classes except where different rates have been approved by the Board of Supervisors or established through negotiations, on which case the rates are on TIER. Typical positions eligible for shift differential bonuses are those found in 24-hour facilities. The following groups, series, or classes are excluded from receiving shift differentials: Fire Protection Series, Human Relations Consultant, Deputy Sheriff Group, Law Investigation Series, Lifesaving Series; persons assigned to greater than 40-hour workweeks, training positions (such as students, interns and resident physicians), Rainfall Observers, Recreation Series, and Safety Police Series. Open to various item numbers.</p> |
| 531 | STANDBY | To provide a bonus for each hour that an employee is assigned to scheduled periods of standby service at off-duty times and who must remain available to return to work if called. Rate varies from \$1.05 to \$10.00/hour as specified on TIER. Open to various items; not applicable to MAPP participants. |
| 552 | STANDBY - EMERGENCY ROLL OUT PROGRAM | Used to pay a special Standby rate for Social Workers assigned to the emergency roll out program. Effective October 1, 2018, the standby rate will be \$2.50 per hour, not to exceed \$500.00 per month. Non-base pay hourly bonus. Eligible items: 9050 & 9051; all sub-items. |
| 571 | CHILDREN'S SOCIAL WORKERS LICENSURE SUPERVISION | <p>Provides a monthly stipend to employees who provide LCSW or MFCC licensure supervision to one or more Children's Social Worker.</p> <p>The stipends are as follows:</p> <ul style="list-style-type: none"> – \$20.00 per pay period (\$40.00 monthly) stipend for a weekly average of at least 1 hour. – \$40.00 per pay period (\$80.00 monthly) stipend for a weekly average of at least 2 hours. – \$60.00 per pay period (\$120.00 monthly) stipend for a weekly average of at least 3 hours. – \$80.00 per pay period (\$160.00 monthly) stipend for a weekly average of at least 4 hours. |
| 601 | REGISTERED NURSE SPECIALTY CARE BONUS (RN-CRITICAL CARE ICU/EMERGENCY DEPT) | <p>Full-time permanent Registered Nurses and Supervising Staff Nurses performing direct patient care in the following units shall receive a bonus of \$100 per pay period. To receive the bonus the RN must have completed the required training program and remain working in the areas designated below:</p> <p><u>ICU Nurses</u> Medical ICU, Surgical ICU, Neuroscience ICU, Coronary Care Unit, Progressive Care Unit, Burn ICU, Pediatric ICU, Neonatal ICU, Cardiothoracic ICA, ICU Critical Care Transport, Cardiac Cath Lab, Interventional Radiology, Cardia Cath Lab</p> <p>Recovery Area</p> <p><u>ER Department</u> Adult ER, Pediatrics ER, Psychiatric ER, Jail ER</p> <p><u>Other Specialty Areas (effective 10/1/2018)</u> Operating Room, Inpatient Psychiatric Unit, Inpatient Jail Unit/LAC-USC, PACU</p> |

| Revised Pay Codes | | |
|---|--|--|
| INCLUDED under Section 31461 and EXCLUDED under 7522.34 | | |
| Event | Description | Earnings Code Description |
| INCLUDED under Section 31461 and EXCLUDED under 7522.34 | | |
| 603 | AUTOMOTIVE SERVICE EXCELLENCE CERTIFICATE | <p>Provides additional compensation for each Automotive Service Excellence (ASE) certificate that certain employees engaged in automotive repair work possess. Eligible ASE Certificates are as follows:</p> <ol style="list-style-type: none"> 1. Gasoline Engines, T1 2. Diesel Engines, T2 3. Brakes, T4 or A5 4. Suspension & Steering, T5 or A4 5. Electrical Systems, T6 or A6 6. Heating & Air Conditioning, T7 or A4 7. Preventative Maintenance, T8 8. Engine Repair, A1 9. Automatic Transmission/transaxle, A2 10. Engine Performance, A8 11. Light Duty Hybrid/Electric, L3 12. Compressed Natural Gas (CNG), F1 13. Manual Drive Train, A3 14. Drive Train, T3 15. Electronic Diesel, L2 16. Electric/Electronic System Installation & Repair (E2) <p>The additional compensation for obtaining each valid ASE certificate is .25¢ per hour.</p> <p>MOU 421 – Fire Dept. Master ASE Certificate In lieu of the above provisions in Article 7, Section 8A and 8B, the employees shall be entitled to additional compensation of \$2.00 per hour for Masters ASE Certificates, up to two (2) Certifications.</p> |
| 617 | CLINIC NURSE ASSIGNED TO PROBATION CAMP | <p>To provide additional compensation for certain Clinic RN's assigned to a Probation Camp. Bonus of \$50 per each pay period to registered nurses permanently assigned to a probation camp. Open to items 5133, 5134, 5135, 5139, 5140, 5141, 5329, 5330, 5338, and 5339.</p> <p>Effective October 1, 2018, additional eligible classifications include:</p> <ul style="list-style-type: none"> – Supervising Clinic Nurse I (Item No. 5329) – Supervising Clinic Nurse II (Item No. 5330) – Supervising Staff Nurse I (Item No. 5338) – Supervising Staff Nurse II (item No. 5339) |
| 632 | PROBATION/CORRECTIONS DETENTN FACILITY ASSIGNMENT (MENTAL HEALTH WORKERS ASSIGND SHERIFF DETENTN FACL) | <p><u>BU 341 & 342</u> Provides additional compensation to certain employees of the Department of Mental Health who are assigned to work full time in various Los Angeles County Sheriff or Probation Detention Facility. Paid at the rate of \$50.00 per pay period. Eligible Items #5837, 5856, 5857, 5871, 5872, 8695, 8697, 8712</p> <p><u>BU 721 & 724</u> This additional compensation for any employee in this BU who is permanently assigned to work on a full-time basis in any Los Angeles County Sheriff or Probation Detention Facility, of \$100.00 per month (\$50.00 per pay period). The additional compensation is as follows: - Effective 10/1/19 - \$150.00 per month (\$75.00 per pay period) - Effective 10/1/20 - \$180.00 per month (\$90.00 per pay period) Eligible Items #8148, 9014, 9015, 9029, 9030, 9034, 9035, 9038</p> |
| 645 | EMERGENCY ROOM PREMIUM PAY/PAT FIN SVCS WKR/PAT RES WKR | <p><u>BU 729: Article 61, Section 3</u> Paid to Patient Financial Services Workers and Patient Resource Workers who are permanently assigned to work in a hospital emergency department at a rate of \$60.00 per pay period. Eligible items: 9192, 9193, 9197; all sub-items eligible. Effective October 1, 2018, eligible classification includes Patient Relations Representative (Item No. 9197).</p> <p><u>BU 722: Article 57, Section 5</u> Paid to Medical Case Workers and Clinical Social Workers who are permanently assigned to work in a recognized hospital emergency room at a rate of of \$25.00 per pay period. Eligible items: 9001, 9002, 9013, 9019.</p> |

FOR INFORMATION ONLY

July 29, 2019

TO: Each Member
Board of Retirement
Board of Investments

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: August 7, 2019 Board of Retirement Meeting
August 14, 2019 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

Attached is the monthly report on the status of legislation that staff is monitoring or on which LACERA has adopted a position.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

LACERA Legislative Report

cc: Steven P. Rice
John Popowich
Jon Gabel
Anthony J. Roda, Williams & Jensen
Joe Ackler, Ackler & Associates

LACERA Legislative Report
2019-2020 Legislative Session
Status as of July 29, 2019

File name: CERL-PEPRA-2019

| | |
|------------|---|
| CA AB 472 | AUTHOR: Voepel [R] TITLE: Public Employees' Retirement INTRODUCED: 02/11/2019 SUMMARY: Makes nonsubstantive changes to existing law which prescribes limits on service after retirement without reinstatement into the applicable retirement system. STATUS: 02/11/2019 INTRODUCED. Staff_Action: Monitoring |
| CA AB 664 | AUTHOR: Cooper [D] TITLE: County Employees' Retirement: Permanent Incapacity INTRODUCED: 02/15/2019 LAST AMEND: 03/13/2019 SUMMARY: Requires, for purposes of determining permanent incapacity of certain members employed as peace officers in Sacramento County, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer. Requires the Board of Retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement. STATUS: 06/26/2019 In SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Not heard. Comments: In 2017, the Board of Retirement adopted a Neutral position on AB 283 (Cooper), a similar bill by the same author. BOR_Position: Oppose 06/05/2019, Support 05/01/2019 IBLC_Recommendation: Support 04/11/2019 Staff_Recommendation: Watch |
| CA AB 979 | AUTHOR: Reyes [D] TITLE: Judge's Retirement System II: Deferred Retirement INTRODUCED: 02/21/2019 SUMMARY: Authorizes a judge who is a member of the Judge's Retirement system to retire upon attaining both 63 years of age and 15 or more years of service, or when a judge who has accrued at least 5 years of service and who has not received specified discipline is defeated for reelection. STATUS: 04/24/2019 In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard. Comments: AB 979 proposes structural changes to the retirement eligibility provisions for judges and a different employee contribution percentage than that which is currently prescribed in PEPRA. Staff_Action: Monitoring |
| CA AB 1198 | AUTHOR: Stone [D] TITLE: Public Employees' Retirement: Pension Reform |

INTRODUCED: 02/21/2019

LAST AMEND: 03/21/2019

SUMMARY:

Excepts transit workers hired before a specified date, from the Public Employees' Pension Reform Act, or PEPRA, by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA.

STATUS:

04/24/2019 In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.

Comments:

The bill affects those retirement systems whose members include transit workers and whether they are subject to PEPRA.

Staff_Action: Monitoring

CA SB 430

AUTHOR: Wieckowski [D]

TITLE: Public Employees Retirement Benefits: Judges

INTRODUCED: 02/21/2019

LAST AMEND: 05/17/2019

SUMMARY:

Relates to the State Public Employees' Pension Reform Act of 2013. Grants a judge who was elected to office in a specific year the option of making a one-time, irrevocable election to have a membership status prior to a certain date in the Judges' Retirement System II for service accrued after a certain date.

STATUS:

06/26/2019 In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.

Staff_Action: Monitoring

CA SB 783

AUTHOR: Labor, Public Employment & Retirement Cmt

TITLE: County Employees Retirement Law of 1937

INTRODUCED: 03/07/2019

SUMMARY:

Corrects several erroneous and obsolete cross references within the County Employees Retirement Law of 1937.

STATUS:

05/16/2019 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

Comments:

The SACRS Legislative Committee is in the process of considering other housekeeping proposals that may be included in this clean-up bill.

Staff_Action: Monitoring

File name: Federal-2019

US HR 141

SPONSOR: Davis R [R]

TITLE: Government Pension Offset Repeal

INTRODUCED: 01/03/2019

SUMMARY:

Amends Title II of the Social Security Act; repeals the Government pension offset and windfall elimination provisions.

STATUS:

01/31/2019 In HOUSE Committee on WAYS AND MEANS: Referred to

BOR_Position: Subcommittee on SOCIAL SECURITY.
Support 04/11/2019
IBLC_Recommendation: Support 03/14/2019
Staff_Recommendation: Support

US HR 1994

SPONSOR: Neal [D]
TITLE: Retirement Savings
INTRODUCED: 03/29/2019
SUMMARY:

Amends the Internal Revenue Code; encourages retirement savings.

STATUS:

05/23/2019 In HOUSE. Considered under the provisions of Rules Committee Resolution H. Res. 389.

05/23/2019 In HOUSE. Passed HOUSE. *****To SENATE. (417-3)

Comments:

Also known as the SECURE Act, the bill would increase the age for required minimum distributions from 70 1/2 to 72, which would require conforming amendments to CERL.

Staff_Action: Monitoring

US HR 3934

SPONSOR: Brady K [R]
TITLE: Windfall Elimination Provision Replacement
INTRODUCED: 07/24/2019
SUMMARY:

Amends Title II of the Social Security Act; replaces the windfall elimination provision with a formula equalizing benefits for certain individuals with non-covered employment.

STATUS:

07/24/2019 INTRODUCED.

07/24/2019 To HOUSE Committee on WAYS AND MEANS.

Staff_Action: Monitoring

US S 521

SPONSOR: Brown S [D]
TITLE: Government Pension Offset Repeal
INTRODUCED: 02/14/2019
SUMMARY:

Amends Title II of the Social Security Act; repeals the Government pension offset and windfall elimination provisions.

STATUS:

02/14/2019 INTRODUCED.

02/14/2019 In SENATE. Read second time.

02/14/2019 To SENATE Committee on FINANCE.

BOR_Position: Support 04/11/2019

IBLC_Recommendation: Support 03/14/2019

Staff_Recommendation: Support

File name: Other-2019

CA AB 199

AUTHOR: Calderon I [D]
TITLE: California Online Notary Act of 2019
INTRODUCED: 01/10/2019
SUMMARY:

Allows a notary public or an applicant for appointment as a notary public to register with the Secretary of State to be an online notary public by submitting

an application for registration that meets certain requirements. Authorizes an online notary public to perform notarial acts, and online notarizations by means of audio-video communication. Establishes various requirements applicable to an online notary public.

STATUS:

04/23/2019 In ASSEMBLY Committee on JUDICIARY: Not heard.

IBLC_Recommendation: Support 07/11/2019

Staff_Recommendation: Support

CA AB 287

AUTHOR: Voepel [R]

TITLE: Public Employees' Retirement: Annual Audits

INTRODUCED: 01/28/2019

SUMMARY:

Requires each state and local pension or retirement system to post a concise annual audit of the investments and earnings of the system on that system's internet website no later than the ninetieth day following the audit's completion.

STATUS:

02/07/2019 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

BOR_Position: Support 05/01/2019

IBLC_Recommendation: Support 04/11/2019

Staff_Recommendation: Neutral

CA AB 1212

AUTHOR: Levine [D]

TITLE: Public Employees' Retirement: Pension Fund

INTRODUCED: 02/21/2019

LAST AMEND: 05/16/2019

SUMMARY:

Requires a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described, and to provide it to them. Requires a state agency also to provide further project information to a board upon request.

STATUS:

06/26/2019 From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS. (4-0)

Staff_Action: Monitoring

CA AB 1332

AUTHOR: Bonta [D]

TITLE: Sanctuary State Contracting and Investment Act

INTRODUCED: 02/22/2019

LAST AMEND: 04/29/2019

SUMMARY:

Provides for the Sanctuary State Contracting and Investment Act. Requires the Department of Justice to publish a list on its internet website, based on specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency. Prohibits an agency from entering into a contract with an entity that appears on the list except under certain circumstances.

STATUS:

05/16/2019 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Comments:

As amended on 4/10/2019, the bill exempts contracts and agreements related to administration and investments of retirement benefits.

Staff_Action: Monitoring

CA AB 1400

AUTHOR: Kamlager-Dove [D]
TITLE: Employment Safety: Firefighting Equipment: Mechanics
INTRODUCED: 02/22/2019
LAST AMEND: 07/02/2019
SUMMARY:

Requires the Commission on Health and Safety and Workers' Compensation, in partnership with the County of Los Angeles and relevant labor organizations, to submit a study on the risk of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles in the County of Los Angeles.

STATUS:

07/10/2019 From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS. (4-0)

Comments:

As amended on 7/2/2019, the bill no longer relates to a cancer presumption but would require a study on exposure to carcinogens and incidence of occupational cancer as well as adoption of related regulations. The LA County Board of Supervisors removed its support of the bill and has taken no position.

IBLC_Recommendation: Watch, Watch 07/11/2019

Staff_Recommendation: Watch

CA SB 343

AUTHOR: Pan [D]
TITLE: Healthcare Data Disclosure
INTRODUCED: 02/19/2019
LAST AMEND: 06/18/2019
SUMMARY:

Eliminates alternative reporting requirements for certain plans or insurers. Requires instead that those entities report information consistent with any other health care service plan, health insurer, or health facility, as appropriate. Eliminates the authorization for hospitals to report specified financial and utilization data to the Office of Statewide Health Planning and Development.

STATUS:

06/25/2019 From ASSEMBLY Committee on HEALTH: Do pass to Committee on APPROPRIATIONS. (11-0)

IBLC_Recommendation: No_Position 07/11/2019

Staff_Recommendation: No_Position

CA SJR 3

AUTHOR: Wilk [R]
TITLE: Social Security Act
INTRODUCED: 03/04/2019
SUMMARY:

Requests the Congress of the United States to enact, and the President to sign, legislation that would repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act.

STATUS:

06/26/2019 From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Be adopted. (7-0)

06/26/2019 In ASSEMBLY. Ordered to third reading.
BOR_Position: Support 05/01/2019
Staff_Recommendation: Support

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FOR INFORMATION ONLY

July 31, 2019

TO: Each Member,
Board of Retirement
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 7, 2019 Board of Retirement Meeting
August 14, 2019 Board of Investments Meeting

SUBJECT: Update on Chief Executive Officer Executive Recruiter Selection

At their July 2, 2019 and July 3, 2019 meetings, the Board of Investments and Board of Retirement, respectively, authorized the Chief Counsel to enter into a contract for executive search services for the CEO search, provided that the search firm and key contract terms, including the fee, are disclosed to the Boards at the next meeting following execution of the contract.

On July 29, 2019, the CEO Search Ad-Hoc Committee interviewed two finalists and selected Alliance Resource Consulting LLC to conduct the executive recruitment search. On July 31, 2019, Alliance and LACERA entered in a contract for such services. The search fee is \$55,000, plus expenses. Other key terms include the description of services with the required in person and teleconference meetings, compliance with the designated recruiting schedule, the recruiter's commitment to support the search until it is completed to LACERA's satisfaction, resume screening and preliminary background checks on all candidates as well as full background checks on the finalists, and confidentiality of information.

c: John Nogales

FOR INFORMATION ONLY

July 31, 2019

TO: Each Member,
Board of Retirement
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 7, 2019 Board of Retirement Meeting
August 14, 2019 Board of Investments Meeting

SUBJECT: Enhancing Transparency

The Joint Organizational Governance Committee (JOGC) is considering transparency issues related to LACERA's operations. These issues were raised as an informational matter at the JOGC's July 26, 2019 meeting. They will be discussed in detail at future committee meetings and will return to the full Boards as appropriate. The JOGC requested that staff inform both Boards of this pending committee work as a matter of information only.

As a public agency, LACERA information should be readily transparent to the public. Transparency means that information is available in a format that members can easily access to gain understanding of LACERA's business. Transparency also means that the public has the ability to participate in meetings and decision-making of the governing bodies, the Board of Retirement and the Board of Investments. In the words of one leading publication, "Transparency is a foundational value for ethical government practices." *Open & Public V: A Guide to the Ralph M. Brown Act*, League of California Cities (2016), at page 8. Transparency is mandated by a number of California laws, such as the Brown Act requiring open meetings and the California Public Records Act requiring release of information. Transparency can also be advanced by a wide variety of discretionary decisions made by the Boards and staff in the way business is done, and therefore, a broad view should be taken of the issue.

LACERA and the Boards are transparent. However, transparency is not a static state. Transparency is dynamic. The fund strives to improve to take advantage of advances in technology, enhance compliance with existing law and meet requirements of new law, and evaluate and reevaluate current practices to learn from experience.

The purpose of this item is to update the Joint Organizational Governance Committee (JOGC) on transparency issues and initiatives as a prelude to a full discussion of the

issue at upcoming JOGC, Board, and committee meetings. This memo identifies examples of transparency issues, including some that are already in progress, and others that are new areas the JOGC and the Boards may wish to address. Certain of these issues are for the Board of Retirement; others may be addressed by each Board relating to their separate governance needs and preferences.

1. Open Meetings.

- a. *Ralph M. Brown Act.*** Board meetings are currently conducted in compliance with the Act. Meetings are noticed and agendaized as provided by the Act, and are open to the public. Board materials are distributed and made available to the public. In compliance with the Brown Act and Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) (ADA), meetings are physically accessible. Under the ADA, auxiliary communication aids and services are also available upon request as stated in a footnote to current Board and committee agendas. While the Boards may adopt additional policies to define and refine their Brown Act compliance, no additional policies or changes in practices are legally required. Nevertheless, staff is working to address meeting processes and procedures to better meet the needs of the Boards and enhance transparency by, for example, using consistent formats for agendas, minutes, and memos across the Boards and committees and minimizing the use of the green folder and ensuring public access to documents that are distributed to the Boards in that way.
- b. *Broadcasting and/or Posting of Meetings; and Boardroom Technology.*** The Systems Division is evaluating alternatives and will present options for discussion in the near future.
- c. *Bilingual Services.*** California law requires, in the Dymally-Alatorre Bilingual Services Act, California Government Code Sections 7290 - 7299.8, that a local agency serving a “substantial number of non-English-speaking people” shall employ sufficient bilingual persons or interpreters to “ensure provision of information and services” (which includes public hearings or other public activity) in such persons’ languages. The local agency is given discretion in the Act to determine what constitutes a “substantial number of non-English speaking people.” Written materials shall also be translated, but the Act leaves determination of “when these materials are necessary” to the local agency itself. The Boards have not made determinations under the Dymally-Alatorre Act. Staff intends to collect demographic information, evaluate proposals, and make a presentation on this matter later this year.

Each Member, Board of Retirement and Board of Investments

Re: Enhancing Transparency

July 31, 2019

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2. **California Public Records Act.** Existing staff practices ensure timely responses to all Public Records Act requests. A monthly reports of all requests and responses is provided to the Board of Retirement's Operations Oversight Committee (OOC) as part of the LACERA Operations Briefing agenda item. LACERA's website includes a Public Records page with instructions for the public as to how to make a public records request, including a dedicated email address for the submission of requests and a Q&A page. The Public Records page of the website also includes copies of commonly requested documents relating to Board Agendas, Minutes, and Governance, Benefits, Investments, Financial Data, and Retiree Healthcare in order to make documents readily available even without a formal request. The website also includes statutorily-mandated disclosures such as LACERA's Enterprise Systems report.
3. **Policies and Procedures.** Board policies are currently posted on lacera.com. Staff is evaluating the placement and completeness of the Board policies posted on lacera.com to enhance the accessibility of this information to the public. Staff believes that all Board policies should be posted in a readily accessible and well-organized location on the website. As to administrative policies, staff believes this issue requires further consideration and discussion to consider the appropriate approach. Staff intends to make a presentation be made on administrative policies later this year.
4. **LACERA.com.** The website redesign project is in progress and will continue to be reported by the Chief Executive Officer and Communications Division Manager at upcoming Board of Retirement and Operations Oversight Committee (OOC) meetings, including monthly updates as was presented at the July 11, 2019 OOC meeting.
5. **Other Issues.** Staff is interested in Board comments and will request direction as to other transparency issues. Staff believes that transparency should be affirmatively considered and addressed in every policy decision.

c: JJ Popowich
Jon Gabel
James Brekk
Cynthia Martinez
Kimberly Hines



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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