

IN PERSON & VIRTUAL BOARD MEETING

***This meeting will be held following the Committee scheduled prior.**



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the board meeting, review the [Public Comment instructions](#).

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA**

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, JULY 3, 2024*

This meeting will be conducted by the Board of Retirement both in person and by teleconference under California Government Code Section 54953(b), (f).

Teleconference Locations for Trustees and the Public under California Government Code Section 54953(b).

681 Meetinghouse Road #4, Elkins Park, PA 19027

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>.

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

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. APPROVAL OF THE MINUTES
 - A. Approval of the Minutes of the Regular Meeting of June 5, 2024
- V. PUBLIC COMMENT

(Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

V. PUBLIC COMMENT (Continued)

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Board. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

VI. EXECUTIVE UPDATE

- A. LACERA All Stars
- B. Member Spotlight
- C. Chief Executive Officer's Report

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

VIII. CONSENT ITEMS

A. **Trustee Education Policy – Exception to Educational Content Requirement Section IV. C. 2.**

Recommendation by Trustee Vivian Gray that the Board approve the exception of the Trustee Education Policy – Exception to Educational Content Requirement of Section IV. C. 2. in order for Trustees to participate in the What Matters Now in 2024: Trends and Insights for Tomorrow hosted by Koried held on July 17-19, 2024 in Coral Gables, Florida. (Memo dated June 20, 2024) (Placed on the agenda by Trustee Vivian Gray)

B. **Assembly Bill 2284 - Compensation**

Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt an "Oppose" position on Assembly Bill 2284, which would authorize a retirement system to define "grade" for the purposes of determining compensation earnable. (Memo dated June 18, 2024)

VIII. CONSENT ITEMS (Continued)

C. **Assembly Bill 3025 – Disallowed Compensation**

Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Neutral” position on Assembly Bill 3025, which would provide adjustments to retirement allowances based on disallowed compensation.

(Memo dated June 18, 2024)

D. **Taxpayer Protection and Government Accountability Act (21-0042A1)**

Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt an “Oppose” position on The Taxpayer Protection and Government Accountability Act, a ballot initiative that would amend the California Constitution to define all state and local levies, charges, and fees as taxes and propose new voting requirements to approve such taxes.

(Memo dated June 18, 2024)

E. **Ratification of Service Retirement and Survivor Benefit Application Approvals**

Recommendation that the Board approve the service retirements and survivor benefit applications received as of June 25, 2024, along with any retirement rescissions and/or changes approved at last month’s Board meeting. (Memo dated June 25, 2024)

F. **Appeals for the Board of Retirement’s Meeting**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board grant the appeals and requests for administrative hearing received from Jessica Heads, Debra A. Zamudio, and George F. Gillen and direct the Disability Retirement Services Manager to refer each case to a referee.

(Memo dated June 20, 2024)

G. **Dismiss with Prejudice the Appeal of Ressie L. Ducut**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice Ressie L. Ducut's appeal for a service-connected disability retirement. (Memo dated June 20, 2024)

VIII. CONSENT ITEMS (Continued)

H. **Dismiss with Prejudice the Appeal of Deborah L. Morgan**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice Deborah L. Morgan's appeal for a service-connected disability retirement. (Memo dated June 20, 2024)

IX. EXCLUDED FROM CONSENT ITEMS

X. NON-CONSENT ITEMS

A. **2023 Investigation of Experience for Other Post-Employment Benefits (OPEB) Assumptions**

Recommendation as submitted by Ted Granger, Chief Financial Officer: That the Board 1) Adopt the economic assumptions, which includes a 6.25% investment return assumption for agents that are pre-funding through the OPEB Trust, 3.50% for those agents not pre-funding through the OPEB Trust, and health cost trend assumptions. For more details, please see Section 7 starting on page 43 of the draft 2023 Investigation of Experience for OPEB Assumptions Report (2023 Experience Study) as submitted by LACERA's OPEB consulting actuary, Milliman; and 2) Adopt the demographic assumptions, which consist of Initial Enrollment, Plan and Tier Selection, Retirement of Vested Terminated Members, and Other OPEB Demographic Assumptions. These assumptions are discussed beginning on Page 12, Sections 3 through 6 of the draft 2023 OPEB Experience Study. (Presentation) (Memo dated June 18, 2024)

B. **Ratification of Reciprocal Disability Retirements**

Recommendation as submitted by Louis Gittens, Benefits Division Manager: That the Board approve the reciprocal disability retirement for deferred members Cortney E. Bell and Gregory P. Ditfurth who were found to be disabled by the current reciprocal agency for the performance of their duties and have met the burden of proof. (Memo dated June 13, 2024)

XI. REPORTS

- A. **Pre-Designation of Retirement Options by Active Members in Advance of Retirement**
Francis J. Boyd, Senior Staff Counsel
Ted Granger, Chief Financial Officer
Ashley K. Dunning, Nossaman
Nick Collier, Consulting Actuary, Milliman
(Presentation) (Memo dated May 30, 2024 – Attachment is Non-Public as Privileged and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))
- B. **2023 Legal Transactions Year End Report**
Christine Roseland, Senior Staff Counsel
John Harrington, Senior Staff Counsel
(For Information Only) (Memo dated June 21, 2024)
- C. **Monthly Status Report on Legislation**
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated June 18, 2024)
- D. **Report of Revised Pay Items**
Jean J. Kim, Senior Staff Counsel
(For Information Only) (Memo dated June 12, 2024)
- E. **Disability Retirement Application Processing Time Snapshot Reports**
Tamara Caldwell, Division Manager, Disability Retirement Services
(For Information Only) (Memo dated June 24, 2024)
- F. **Monthly Trustee Travel & Education Reports – May 2024**
Ted Granger, Chief Financial Officer
(For Information Only) (Memos dated June 21, 2024)
- G. **June 2024 Fiduciary Counsel Contact and Billing Report**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated June 27, 2024)
(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

XII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

XIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

XIV. GOOD OF THE ORDER

(For Information Purposes Only)

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

B. Disability Retirement Appeals

C. Staff Recommendations

1. **Application of Martha A. Shimizu (Deceased)**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board instruct staff to close Martha A. Shimizu's (Deceased) application for Disability Retirement. (Memo dated June 20, 2024)

XVI. ADJOURNMENT

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Committee meeting preceding it.***

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 Trustees 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 and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

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

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, JUNE 5, 2024

This meeting was conducted by the Board of Retirement both in person and by teleconference under California Government Code Section 54953(b), (f).

TRUSTEES PRESENT:

Ronald Okum, Secretary

Les Robbins, Vice Chair (Teleconference under 54953(b))

Nancy Durazo

Vivian H. Gray

Jason E. Green (Joined the meeting at 9:18 a.m.)

JP Harris (Alternate Retired)

Wayne Moore (Teleconference under 54953(b))

David Ryu

Antonio Sanchez

TRUSTEES ABSENT:

Shawn R. Kehoe, Chair (Alternate Safety)

Elizabeth Ginsberg

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Laura Guglielmo, Assistant Executive Officer

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Dr. Glenn Ehresmann, Medical Advisor

Francis J. Boyd, Senior Staff Counsel

Vincent Lim, Disability Litigation Manager

Ted Granger, Chief Financial Officer

Barry W. Lew, Legislative Affairs Officer

Carly Ntoya, Human Resources Director

Tamara Caldwell, Disability Retirement Manager

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Trustee Harris led the Trustees and staff in reciting the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

There were no requests for Just Cause or Emergency Circumstance.

IV. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of May 1, 2024

Trustee Harris made a motion, Trustee Robbins seconded, to approve the Minutes of the Regular Meeting of May 1, 2024. The motion passed by the following roll call vote:

Yes: Durazo, Gray, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg, Green

V. PUBLIC COMMENT

There were no requests from the public to speak.

V. EXECUTIVE UPDATE

A. LACERA All Stars (Trustee Green joined the meeting at 9:18 a.m.)

Mr. Popowich announced the winners for the month: Tenia Ward, Erika Alcazar, Arturo Guzman and Laura Garcia. There were no Web Watcher or Rideshare winners.

B. Member Spotlight

Mr. Popowich recognized LACERA member, Georgia Langdon.

C. Chief Executive Officer's Report

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

VI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement

Service-Connected Disability Applications

On a motion by Trustee Gray, seconded by Trustee Ryu, the Board of Retirement approved a service-connected disability retirement for the

VI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Continued)

following named employees who were found to be disabled for the performance of their duties and have met the burden of proof.

<u>APPLICATION NO.</u>	<u>NAME</u>
375E	LIO, CHRISTOPHER R.
376E*	BECERRA, SALVADOR, JR.
377E **	MAGANA, ERNEST V.
378E	LONG, LAKISHA S.
379E	CANO, ELIZABETH
380E**	THOMPSON, ANDREW D.
381E*	JAEGER, WILLIAM E.
382E	PEACOCK, DANIEL L.
383E*	SHEAR, RICHARD A.
384E**	VILAFRANCO, CARLOS G.
385E	WALKER, COREY P.
386E	SILLIMAN, DANNY E.
387E	KEEN, STEVEN L.
388E	GAINES, EUGENE C.
389E	INGRAM, DION S.
390E**	MAXWELL, GREGORY G.
391E	MOULTRIE, ERICK L.
392E	NORTH, EPP T.
393E	RICKS, RANDALL C.
394E	RODRIGUEZ, JOSE F.
395E	SAYLOR, NICHOLAS E.
396E	RIVAS, RICARDO R.
397E	SOLEVILLA, AARON J.
398E	VELASQUEZ, STEVEN A., JR.
399E	SHIGO, PAUL L.
400E***	HARRIS, DARREN D. (DEC'D)

*Grant SCD – Employer Cannot Accommodate

**Grant SCD – Retroactive

***Granted SCD – Survivor Benefit

VI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Continued)

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

Safety Fire, Lifeguards
Service-Connected Disability Applications

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

<u>APPLICATION NO.</u>	<u>NAME</u>
1827B	QUIROZ, JOHN A.
1828B	PICCARO, CHARLES
1829B	IDOL, BRADLEY H.
1830B	GREGER, ANDREW K.
1831B	MCNULTY, TIMOTHY L.
1832B	BART, DEREK M.
1833B	ALBERTSON, ERIK D.
1834B	LEMOS, MARIO D.
1835B	HENDERSON, JEFFREY T.
1836B*	GILSON, RUDOLPH W.
1837B	GORMAN, MICHAEL E.
1838B	ATANAY, RANDALL D.
1839B	CROSBY, TERRY L.
1840B	MACK, BRADLEY W.
1841B	GARZA, ARTHUR
1842B	GEE, RANDAL D.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

*Grant SCD – Retroactive

VI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

General Members

Service-Connected Disability Applications

On a motion by Trustee Gray, seconded by Trustee Sanchez, the Board of Retirement made a motion to approve a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof.

<u>APPLICATION NO.</u>	<u>NAME</u>
2758C*	GREEN, DERRICK J. (DEC'D)
2759C	LEON, BENITA P.
2760C**	NIWZAL, MICHAEL J.
2761C	MORALES, CRISTINA
2762C*	ERICKSON, ELIZABETH E. (DEC'D)
2763C***	HARDEMAN, RANDOLPH V.
2764C	GAYNAIR, FERNANDO L.
2765C	GARCIA, NATALIE G.
2766C	RILEY, KEVIN P.
2767C	YORO, JHOANNA M.
2768C****	VASQUEZ, JORGE A
2769C	ARTEAGA, ROSEMARY
2770C*	AYALA, ANTONIO
2771C****	BROOKS, LALONNIE P.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

*Grant SCD – Employer Cannot Accommodate

**Grant SCD – Retroactive

***Granted SCD – Retroactive Since Employer Cannot Accommodate

****Granted SCD – Salary Supplement

VII. CONSENT ITEMS

Trustee Gray made a motion, Trustee Robbins seconded, to approve consent items A-G.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

A. **LACERA Budget Policy (Annual Review)**

Recommendation as submitted by Vivian Gray, Chair, Joint Organizational Governance Committee: That the Board review and approve the revised LACERA Budget Policy, as a companion to the adoption of the Fiscal Year 2024-25 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits (OPEB) Trustee Budgets. (Memo dated May 10, 2024)

B. **Proposed Amendments to Conflict of Interest Code**

Recommendation as submitted by Vivian Gray, Chair, Joint Organizational Governance Committee: That the Board discuss, provide input on, and approve proposed amendments to the Conflict of Interest Code, subject to final approval by the Los Angeles County Board of Supervisors. (Memo dated May 22, 2024) (Supplemental Memo dated May 30, 2024)

C. **Ratification of Service Retirement and Survivor Benefit Application Approvals**

Recommendation that the Board approve the service retirements and survivor benefit applications received as of May 28, 2024, along with any retirement rescissions and/or changes approved at last month's Board meeting. (Memo dated May 28, 2024)

D. **Appeals for the Board of Retirement's Meeting**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board grant the appeals and requests for administrative hearing received from the following members and direct the Disability Retirement Services Manager to refer each case to a referee: Gina R. Heredia, Deborah L. Morgan, Ingrid L. Martinez, Rosario M. Ramirez. (Memo dated May 22, 2024)

VII. CONSENT ITEMS (Continued)

E. **Services Provider Invoice Approval Request – Noam Z. Drazin, M.D.**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board approve the service provider invoice for Noam Z. Drazin, M.D.

(Memo dated May 14, 2024 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.5(a))

F. **Services Provider Invoice Approval Request – Mark Ganjianpour, M.D.**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board approve the service provider invoice for Mark Ganjianpour, M.D.

(Memo dated May 14, 2024 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.5(a))

G. **Services Provider Invoice Approval Request – John L. Rosenthal**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board approve the service provider invoice for John L. Rosenthal.

(Memo dated May 14, 2024 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.5(a))

IX. EXCLUDED FROM CONSENT ITEMS

There were no items excluded from Consent items.

X. NON-CONSENT ITEMS

A. **Approval of Fiscal Year 2024-25 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets**

Recommendation as submitted by Vivian Gray, Chair, Joint Organizational Governance Committee: That the Board adopt the

X. NON-CONSENT ITEMS (Continued)

LACERA Fiscal Year (FY) 2024-25 Proposed Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets. (Memo dated May 9, 2024)

Trustee Gray made a motion, Trustee Sanchez seconded, to approve this item.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

B. **Pensionability Analysis Under CERL and PEPRA for New Pay Item**

Recommendation as submitted by Jean J. Kim, Senior Staff Counsel: That the Board: 1) Adopt Resolutions No. 2024-BR003 and No. 2024-BR004, to add the pay item at issue to the list of pay items that have been determined to be excluded from the definitions of "Compensation Earnable" and "Pensionable Compensation." 2) Instruct staff to coordinate with the Auditor-Controller to establish necessary reporting mechanisms and procedures to permit LACERA to exclude this item when calculating final compensation. (Memo dated May 17, 2024)

Trustee Harris made a motion, Trustee Gray seconded, to approve this item.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

XI. REPORTS

A. **Pre-Designation of Retirement Options by Active Members in Advance of Retirement**

Francis J. Boyd, Senior Staff Counsel

XI. REPORTS (Continued)

(Presentation) (Memo dated May 21, 2024 – Attachment is Non-Public as Privileged and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

This item has been postponed to the next Board of Retirement meeting.

- B. **Monthly Status Report on Legislation**
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated May 21, 2024)

This item was received and filed.

- C. **Report of Revised Pay Items**
Jean J. Kim, Senior Staff Counsel
(For Information Only) (Memo dated May 17, 2024)

This item was received and filed.

- D. **Disability Retirement Application Time Snapshot Reports**
Tamara Caldwell, Division Manager, Disability Retirement Services
(For Information Only) (Memo dated May 24, 2024)

This item was received and filed.

- E. **Monthly Trustee Travel & Education Reports – April 2024; Fiscal Year 2023-2024 3rd Quarter Trustee Travel & Education Expenditure Reports; Fiscal Year 2023-2024 3rd Quarter Staff Travel Report**
Ted Granger, Chief Financial Officer
(Memos dated May 24, 2024)

This item was received and filed.

- F. **May 2024 Fiduciary Counsel Contact and Billing Report**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated May 30, 2024)

XI. REPORTS (Continued)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

This item was received and filed.

XII. ITEMS FOR STAFF REVIEW

Regarding Item X. B., Trustee Green requested that a comprehensive list of pensionable and nonpensionable items be included in future items or otherwise provided.

XIII. ITEMS FOR FUTURE AGENDAS

Item XI. A. will be agendized for the next Board of Retirement meeting.

XIV. GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

APPLICATION NO. & NAME AND BOARD ACTION

5422B – ABRAHAM, ENRIQUETA

Trustee Gray made a motion, Trustee Green seconded, to grant a nonservice-connected disability retirement pursuant to Government Code Section 31720.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME AND BOARD ACTION

5423B – ZAMUDIO, DEBRA A.

Trustee Gray made a motion, Trustee Green seconded, to grant a nonservice-connected disability retirement pursuant to Government Code Section 31720.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

5424B – LIN, JOSEPH

Trustee Green made a motion, Trustee Gray seconded, to grant a nonservice-connected disability retirement with an option of an earlier effective date pursuant to Government Code Sections 31720 and 31724.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

B. Staff Recommendations

1. **Cheryl A. Wise Proposed Findings of Fact and Conclusion of Law**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board adopt the Proposed Findings of Fact and Conclusions of Law granting Cheryl A. Wise a service-connected disability retirement with the option of an earlier effective date pursuant to Government Code Sections 31720 and 31724. (Memo dated May 16, 2024)

XVI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Staff Recommendations (Continued)

Trustee Moore made a motion, Trustee Gray seconded, to approve this item.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

2. **Application of Martha A. Shimizu (Deceased)**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board instruct staff to close Martha A. Shimizu's (deceased) application for Disability Retirement. (Memo dated May 17, 2024)

Trustee Green made a motion, Trustee Moore seconded, to approve this item.

Trustee Gray made a substitution motion, Trustee Sanchez seconded, to return to staff for further development.

The motion passed by the following roll call vote:

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

3. **E to D Application of Suzanne R. Eaglin**

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board reject the application of Suzanne R. Eaglin. (Memo dated May 21, 2024)

Trustee Green made a motion, Trustee Harris seconded, to approve this item.

The motion passed by the following roll call vote:

XVII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

C. Staff Recommendations (Continued)

Yes: Durazo, Gray, Green, Moore, Okum, Robbins, Ryu, Sanchez

Absent: Ginsberg

XVI. EXECUTIVE SESSION

A. **Potential Threats to Public Services or Facilities**

(Pursuant to Subdivision (a) of California Government Code Section 54957)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Assistant Executive Officers JJ Popowich and Laura Guglielmo, Chief, Information Technology Kathy Delino, Information Security Officer Chaitanya Errande, and Other LACERA Staff.

There was nothing to report.

XVII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:00 a.m.

RONALD OKUM, SECRETARY

SHAWN R. KEHOE, CHAIR



LACERA Staff Member Milestone

LACERA's 400-plus staff members play unique roles in ensuring that our members can enjoy a healthy and secure retirement (our vision). Today we honor one of LACERA's long-time employees for his decades of service.



LACERA Staff Member Paul Carranza

Senior Retirement Benefits Specialist

Years of Service: 31 years, 4 months



MEMBER SPOTLIGHT

How He Got to LACERA: As an artist and musician in his early 20s, Paul worked various jobs and went to school part-time. He was not familiar with LACERA when assigned by his temporary agency in 1991 but says he was grateful for the position, which helped him support his young family. He was made permanent in 1993.

Service Contributions: Paul made the Benefits Division his career home, starting in the Death/Legal Unit (January 1991 to April 2010), followed by the Process Management Group (April 2010 to November 2018), and now as a supervisor in the Account Settlement Unit (November 2018 to present).





MEMBER SPOTLIGHT

Proudest LACERA Accomplishments: Rising through the ranks from temp worker, to clerk, and through all three RBS series to Senior Retirement Benefits Specialist. Other sources of career satisfaction, in his own words: “Having the opportunity—especially in my earlier days with LACERA—to prove to management my desire and willingness to learn and grow to provide the promised benefit to members, and to meet so many wonderful people and mentors within the LACERA family.”

Volunteer Work: Paul has been a member of the California State Guard since December 2011, and currently holds the rank of sergeant. For years he coordinated LACERA’s annual Veterans Day luncheons through the Employee Council Team, which he hopes to start up again this November after a forced hiatus due to the pandemic. He also was a Boy Scout leader for 20 years and has been an officer with a local post of the Sons of the American Legion for 10 years.

Personal Hero: His mother, who inspires him by always being caring and supportive of him and his family.

Favorite Activities and Plans After Retirement: Traveling, camping, hiking, and photography; and possibly applying to be a camp host at various national park campgrounds.





June 25, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

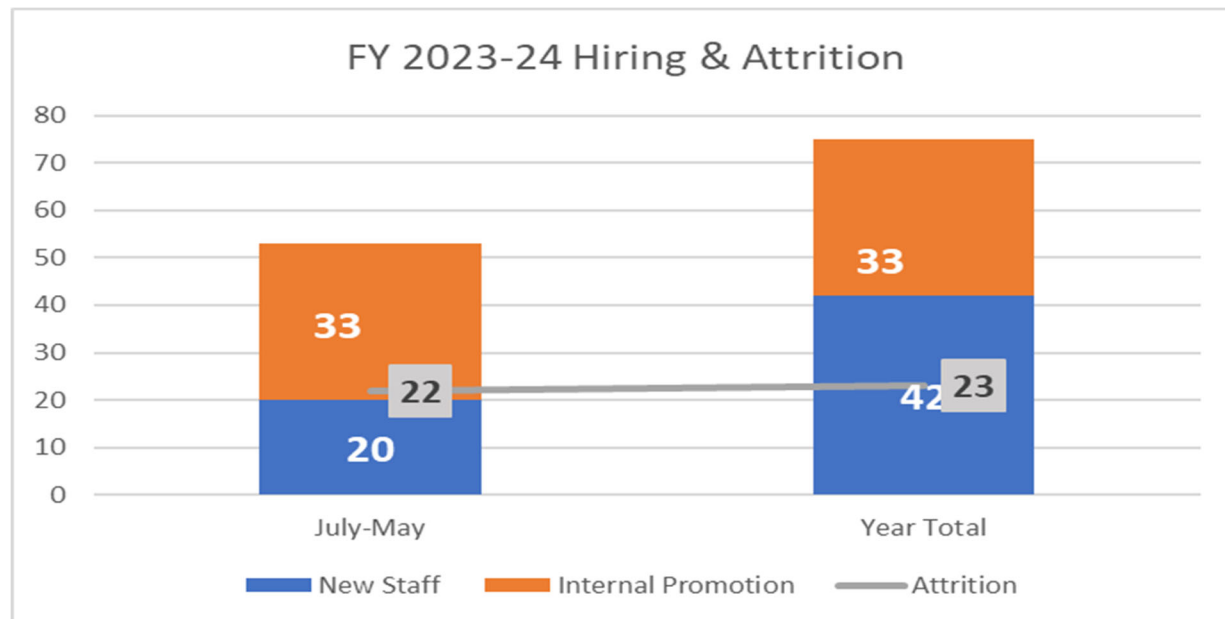
FROM: Santos H. Kreimann *SHK*
Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER’S REPORT – JULY 2024**

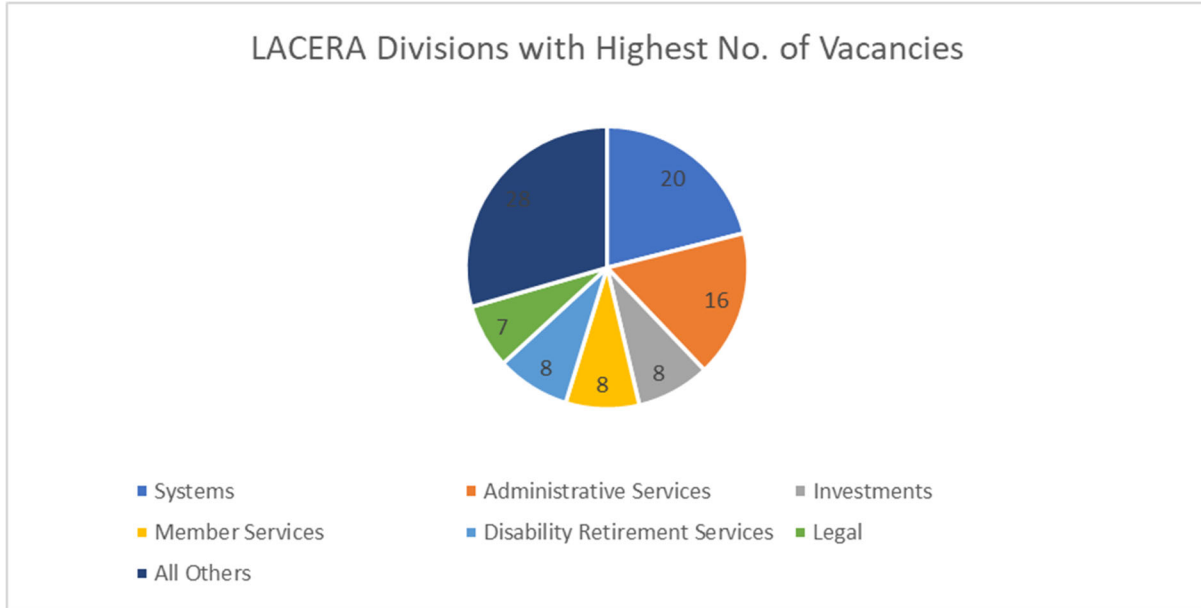
The following Chief Executive Officer’s Report highlights key operational and administrative activities that have taken place during the past month.

Recruitment Updates

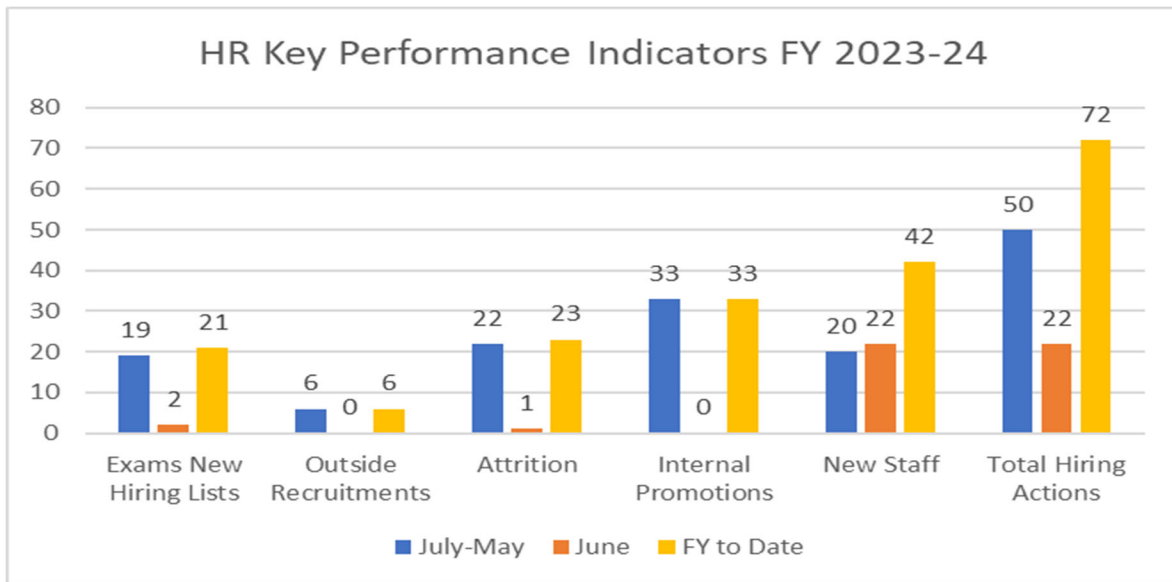
LACERA continues to prioritize our hiring efforts and make progress towards reducing our overall vacancy. Our current vacancy rate is 19% with 18 over hires, and fiscal year (FY) to date attrition is 4.3%. Twenty-two (22) new staff members were hired in June, including 19 Retirement Benefits Specialist I Trainees.



The Divisions with the highest number of vacancies, and the classifications with the highest number of vacancies, are shown below.



The following chart provides Human Resources (HR) Division’s key performance indicators for FY 2023-24:



New Hires

Candidates for the following positions are expected to start July 1, 2024:

- A Staff Counsel (Investments)
- A Finance Analyst III (Real Assets)

External Recruitments

The Senior Investment Officer (Corporate Governance) recruitment continues to be open and managed by EFL Associates.

The recruitment brochures for the below-listed positions in the Legal Office continue to be open and managed by Major Lindsey & Africa. Interviews continue as qualified candidates are identified. Job bulletins are pending to create eligible lists from which offers may be made:

- Staff Counsel (Investments)
- Staff Counsel (Benefits)

Internal Recruitments

The Administrative Services Analyst I, II, and III recruitments were opened and closed. The written examinations were conducted for all three (3) classifications, the eligible lists are pending promulgation.

The Human Resources Analyst written examination was conducted, results are pending.

The Assistant Chief Financial Officer job bulletin was posted.

The Information Technology Specialist I for Information Security Engineer and Pension Administration Architect job bulletins were posted.

The bulletins for the Legal Analyst (Investments), Legal Secretary (Investments), and Senior Legal Secretary were posted.

In Development

The recruitments/assessments for the following classification(s) are in development:

- Information Technology Specialist I
- Senior Internal Auditor
- Senior Administrative Assistant
- Administrative Assistant
- Intermediate Typist Clerk
- Special Assistant

New Lists Promulgated

The Staff Counsel (Benefits) list was promulgated on June 12, 2024.

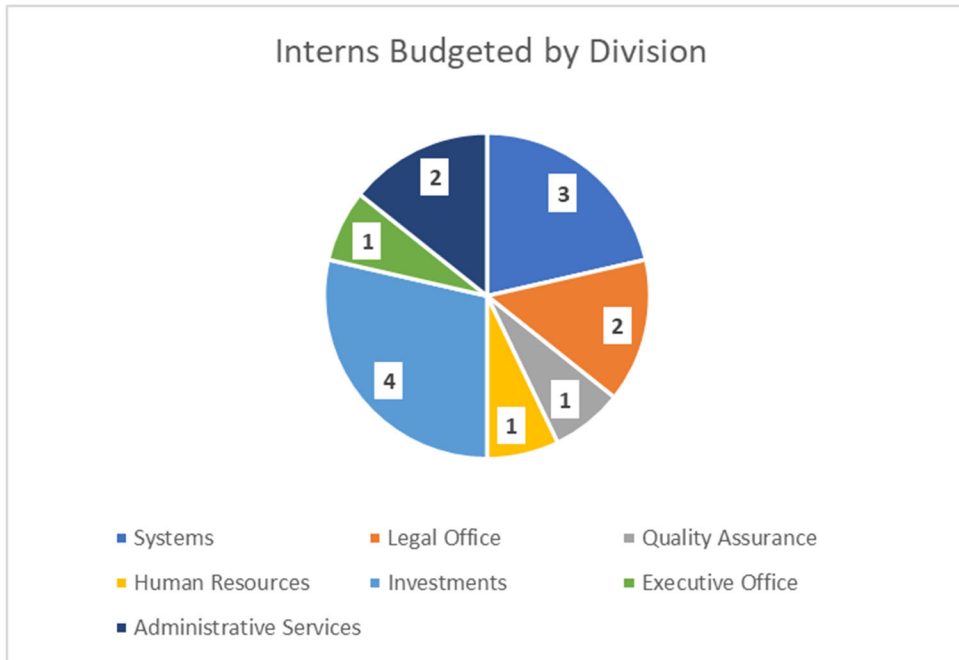
The Information Technology Specialist II (Java) and The Information Technology Specialist II (Network Architect) lists were promulgated, selection interviews are being conducted.

Selection interviews continue for Finance Analyst III (Real Estate).

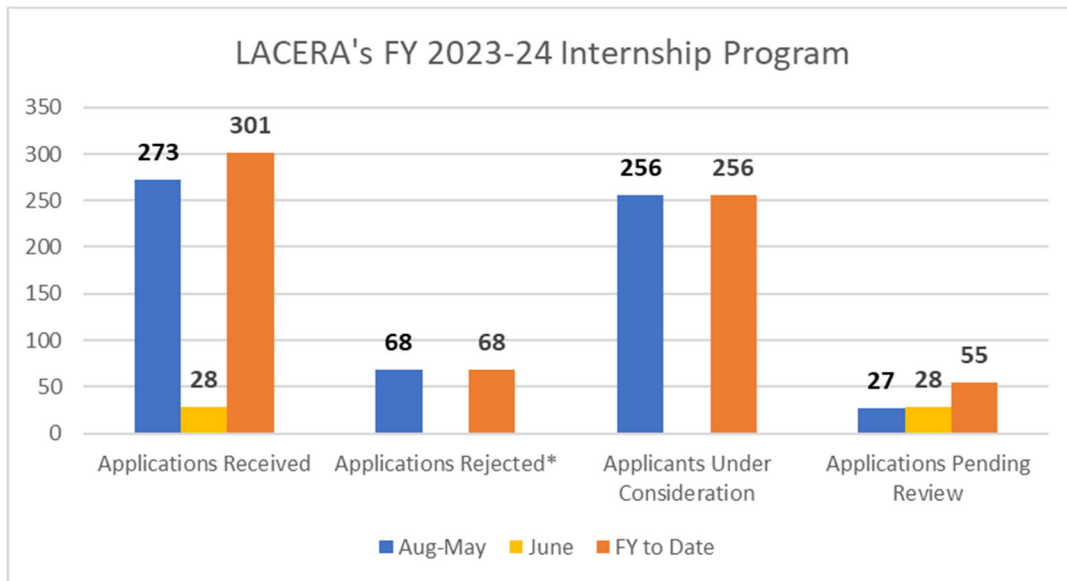
The Senior Investment Officer (Global Equities) selection interviews continue.

Interns

LACERA has budgeted 14 Intern positions for FY 2023-24 and 15 Intern positions for FY 2024-25. The following shows the FY 2023-24 Interns budgeted by Divisions:

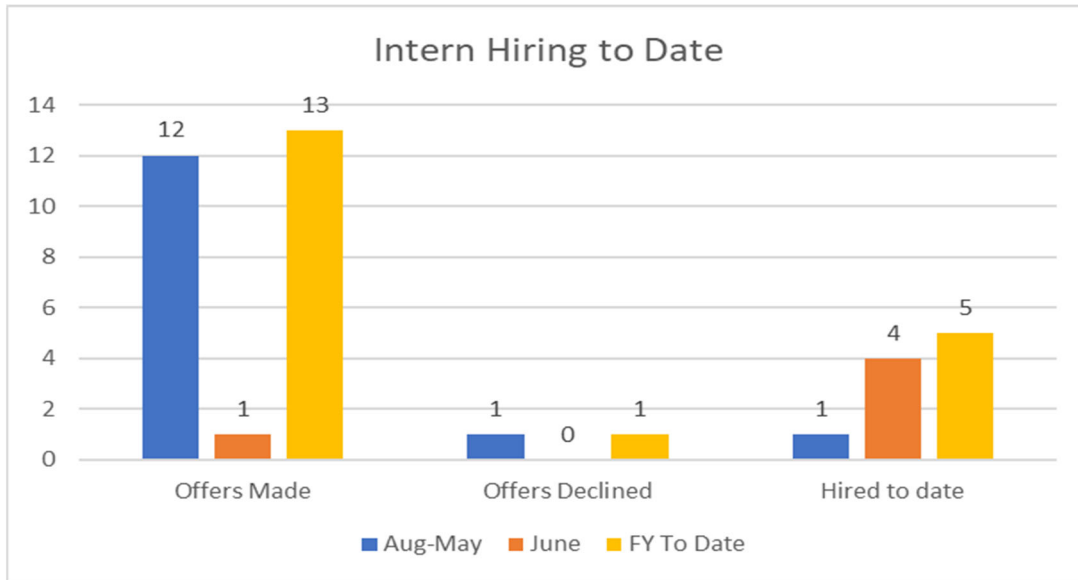


As noted below, interest in this program remains strong.



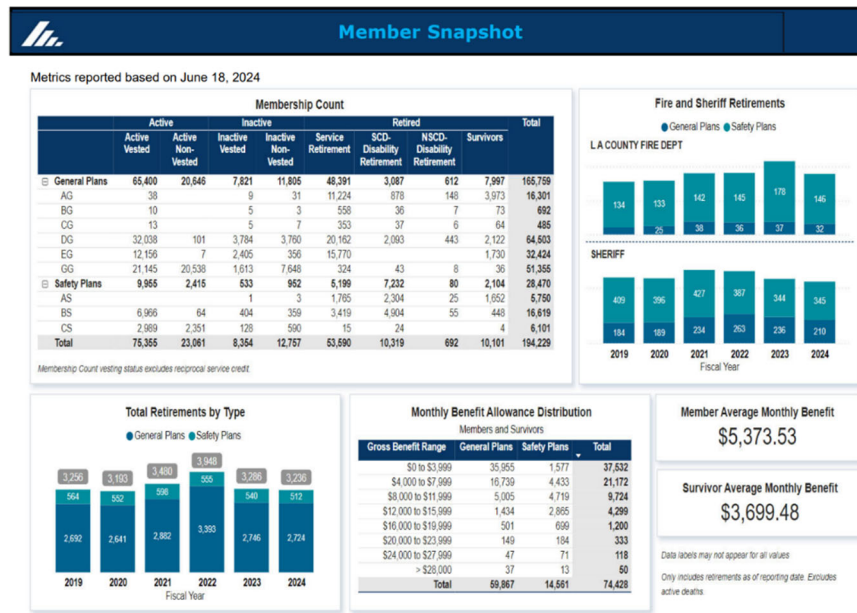
*Applicants did not meet the selection requirements

A total of 13 Intern candidates have been chosen for the program. The selection and hiring of the Interns are indicated on the chart below. Applications continue to be received and selection continues for additional positions.



CEO Dashboard Update

We have made another update to the CEO Report as part of our automation process. This month's update reflects changes to the Member Snapshot section of the report that provides member counts for different status and categories, as well as the average benefit amount data.



This update reflects a detailed effort to align our member status designations used in our monthly reporting with the statuses used for the Annual Comprehensive Financial Report. A cross-functional team including members from the Benefits Process Management Group, Financial Accounting Services Division, Member Services, and Systems worked to define business rules for how members should be classified. The changes in the classification have been minimal with the exception of the Deferred Non-Vested and

Vested numbers. These changes now reflect the actuarial practice of excluding reciprocal service credit when defining vesting, because LACERA does not pay a benefit on reciprocal service credit.

The other notable change is to the Member Benefit Allowance Distribution report. This report actually reflected two different data sources that needed to be harmonized. The data provided in the ranges included only retired member benefit payments. However, the average monthly benefit figure included all retired and survivor payments, as well as refunds and withdrawal payments. The revised report reflects only retired and survivor benefit payments that occur on a monthly basis. We felt that since the chart reflects the total monthly retired and survivor benefit counts we would now include both the average retired member benefit and the average survivor benefit for further transparency. We no longer include the withdrawal and refund amounts in this data as it created a slightly inflated average amount.

We continue our efforts to modernize, automate, and expand the information we provide in the CEO Dashboard. These efforts truly take a village to complete, but this month I would like to recognize two team members. Maggie Luong, from our Benefits Process Management Group and Terri Moore, from our Executive Office. Ms. Luong has been the PMG project manager for the metrics we generate, which includes the CEO Dashboard. This includes coordinating with her business partners to review data sources, categorization and calculation logic for the different reported numbers, and documenting the results in business rules so we understand how we arrive at the figures we report. In addition, she synthesizes the resulting data into the attractive PowerBI reports that we have been merging into the CEO Dashboard. All of this while she juggles being the PMG project lead on the SOL First Payment Process and the implementation of the Boards Collection Policy.

Ms. Moore has been assembling the CEO Dashboard report for many years. This involved coordinating collection of various data and manually creating the Dashboard in its various variations over the years, and manually updating the templates that drove the older parts of the CEO Dashboard. This process takes a significant amount of her time at the end of each month. Throughout our modernization process, Ms. Moore has been very flexible and patient as we adjust the reports, making changes to the process, and as she creates a “mash up” of the older manually created reports with the new PowerBI reports.

Retiree Healthcare

- *Anthem Blue Cross Potential Network Termination Notice*
- Staff received notification that the Commercial Contracting Hospital Agreement between Cottage Health Hospitals and Anthem Blue Cross may terminate effective July 1, 2024, if both parties are unable to reach an agreement. According to Anthem, it is their intent to reach reasonable contractual language and reimbursement rates that are beneficial to both organizations.

- The facilities and impacted LACERA members over the last 12 months are:
 - Goleta Valley Cottage Hospital – 8 members
 - Santa Barbara Cottage Hospital – 17 members
 - Santa Ynez Valley Cottage Hospital – 8 members

We see these contract negotiations with threats of termination occurring quite frequently. Fortunately, an agreement is reached just prior to the effective date of the termination, or an extension is granted while discussions continue. Staff will keep the Board informed of the outcome.


SHK
CEO report July 2024.doc

Attachments

**Appendix A**

June 27, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: JJ Popowich, Assistant Executive Officer 

SUBJECT: 2024 Election for the Third Member of the Board of Retirement and the Third Member of the Board of Investments Update

The 2024 Board of Retirement and Board of Investments election season has begun. This year members will be electing the Election for the Third Member of the Board of Retirement and the Third Member of the Board of Investments. Both seats term will begin January 1, 2025, and expire on December 31, 2027. However, due to the vacancy of the Third Seat on the Board of Investments, created by the retirement of Trustee Herman Santos, the candidate elected to fill that seat will be authorized to complete the term vacated by Trustee Santos effective the day after the Board of Supervisors ratifies the election results (expected to be October 22, 2024).

The nomination period closed, and the Los Angeles County Registrar/Recorder has certified a list of candidates for both seats on the Board of Retirement and the Board of Investments:

Third Member, Board of Retirement	Third Member, Board of Investments
Theodore K. Cha	Mecca A. Anderson
Julio Flores	Jimmy Ayala
Don Garcia	Theodore K, Cha
Aleen Lydia Langton	Frederick Andy Chung
Daniel W. Lichtenstein-Boris	Mathew R. Desurra
Erick Lofgren	Don Garcia
David S. Quan	Aleen Lydia Langton
	David S. Quan

With the certified list of candidates, the election will now proceed as planned and will be held on August 30, 2024.

2024 General Member Trustee Election Update

June 27, 2024

Page 2

The important date calendar below has been updated to show completed efforts and as a reminder about upcoming milestone dates:

Date	Event	
05/13/2024 - 05/17/2024	Election Notification and Call for Nominations to eligible voters (LACERA/Election Vendor). LACERA will also mail a postcard to all eligible members which will arrive around this time frame.	<input checked="" type="checkbox"/>
05/22/2024 – 06/21/2024	Nomination period.	<input checked="" type="checkbox"/>
06/15/2024	Members receive LACERA’s Pathways to Retirement newsletter which reminds members the candidacy period ends 06/21/2024.	<input checked="" type="checkbox"/>
07/02/2024	Election Announcement: Announcement of qualified candidates and whether an election is necessary.	<input checked="" type="checkbox"/>
07/18/2024	Election notices emailed by vendor.	
08/01/2024	Voter information and ballot mailed to all active general members eligible to vote.	
08/01/2024	LACERA election reminder notice (Email).	
08/05/2024	Voting Begins.	
08/21/2024	LACERA election reminder notice (Email).	
08/30/2024	Voting Ends.	
09/11/2024	Preliminary results available.	
10/22/2024	BOS Declares Election Result Official.	

2024 General Member Trustee Election Update

June 27, 2024

Page 3

LACERA and the Board of Supervisors' Executive Office continue to collaborate to ensure marketing and communication efforts towards election awareness, and we will continue to keep the trustees updated on the progress.

NOTED AND REVIEWED:

A handwritten signature in blue ink that reads "Luis Lugo". The signature is written in a cursive style and is positioned above a horizontal line.

Luis Lugo, Deputy Chief Executive Officer

JJ:JJ



Los Angeles County Registrar-Recorder/County Clerk

CERTIFICATE OF CANDIDATE NOMINEES

I, **DEAN C. LOGAN**, Registrar-Recorder/County Clerk of the County of Los Angeles, do hereby certify that, at the close of nominations on June 21, 2024, the following persons were nominated for the office of **THIRD MEMBER, BOARD OF INVESTMENTS** and **THIRD MEMBER, BOARD OF RETIREMENT (General Members)** for the **LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION** election to be held on **August 30, 2024**.

GENERAL MEMBERS

Third Member, Board of Investments

THEODORE K. CHA
JULIO FLORES
DON GARCIA
ALEEN LYDIA LANGTON
DANIEL W. LICHTENSTEIN-BORIS
ERIC LOFGREN
DAVID S. QUAN

Third Member, Board of Retirement

MECCA A. ANDERSON
JIMMY AYALA
THEODORE K. CHA
FREDERICK ANDY CHUNG
MATTHEW R. DESURRA
DON GARCIA
ALEEN LYDIA LANGTON
DAVID S. QUAN

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed my official seal this 26th day of June 2024.

Dean C. Logan
DEAN C. LOGAN

Registrar-Recorder/County Clerk
County of Los Angeles



CEO DASHBOARD



July 3, 2024

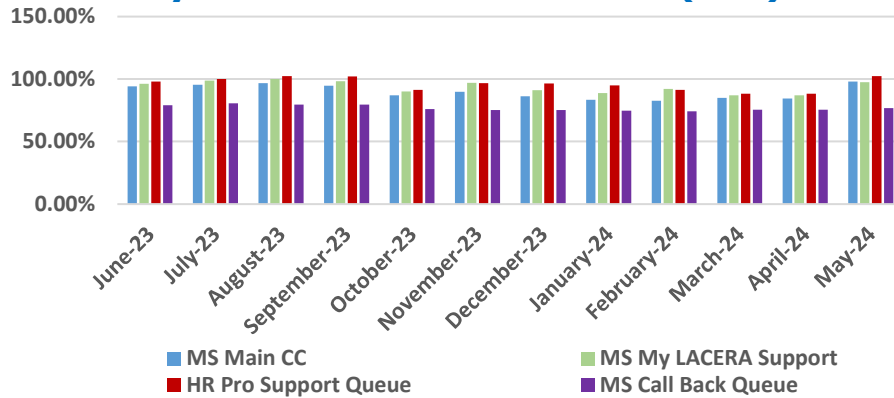


Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2024

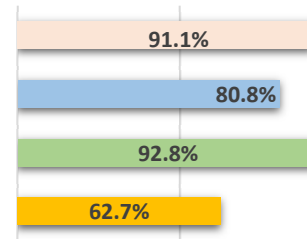
Events / Webinar Attendance Current Mo.: 1,400 Year-to-Date: 12,043	Events / Webinar Current Mo.: 24 Year-to-Date: 218	Webinar Satisfaction 0%	Member Service Center Satisfaction 94.57%	MS Main Queue Total Calls Current Mo. 9,029 3 Month Avg. 8,693				
					Resp. Rate	Change	Resp. Rate	Change
					0%	0%	26.9%	-1.77%

Member Service Call Center Queue Key Performance Indicators (KPI)

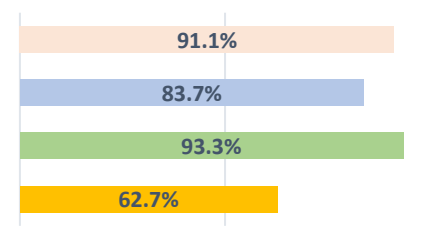


Key Performance Indicator (Components by Queue)

MSCC Main Queue



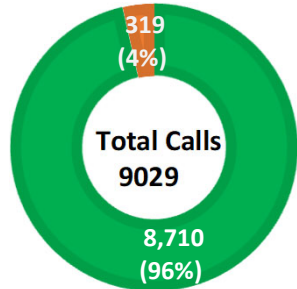
My LACERA Support Queue



Member Services

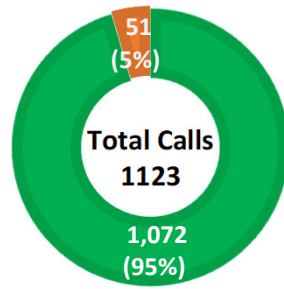
MSCC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned



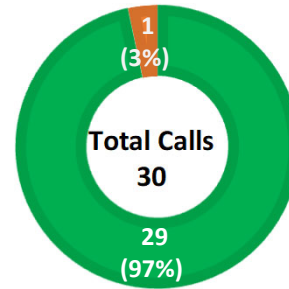
MY LACERA SUPPORT

■ Calls Answered ■ Calls Abandoned



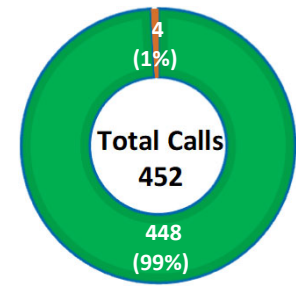
HR PRO SUPPORT

■ Calls Answered ■ Calls Abandoned



MS CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI:	97.90%	Queue KPI:	97.40%	Queue KPI:	102.20%	Queue KPI:	78.69%
Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration
0:01:34	0:17:16	0:00:40	0:11:26	0:00:14	0:16:58	0:09:02	0:13:57



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2024

TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services Call Center

Member Service Center (Outreach)

1. Retirement Counseling

1. Retirement Counseling

2. My LACERA

2. Retiree Healthcare

3. Death

3. Death Benefits

Contact Center Email/Secure Message Performance



Emails (welcome@lacera.com):

362

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA)

909

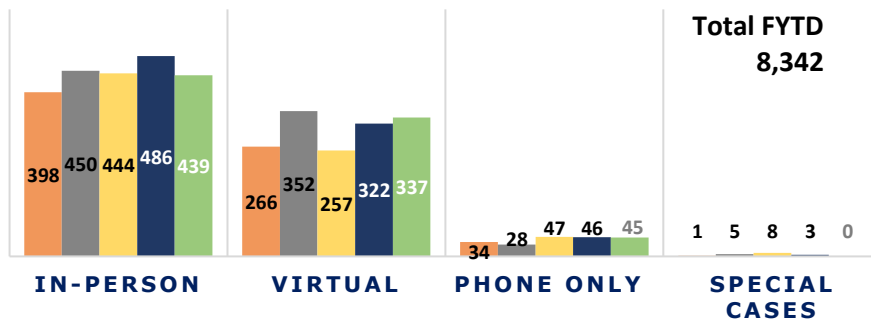
Service Level: 24 Bus. Hours

On Target

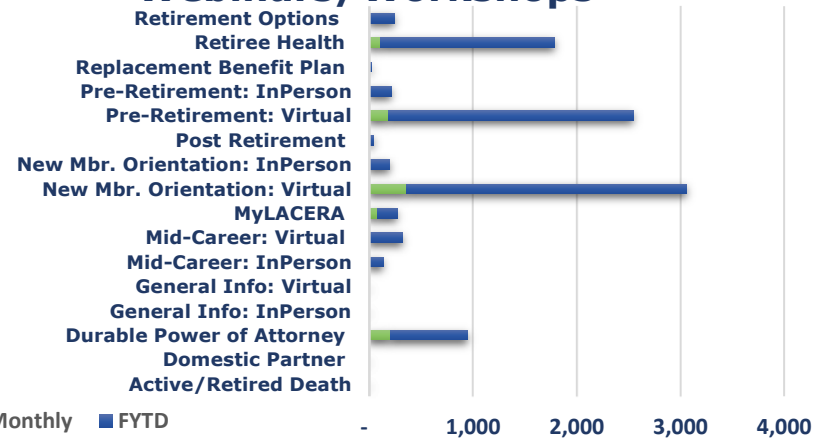
Member Service Center (Outreach)

Member Service Center Appointments

January February March April May



Members Served in Webinars/Workshops



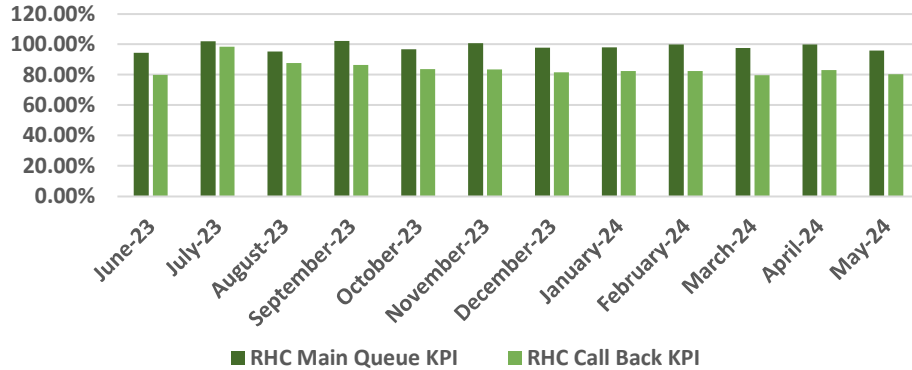
Member Services



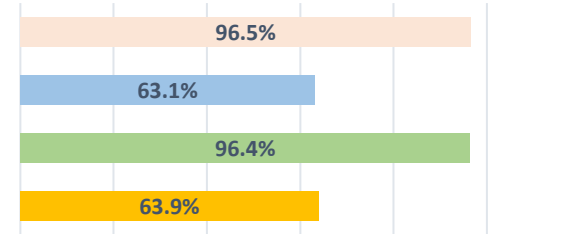
Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2024

RHC Call Center Queue Key Performance Indicator (KPI)



Key Performance Indicator (Components by Queue) Main RHC Call Center Queue

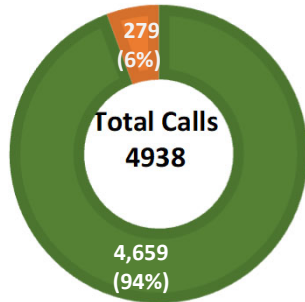


Agent Utilization (Goal:65%)	Grade of Service (Goal: 80% in 60 sec)
After Call Survey (Goal: 90%)	Call Monitoring (Goal: 95%)

Retiree Healthcare

RHC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned

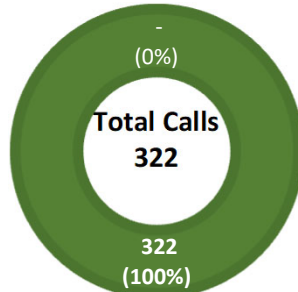


Queue KPI: 95.90%

Avg. Speed of Answer	Average Duration
0:03:30	0:12:35

RHC CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI: 80.20%

Avg. Speed of Answer	Average Duration
0:11:11	0:08:18

TOP RHC CALL TOPICS

1. Medical/Dental Enrollments
2. Insurance Benefits
3. General Inquiries

RHC Email/Secure Message Performance



Emails (healthcare@lacera.com): 410

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA) 432

Service Level: 24 Bus. Hours

On Target



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2024

Disability

Applications

926

Pending: Applications
in Process

73
Received: New Applications

773
Received Year-to-Date

59
To Board - Initial (Presented to BOR)

438
To Board - Initial Year-to-Date*

17
Closed (Incomplete/Withdrawn)

188
Closed Year-to-Date*

*Excludes cases prior to 9/12/23 due to transition to Sol case management system.

Appeals

74

Pending: Appeals in
Process

0
Received: New Appeals

13
Received Year-to-Date

0
Admin Closed

12
Admin Closed Year-to-Date

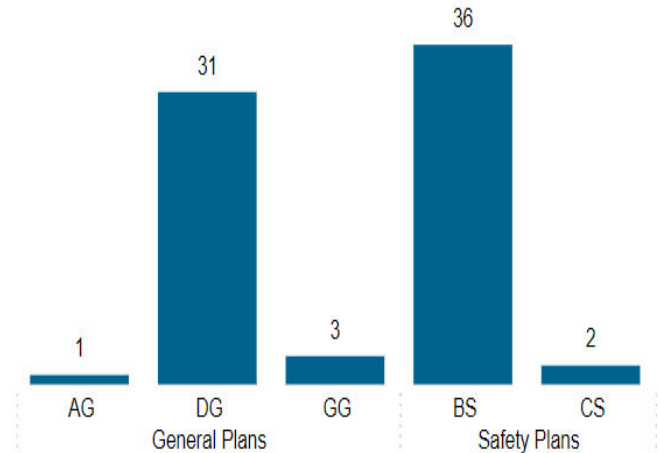
1
Referee Recommendations

12
Referee Recommendations Year-to-Date

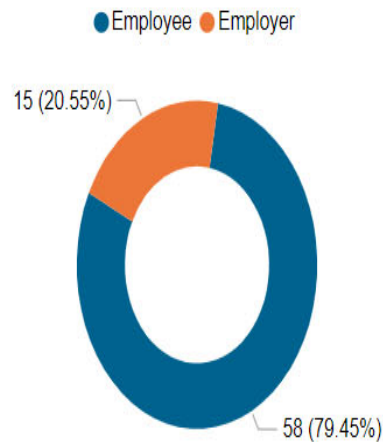
0
DLO Recommendations

0
DLO Recommendations Year-to-Date

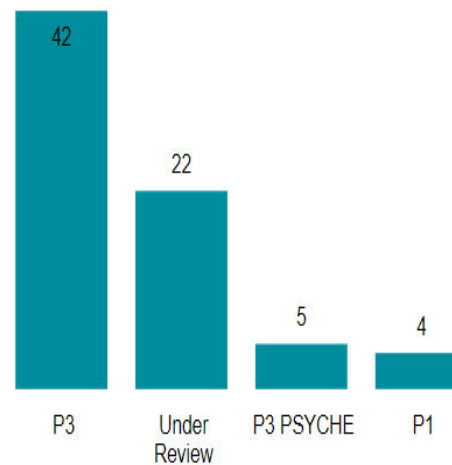
Applications Filed by Plan



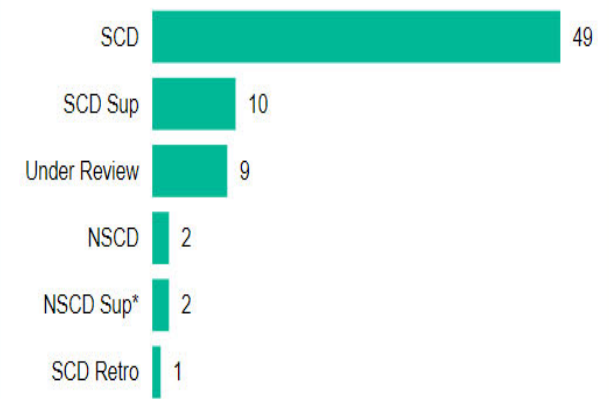
Applications Filed by Source



Applications Filed by Priority Level



Applications Filed by Type



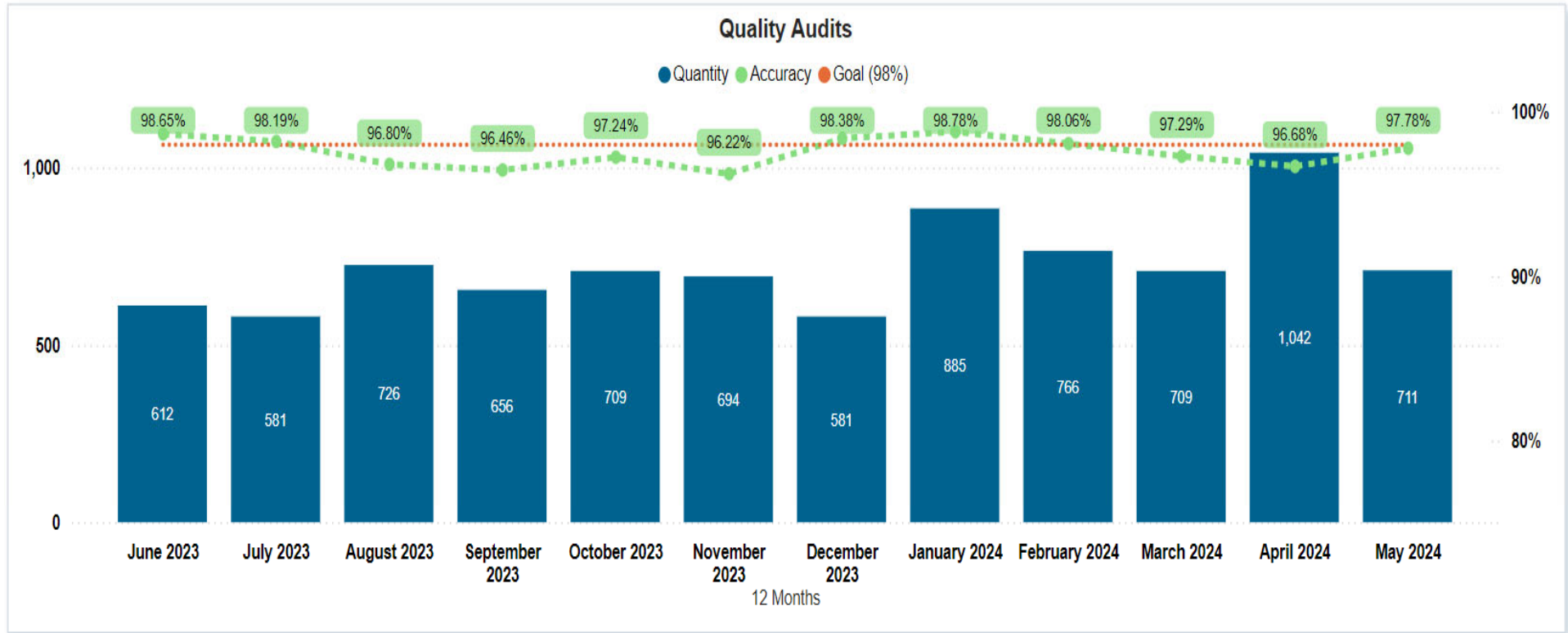
*Under Review



Striving for Excellence in Quality

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2024

Quality Assurance



Monthly Recap

May 2024

	Samples	Accuracy
Data Entry	120	97.25%
Payment Contract	430	98.04%
Retirement Election	161	97.48%
Total	711	97.78%

Prior audit values may update due to updated data.

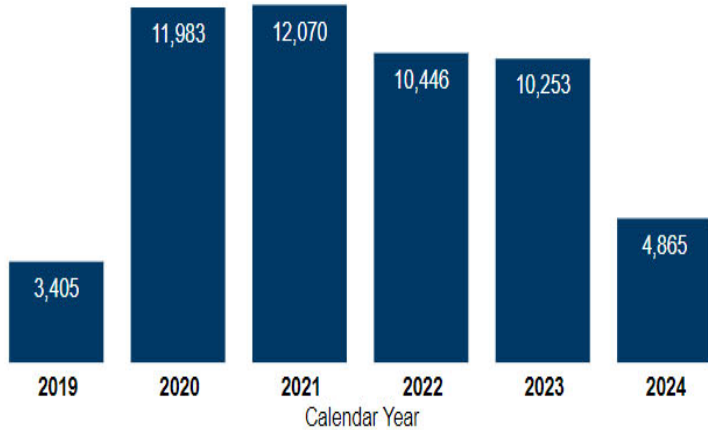


Service On-Line for All

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2024

Serving Members Through LACERA.com and MyLACERA

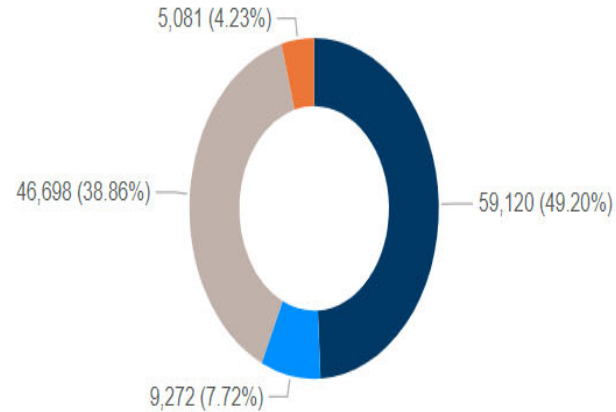
Annual New MyLACERA Accounts*



Data labels may not appear for all values

Total Accounts by Member Type*

Active Members Deferred & Inactive Members Retirees & Survivors Non-Members



Total Member Accounts
115,090

% of Total Members
60%

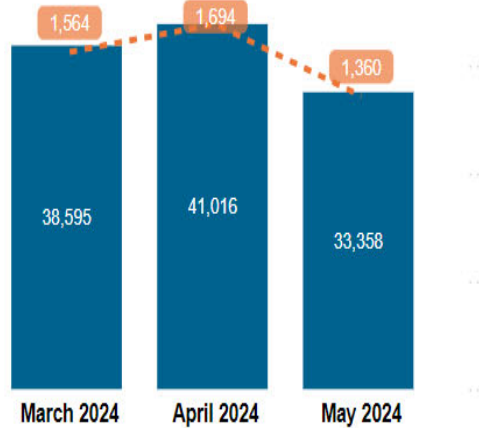
Excludes Non-Members

*Data as of June 15, 2024

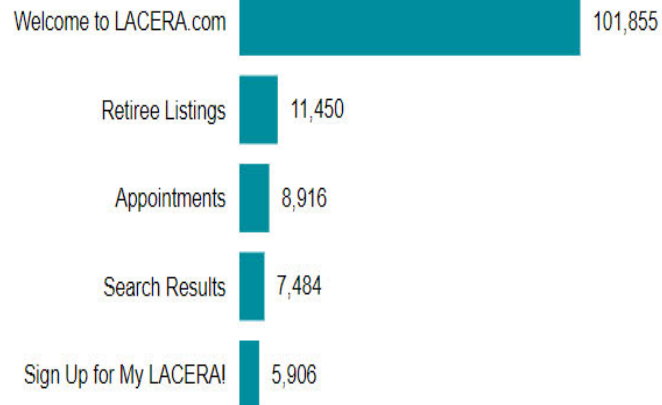
Non-Members include legal split payees and withdrawn members.

LACERA.com User Traffic

First Time Visitors Average Per Day



Top Five LACERA.com Page Views



Busiest Day

05/30/2024

Home Page Tile	Views	% of Change
Forms & Publications	239	12.74%
Investments	2,130	-10.24%
Pre-Retirement Workshops	2,133	-12.65%
Board Meetings and Agendas	2,507	-17.26%
Sign Up for My LACERA!	5,906	-20.31%
Careers	2,379	-37.26%



Member Snapshot

Metrics reported based on June 18, 2024

Membership Count

	Active		Inactive		Retired			Survivors	Total
	Active Vested	Active Non-Vested	Inactive Vested	Inactive Non-Vested	Service Retirement	SCD-Disability Retirement	NSCD-Disability Retirement		
General Plans	65,400	20,646	7,821	11,805	48,391	3,087	612	7,997	165,759
AG	38		9	31	11,224	878	148	3,973	16,301
BG	10		5	3	558	36	7	73	692
CG	13		5	7	353	37	6	64	485
DG	32,038	101	3,784	3,760	20,162	2,093	443	2,122	64,503
EG	12,156	7	2,405	356	15,770			1,730	32,424
GG	21,145	20,538	1,613	7,648	324	43	8	36	51,355
Safety Plans	9,955	2,415	533	952	5,199	7,232	80	2,104	28,470
AS			1	3	1,765	2,304	25	1,652	5,750
BS	6,966	64	404	359	3,419	4,904	55	448	16,619
CS	2,989	2,351	128	590	15	24		4	6,101
Total	75,355	23,061	8,354	12,757	53,590	10,319	692	10,101	194,229

Membership Count vesting status excludes reciprocal service credit.

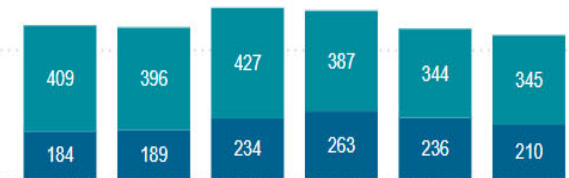
Fire and Sheriff Retirements

● General Plans ● Safety Plans

L A COUNTY FIRE DEPT



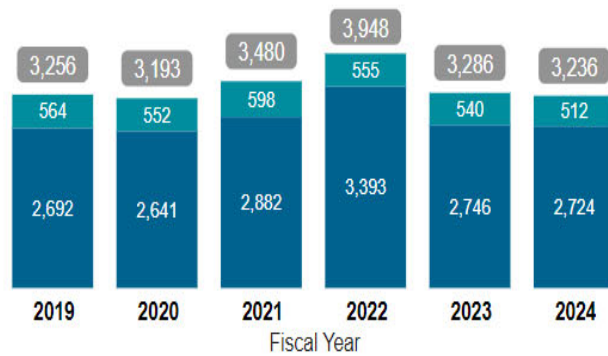
SHERIFF



2019 2020 2021 2022 2023 2024
Fiscal Year

Total Retirements by Type

● General Plans ● Safety Plans



Monthly Benefit Allowance Distribution

Members and Survivors

Gross Benefit Range	General Plans	Safety Plans	Total
\$0 to \$3,999	35,955	1,577	37,532
\$4,000 to \$7,999	16,739	4,433	21,172
\$8,000 to \$11,999	5,005	4,719	9,724
\$12,000 to \$15,999	1,434	2,865	4,299
\$16,000 to \$19,999	501	699	1,200
\$20,000 to \$23,999	149	184	333
\$24,000 to \$27,999	47	71	118
> \$28,000	37	13	50
Total	59,867	14,561	74,428

Member Average Monthly Benefit

\$5,373.53

Survivor Average Monthly Benefit

\$3,699.48

Data labels may not appear for all values

Only includes retirements as of reporting date. Excludes active deaths.



Member Snapshot

Retirements



Elected retirements are members placed on the BOR Agenda, but not yet retired as of reporting date

Retirements Metrics reported based on June 18, 2024

Monthly Retirements

Retirement Type	June 2024
Elected	143
Service Retirement	30
Total	173

Retired Members Payroll

(As of 5/31/2024)

Monthly Payroll	\$391.43m
Payroll YTD	\$4.2b
New Retired Payees Added	192
Seamless %	91.15%
New Seamless Payees Added	4,258
Seamless YTD	97.23%
By Check %	2.00%
By Direct Deposit %	98.00%

Healthcare Program

(Mo. Ending: 5/31/2024)

	Employer	Member
Medical	\$586.5	\$41.3
Dental	\$45.6	\$4.2
Part B	\$82.6	\$0.0
Total	\$714.7	\$45.5

Health Care Enrollments

(Mo. Ending: 5/31/2024)

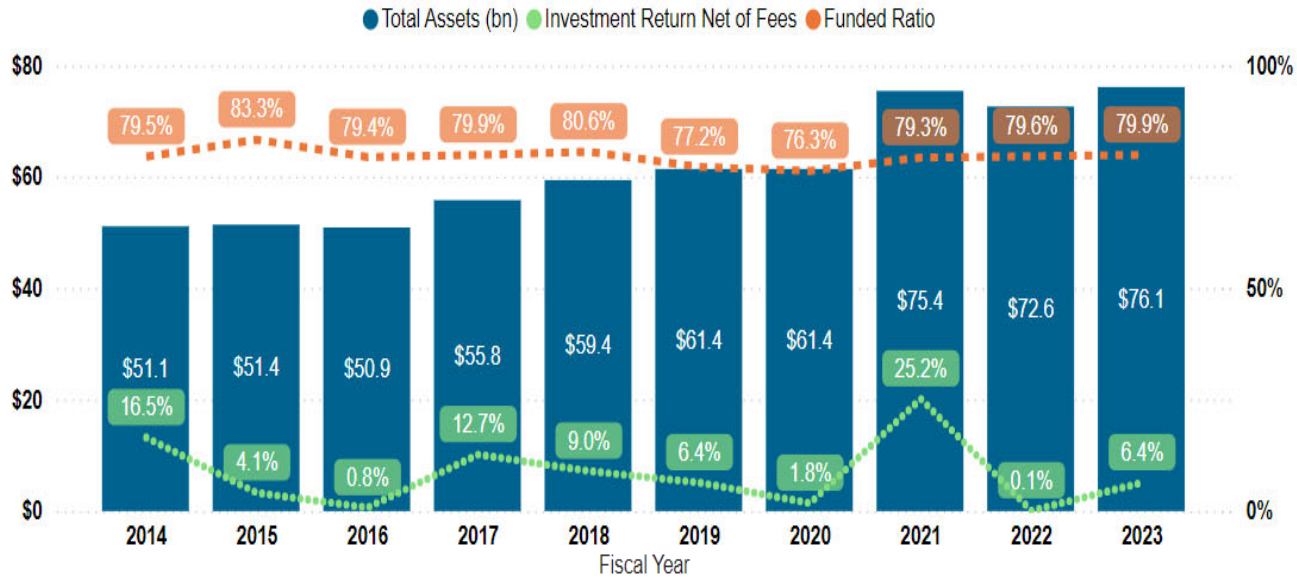
Medical	56,143
Dental	58,181
Part B	38,759
LTC	462
Total	153,545



Key Financial Metrics

(as of June 30, 2023)

Fiscal Year End Financial Update



Funding Metrics

11.01% Employer NC
 14.87% UAAL
 7.00% Assumed Rate
 \$612m Star Reserve
 \$73.9bn Total Net Assets

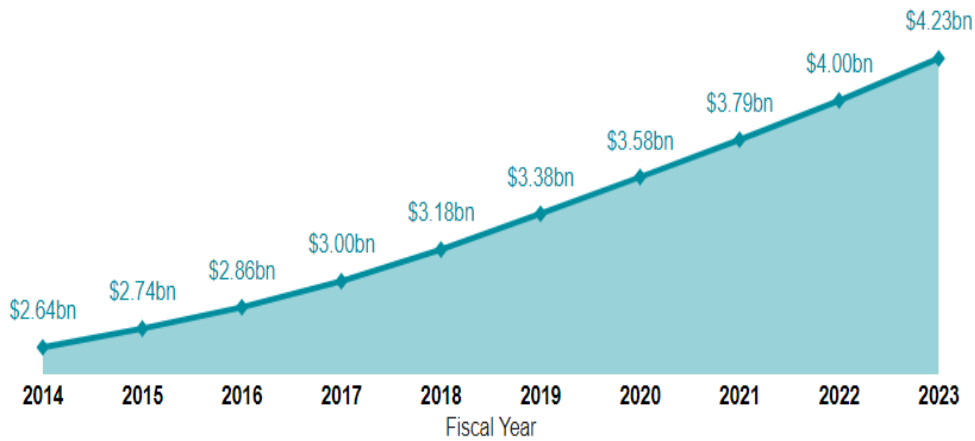
Contributions

\$2.3bn Employer Annual Contribution
 25.88% Employer % of Payroll
 \$793.2m Member Annual Contribution
 8.37% Member % of Payroll

Investment Returns

6.4% *net of fees* 1-Year Return
 10.1% 3-Year Return
 8.1% 10-Year Return

Retiree Payroll by Year



LACERA Pension Dollar





QUIET PERIOD LIST FOR TRUSTEES AND STAFF

Last Update
6/25/2024

ADMINISTRATIVE/OPERATIONS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
RFP: Member Experience Communications Platform (MECP)	Systems	11/6/2023	Bid Review	<ul style="list-style-type: none"> • 8x8, Inc • Five9/NWN • RingCentral • Genesys/TTEC
RFQ: Governance, Risk and Compliance (GRC360)	Executive Office	04/08/2024	Soliciting Process	<ul style="list-style-type: none"> • Workovia • Navex • AuditBoard • LogicGate • Teammate • Archer • Kroll (Resolver) • Riskonnect • ServiceNow
RFP: Taxonomy & Knowledge Management Consultant	Executive Office	06/14/2024	Soliciting Process	<ul style="list-style-type: none"> • Enterprise Knowledge LLC • Franz Inc. • Taxonomy Strategies • Teknita LLC

*Subject to change

INVESTMENTS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
RFP: Actuarial Consulting and Actuarial Auditing Services	Investments / Internal Audit	11/15/2023	Contract Development	<ul style="list-style-type: none"> • Cavanaugh Macdonald Consulting • Milliman
RFP: Hedge Funds, Credit, and Real Assets Consultant Search	Investments	12/29/2023	Contract Development	<ul style="list-style-type: none"> • Albourne • Meketa • Mercer • Wilshire
RFP: Risk and Analytics System, and ESG Research Services Search	Investments	3/29/2023	Bid Review	<ul style="list-style-type: none"> • BlackRock Financial Management Inc • Barra, LLC



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
				<ul style="list-style-type: none"> • Bloomberg Finance L.P. • Clearwater Analytics • eVestment Alliance, LLC • FactSet Research Systems Inc. • ISS STOXX GmbH • MSCI ESG Research LLC • Northfield Information Systems, Inc. • Solovis, Inc.
Real Assets Emerging Manager Program Discretionary Separate Account Manager	Investments	3/29/2023	Bid Review	<ul style="list-style-type: none"> • ORG Portfolio Management • Barings • Belay Investment Group • Hamilton Lane • Cambridge Associates • Seed Partners • Stable Asset Management • Wafra Inc. • Artemis Real Estate Partners • Aether Investment Partners • Neuberger Berman Group • The Townsend Group • BGO Strategic Capital Partners • BlackRock • StepStone • GCM Grosvenor

*Subject to change

Date	Conference
July, 2024	
10-12	Pacific Pension Institute (PPI) Summer Roundtable Amsterdam, Netherlands
15-17	ICGN 2024 Annual Conference London, England
August, 2024	
18-20	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Boston, MA
26-29	CALAPRS (California Association of Public Retirement Systems) Principles of Pension Governance for Trustees Location TBD
September, 2024	
9-11	Council of Institutional Investors (CII) Fall Conference Brooklyn, NY
24-26	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension HR Summit Denver, CO
October, 2024	
6-9	National Association of Corporate Directors (NACD) Directors Summit 2024 Gaylord National Harbor, Washington D.C.
11	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Northern California - TBD
14-18	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
23-25	PPI Asia Pacific Roundtable Hong Kong
23-25	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
23-25	Pacific Pension Institute (PPI) Asia Pacific Roundtable Hong Kong
26-27	NCPERS (National Conference on Public Employee Retirement Systems) Program for Advanced Trustee Studies (PATs) Palm Springs, CA

Date	Conference
26-27	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Palm Springs, CA
27-30	NCPERS (National Conference on Public Employee Retirement Systems) Public Safety Conference Palm Springs, CA
	NCPERS (National Conference on Public Employee Retirement Systems) FALL (Financial, Actuarial, Legislative & Legal) Conference
November, 2024	
3-6	CRCEA (California Retired County Employees Association) Fall Conference Walnut Creek, CA
10-13	IFEBC (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference San Diego, CA
12-14	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
12-15	SACRS Fall Conference Monterey, CA
December, 2024	
6	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual
	National Association of Corporate Directors (NACD) Master Class Scottsdale, AZ

**DISABILITY RETIREMENT APPLICATIONS
FOR MEETING OF JULY 3, 2024**

**CONSENT CALENDAR:
(1E - 999E)**

**SAFETY - SCD
Law Enforcement, Sheriff's, D.A. Investigators**

ATTY	APPLICATION NUMBER	LR	NAME	DEPT. NO.	REQ.	RECOMMENDATION		BOARD ACTION	INV
						PHYS.	STAFF		
TREGER	401E	*	SMALL, JUDITH A.	SH	SCD RETRO	SCD	SCD RETRO		PS
TREGER	402E		ARBALLO, CARMEN A.	SH	SCD	SCD	SCD		RB
WICKE	403E		MURAKAMI, TIMOTHY K.	SH	SCD RETRO	SCD	SCD RETRO EMPLOYER CANNOT ACCOMMODATE		RB
YERITSYAN	404E		BORGES, MARK A.	SH	SCD	SCD	SCD EMPLOYER CANNOT ACCOMMODATE		NA
SCHMIDT	405E		MCGOWAN, PAUL	SH	SCD	SCD	SCD		MLY
WICKE	406E		ADRAGNA, FAYE A.	SH	SCD	SCD	SCD		MSM
MARENSTEIN	407E		LUKEHART, GORDON, III	SH	SCD	SCD	SCD		RM
WICKE	408E		HAYES, LEONARD B.	SH	SCD	SCD	SCD		ML
COOKSEY	409E		MCMAHON, BRIAN P.	SH	SCD	SCD	SCD		ABD
WICKE	410E		MERCADO, MARTIN	SH	SCD	SCD	SCD EMPLOYER CANNOT ACCOMMODATE		SR
WICKE	411E		ALLEN, DUANE D., JR.	SH	SCD	SCD	SCD		RB
TREGER	412E		HAMMOND, CHRISTOPHER A.	SH	SCD	SCD	SCD		MSM
OZERAN	413E		ALFRED, DERRICK S.	SH	SCD	SCD	SCD		RB

**DISABILITY RETIREMENT APPLICATIONS
FOR MEETING OF JULY 3, 2024**

**CONSENT CALENDAR:
(1E - 999E)**

**SAFETY - SCD
Law Enforcement, Sheriff's, D.A. Investigators**

ATTY	APPLICATION NUMBER	LR	NAME	DEPT. NO.	REQ.	RECOMMENDATION		BOARD ACTION	INV
						PHYS.	STAFF		
SCHMIDT	414E		VALENTE, SAMUEL	SH	SCD	SCD	SCD		MLY
COOKSEY	415E		GUERRA, SIGFRIDO E.	DA	SCD	SCD	SCD		ABD
ZIERHUT	416E		NOYA, FREDRICK J.	SH	SCD	SCD	SCD		MLY
SCHMIDT	417E		ALVAREZ, JAIME	SH	SCD	SCD	SCD EMPLOYER CANNOT ACCOMMODATE		JC
TREGER	418E		CLARK, YESENIA A.	SH	SCD	SCD	SCD		AK
NONE	419E		MARQUEZ, STEVEN M.	SH	SCD	SCD	SCD		MLY
SCHMIDT	420E		RODRIGUEZ, JOY G.	SH	SCD	SCD	SCD		RL
WICKE	421E		LIMON, ROBIN A.	SH	SCD	SCD	SCD EMPLOYER CANNOT ACCOMMODATE		ABD
AGATSTEIN	422E		BALLIN, MARK E.	SH	SCD RETRO	SCD	SCD RETRO		MS
WICKE	423E		ALLEN, JOHN C.	SH	SCD	SCD	SCD		SR

**DISABILITY RETIREMENT APPLICATIONS
FOR MEETING OF JULY 3, 2024**

**CONSENT CALENDAR:
(1000B - 1999B)**

**SAFETY - SCD
Fire, Lifeguards**

ATTY	APPLICATION NUMBER	LR	NAME	DEPT. NO.	REQ.	RECOMMENDATION		BOARD ACTION	INV
						PHYS.	STAFF		
TREGER	1843B		CORBETT, RYAN J.	FR	SCD	SCD	SCD		MSM
TREGER	1844B		CAMPBELL, DOUGLAS M.	FR	SCD	SCD	SCD		JTS
TREGER	1845B		BOWMAN, DAVID R.	FR	SCD	SCD	SCD		MG
TREGER	1846B		GIBBS, SCOTT L.	FR	SCD	SCD	SCD		JTS
TREGER	1847B		LAUREL, FRANK	FR	SCD	SCD	SCD		NA
WICKE	1848B		LOMBARDO, GREGORY T.	FR	SCD	SCD	SCD		JC
LIM	1849B	*	CARRESI, JOHN M.	FR	SCD	SCD	SCD		DH
TREGER	1850B		RODRIGUEZ, ERIC J.	FR	SCD	SCD	SCD		SF
TREGER	1851B		HOLLAND, DAVID S.	FR	SCD	SCD	SCD		ABD
TREGER	1852B		DOWNING, ERIC M.	FR	SCD	SCD	SCD		ABD
NONE	1853B		CHUPP, KENNY T.	FR	SCD	SCD	SCD		MSM
TREGER	1854B		VAN DOREN, DON	FR	SCD	SCD	SCD		JTS
TREGER	1855B		JOHNSON, WARREN R.	FR	SCD	SCD	SCD		JTS

**DISABILITY RETIREMENT APPLICATIONS
FOR MEETING OF JULY 3, 2024**

**CONSENT CALENDAR:
(3000 - 3999)**

SAFETY - NSCD

ATTY	APPLICATION NUMBER	LR	NAME	DEPT. NO.	REQ.	RECOMMENDATION		BOARD ACTION	INV
						PHYS.	STAFF		
No Applications Submitted									

**DISABILITY RETIREMENT APPLICATIONS
FOR MEETING OF JULY 3, 2024**

**CONSENT CALENDAR:
(2000C - 2999C)**

GENERAL MEMBERS - SCD

ATTY	APPLICATION NUMBER	LR	NAME	DEPT. NO.	REQ.	RECOMMENDATION		BOARD ACTION	INV
						PHYS.	STAFF		
YERITSYAN	2772C		GUERRERO, DENISE M.	SH	SCD	SCD	SCD		JC
YERITSYAN	2773C		PHELPS-EDWARDS, GAIL T.	SH	SCD RETRO	SCD	SCD RETRO EMPLOYER CANNOT ACCOMMODATE		MLY
NONE	2774C		HALL, EVELYN J.	SS	SCD	SCD	SCD EMPLOYER CANNOT ACCOMMODATE		NA
YERITSYAN	2775C		BRAUN, VERONICA	SH	SCD	SCD	SCD		MSM
NONE	2776C		DENOFRA, EDMUNDO A.	PB	SCD	SCD	SCD		LD
ZIERHUT	2777C		CRAINE, MICHAEL D.	SH	SCD	SCD	SCD		MS
TREGER	2778C		HART, CHRISTOPHER J.	PB	SCD	SCD	SCD EMPLOYER CANNOT ACCOMMODATE		JC
NONE	2779C		MENDOZA, VERONICA	HG	SCD RETRO	SCD	SCD EMPLOYER CANNOT ACCOMMODATE		RM
NONE	2780C		CHAVIRA, LINDA	PB	SCD	SCD	SCD SALARY SUPPLEMENT		SF
NONE	2781C		REYNA CHAVEZ, JAQUELINE	SH	SCD SUPPL	SCD	SCD SALARY SUPPLEMENT		JC

**DISABILITY RETIREMENT APPLICATIONS
FOR MEETING OF JULY 3, 2024**

**CONSENT CALENDAR: GENERAL - NSCD
(4000 - 4999)**

ATTY	APPLICATION NUMBER	LR	NAME	DEPT. NO.	REQ.	RECOMMENDATION		BOARD ACTION	INV
						PHYS.	STAFF		
No Applications Submitted									



June 20, 2024

TO: Each Trustee,
Board of Retirement

FROM: Vivian Gray, Trustee

FOR: July 3, 2024 Board of Retirement Meeting

SUBJECT: Trustee Education Policy – Exception to Educational Content Requirement
Section IV. C. 2.

The Koried - What Matters Now in 2024: Trends and Insights for Tomorrow will be held on July 17-19, 2024 in Coral Gables, Florida. The conference will bring together governments, business leaders, experts and thought leaders from around the world to discuss leading edge approaches, ideas and unique strategies that benefit the Pension Fund community. The annual gathering will examine policy priorities, investment approaches and innovation with purpose that will enhance competitiveness and drive economic growth not only in the U.S., but around the world. This Summit will allow participants including Institutional Investors' Decision-Makers, CEOs of leading corporations and financial institutions to engage in an informative and candid dialogue.

Per the [Trustee Education Policy](#), external education must have an average of 5 hours of educational content per day. This conference has an average of 3 hours per day.

RECOMMENDATION

It is requested, that the Board approve the exception of the Trustee Education Policy – Exception to Section IV. C. 2. in order for Trustees to participate in the What Matters Now in 2024: Trends and Insights for Tomorrow hosted by Koried held on July 17-19, 2024 in Coral Gables, Florida.

Wednesday, July 17, 2024

8:30 am - 9:15 am

Unlocking the Potential of Artificial Intelligence

9:15 am - 10:00 am

**Corporate Governance and Emerging Technologies:
Looking at the risk of artificial intelligence through the lens of
prior technological innovations**

10:15 am - 11:00 am

Capturing Alpha in US SMID and Small Cap Equities

11:00 am - 11:45 am

**Consultant Roundtable: "Investment Perspectives: What Lies
Ahead in the Public and Private Markets?"**

11:45 am - 12:30 pm

Is Venture Capital Mature Enough to be Pension-Ready

Thursday, July 18, 2024

8:30 am - 9:15 am

Private Credit: Expectations for Returns/Risks

9:15 am - 10:00 am

**CIO Roundtable - Navigating through Volatile Economic and
Market Conditions**

10:15 am - 11:00 am

Real Assets

11:00 am - 11:45 am

Real Estate

11:45 am - 12:30 pm

Fixed Income

Friday, July 19, 2024

8:45 am - 9:45 am

Seeding and Staking New Emerging Asset Classes

9:45 am - 10:45 am

Pitch Perfect



June 26, 2024

TO: Each Trustee
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Vivian H. Gray, Vice Chair
Shawn R. Kehoe
Ronald Okum
David Ryu, Alternate

FOR: July 3, 2024 Board of Retirement Meeting

SUBJECT: **Assembly Bill 2284—Compensation**

Author: Grayson [D]
Sponsor: California Professional Firefighters
Amended: June 10, 2024
Introduced: February 8, 2024
Status: In committee: Hearing postponed by committee. (06/13/2024)

IBLC Recommendation: Oppose (06/05/2024)
Staff Recommendation: Oppose

RECOMMENDATION

That the Board of Retirement adopt an “Oppose” position on Assembly Bill 2284, which would authorize a retirement system to define “grade” for the purposes of determining compensation earnable.

LEGISLATIVE POLICY STANDARD

The Board of Retirement’s Legislative Policy is to oppose proposals that would infringe on its plenary authority or fiduciary responsibility and create unreasonable costs or complexity in the administration of retirement benefits (Legislative Policy, page 6).

SUMMARY

AB 2284 would authorize a county retirement system, to the extent it has not defined “grade,” to define “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related group or class. A single employee shall not constitute a group or class.

ANALYSIS

Existing Law

Government Code Section 31460 provides the definition of “compensation,” which is cash remuneration, and Section 31461 provides the definition of “compensation earnable,”

which is the average compensation as determined by the retirement board for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period and at the same rate of pay.

A member's retirement allowance is based on compensation earnable, service credit, and an age factor. Generally, the higher each of these components are, the higher the retirement benefit. A member receives base salary as compensation and may be receiving additional pay items of compensation such as bonuses and buybacks. To the extent that compensation is compensation earnable, it is used in the benefit formula to calculate a retirement allowance.

Beginning in 1997 (due to litigation initiated by an employee organization in the County of Ventura), compensation earnable has expanded to include many pay items in addition to base salary, although the *Ventura Decision*¹ also excluded items such as termination pay. In the wake of the *Ventura Decision*, several lawsuits were filed statewide by county employees and retirees as to whether the *Ventura Decision* should be applied retroactively. Those lawsuits were consolidated into a single proceeding² for those retirement systems that did not enter into settlement agreements. Until 2013, the *Ventura Decision* and *In re Ret. Cases* guided the treatment of compensation earnable in the retirement systems operating under the County Employees Retirement Law of 1937 (CERL).

PEPRA was enacted to implement then-Governor Jerry Brown's *Twelve Point Pension Reform Plan*. PEPRA generally applies to new employees on or after January 1, 2013 and introduced the definition of "pensionable compensation" for the purposes of calculating a retirement allowance for PEPRA members.

However, the bill (AB 340, Chapter 296, Statutes of 2012) that added PEPRA to the Government Code also amended Section 31461, which provides the definition of "compensation earnable" for legacy members (i.e., those who are not PEPRA members), to specifically exclude certain items of pay from the definition of compensation earnable.

Employee organizations in the Counties of Alameda, Contra Costa, and Merced initiated litigation on this change, which culminated in the California Supreme Court's *Alameda Decision*³ on June 30, 2020. The California Supreme Court affirmed that the amendment to the definition of compensation earnable was constitutionally permissible and that CERL retirement systems must comply with the amendment.

1 *Ventura County Deputy Sheriffs' Assn. v. Board of Retirement* (1997) 16 Cal.4th 483

2 *In re Ret. Cases. Eight Coordinated Cases* (2003) 110 Cal.App.4th 426

3 *Alameda County Deputy Sheriff's Assn. v. Alameda County Employees' Retirement Assn.* (2020) 9 Cal.5th 1032

This Bill

AB 2284 authorizes a county retirement system, to the extent it has not defined “grade,” to define “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related group or class. A single employee shall not constitute a group or class.

AB 2284 would enable a county retirement system to define “grade” in a manner that may be in conflict with existing memoranda of understanding (MOUs) that provide for grades and classes of positions and conceivably create new classifications for the purposes of finding items of pay that would otherwise not constitute compensation earnable, to be compensation earnable for a particular grade. Such an expansion of the retirement board’s plenary authority into matters outside of the scope of plan administration into defining grades of employees of other employers may have the unintended consequence of eroding the board’s plenary authority by blurring the line between plan design and plan administration. As noted in the *Alameda* Decision, “the task of a county retirement board is not to design the county’s pension plan but to implement the design enacted by the Legislature through CERL.” *Alameda*, at p. 1066. The retirement board’s plenary authority and fiduciary responsibility lie in *administration* of the system. California Constitution, art. XVI, sec. 17. Although the retirement system—as an *employer* responsible for administration of the system—may engage in defining the grades of its own employees for purposes of determining and categorizing their classifications and compensation, in contrast, as a *plan administrator*, it is determining compensation earnable for purposes of final compensation in the calculation of a retirement allowance.

Moreover, AB 2284 makes the defining of the term “grade” optional among the 20 county retirement systems operating under CERL. As such, this would, instead of providing clarity, conceivably increase the variation among the 20 retirement systems in administering the determination of compensation earnable and create inconsistencies and uncertainty in the interpretation and application of CERL, particularly with members who have reciprocity in terms of final compensation.

Operational Impact

AB 2284 may result in more pay items being designated as compensation earnable by a retirement system and thereby increase the final compensation used in the calculation of a retirement allowance. Consequently, members may receive higher retirement allowances, which may increase the costs to provide those benefits.

IT IS THEREFORE RECOMMENDED THAT THE BOARD adopt an “Oppose” position on Assembly Bill 2284, which would authorize a retirement system to define “grade” for the purposes of determining compensation earnable.

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

AB 2284 (Grayson) as amended on June 10, 2024

cc: Santos H. Kreimann

Luis Lugo

JJ Popowich

Laura Guglielmo

Steven P. Rice

Jean Kim

Naomi Padron, MKP Government Relations

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

AB 2493 (Chen, 2022) would provide that adjustments be made to contributions for active members and to contributions and benefits for retired members based on disallowed compensation. The Board of Retirement adopted a “Neutral” position.

AB 826 (Irwin, 2021) would provide that compensation and compensation earnable include flexible benefits plan allowances paid by the county on behalf of its employees as part of a cafeteria plan, if certain requirements are met. The Board of Retirement adopted a “Watch” position.

AB 197 (Chapter 297, Statutes of 2012) enacted technical clarifications to the definition of compensation earnable that was amended by AB 340. The Board of Retirement did not adopt a position.

AB 340 (Chapter 296, Statutes of 2012) enacted the California Public Employees’ Pension Reform Act of 2013, amended the County Employees Retirement Law of 1937’s (CERL) provisions on compensation earnable, and added new provisions to CERL on the assessment, reporting, and audit of compensation items. The Board of Retirement adopted a “Watch” position.

SUPPORT

California Fraternal Order of Police (Co-sponsor)
California Professional Firefighters (Co-sponsor)
Association of Orange County Deputy Sheriffs
Long Beach Police Officers Association
Orange County Employees Retirement System
Sacramento County Deputy Sheriffs' Association
San Bernardino County Sheriff's Employees' Benefit Association

OPPOSITION

San Bernardino County Employees' Retirement Association

AMENDED IN SENATE JUNE 10, 2024

AMENDED IN ASSEMBLY MAY 20, 2024

AMENDED IN ASSEMBLY APRIL 18, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 2284

Introduced by Assembly Member Grayson

February 8, 2024

An act to amend Section 31461 of the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 2284, as amended, Grayson. County employees' retirement: compensation.

Existing law, the California Public Employees' Pension Reform Act of 2013 (PEPRA), generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL generally vests management of each retirement system in a board of retirement.

CERL defines "compensation earnable" by a member, for the purpose of calculating benefits, to mean the average compensation, as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and the same rate of pay, subject to certain exceptions.

This bill would authorize a retirement system, to the extent it has not defined “grade” in the above-described circumstances, to define “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related group or class, as specified.

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

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

1 SECTION 1. Section 31461 of the Government Code is
2 amended to read:

3 31461. (a) (1) “Compensation earnable” by a member means
4 the average compensation as determined by the board, for the
5 period under consideration upon the basis of the average number
6 of days ordinarily worked by persons in the same grade or class
7 of positions during the period, and at the same rate of pay. The
8 computation for any absence shall be based on the compensation
9 of the position held by the member at the beginning of the absence.
10 Compensation, as defined in Section 31460, that has been deferred
11 shall be deemed “compensation earnable” when earned, rather
12 than when paid.

13 (2) To the extent a retirement system has not defined “grade,”
14 it may define “grade,” as described in paragraph (1), to mean a
15 number of employees considered together because they share
16 similarities in job duties, schedules, unit recruitment requirements,
17 work location, collective bargaining unit, or other logical
18 work-related group or class. A single employee shall not constitute
19 a group or class.

20 (b) “Compensation earnable” does not include, in any case, the
21 following:

22 (1) Any compensation determined by the board to have been
23 paid to enhance a member’s retirement benefit under that system.

24 That compensation may include:

25 (A) Compensation that had previously been provided in kind
26 to the member by the employer or paid directly by the employer
27 to a third party other than the retirement system for the benefit of
28 the member, and which was converted to and received by the

1 member in the form of a cash payment in the final average salary
2 period.

3 (B) Any one-time or ad hoc payment made to a member, but
4 not to all similarly situated members in the member's grade or
5 class.

6 (C) Any payment that is made solely due to the termination of
7 the member's employment, but is received by the member while
8 employed, except those payments that do not exceed what is earned
9 and payable in each 12-month period during the final average
10 salary period regardless of when reported or paid.

11 (2) Payments for unused vacation, annual leave, personal leave,
12 sick leave, or compensatory time off, however denominated,
13 whether paid in a lump sum or otherwise, in an amount that exceeds
14 that which may be earned and payable in each 12-month period
15 during the final average salary period, regardless of when reported
16 or paid.

17 (3) Payments for additional services rendered outside of normal
18 working hours, whether paid in a lump sum or otherwise.

19 (4) Payments made at the termination of employment, except
20 those payments that do not exceed what is earned and payable in
21 each 12-month period during the final average salary period,
22 regardless of when reported or paid.

23 (c) The terms of subdivision (b) are intended to be consistent
24 with and not in conflict with the holdings in *Salus v. San Diego*
25 *County Employees Retirement Association* (2004) 117 Cal.App.4th
26 734 and *In re Retirement Cases* (2003) 110 Cal.App.4th 426.

27 (d) ~~This section is intended to be consistent with and not in~~
28 ~~conflict with~~ *Nothing in this section shall change* the holding in
29 *Alameda County Deputy Sheriff's Association v. Alameda County*
30 *Employees' Retirement Association* (2020) 9 Cal.5th ~~1032~~. 1032,
31 *and to the extent that there is any conflict between this section and*
32 *the holding in that case, the latter shall prevail.*



June 18, 2024

TO: Each Trustee
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Vivian H. Gray, Vice Chair
Shawn R. Kehoe
Ronald Okum
David Ryu, Alternate

FOR: July 3, 2024 Board of Retirement Meeting

SUBJECT: **Assembly Bill 3025—Disallowed Compensation**

Author: Valencia [D]
Sponsor: California Professional Firefighters
Amended: May 2, 2024
Introduced: February 13, 2024
Status: From committee: Do pass and re-refer to Committee on Judiciary. (06/12/2024)

IBLC Recommendation: Neutral (06/05/2024)
Staff Recommendation: Neutral

RECOMMENDATION

That the Board of Retirement adopt a “Neutral” position on Assembly Bill 3025, which would provide adjustments to retirement allowances based on disallowed compensation.

LEGISLATIVE POLICY STANDARD

AB 3025 is not consistent with any of the Board of Retirement’s (BOR) legislative policy standards that would entail support or opposition. A “Neutral” position indicates that the proposal affects LACERA and its stakeholders, but the Board neither supports nor opposes it.

SUMMARY

AB 3025 would authorize a county retirement system to require an employer to discontinue reporting disallowed compensation and to adjust retirement allowances based on disallowed compensation:

- Define “disallowed compensation” as nonpensionable compensation that the retirement system determines is not in compliance with the California Public

Employees' Pension Reform Act of 2013 (PEPRA), the *Alameda* Decision¹, or the retirement system's administrative regulations or policies.

- Require the employer to discontinue reporting the disallowed compensation as determined by the retirement system.
- Provide that for active members, employer contributions on the disallowed compensation must be credited to the employer against future contributions, and member contributions on the disallowed compensation must be returned to the member.
- Provide that for retired members and survivors whose final compensation was based on disallowed compensation, the retirement system shall credit the employer contributions on the disallowed compensation to the employer for future contributions, return any member contributions paid by the member directly to the member, and permanently adjust the benefit to reflect the exclusion of the disallowed compensation.
- Provide a written notice to the employer and to the affected retired member, survivor, beneficiary that includes at a minimum the following:
 - The amount of the member's overpaid benefit that the employer shall pay as a direct payment to the retirement system or as a recognition in the actuarial accrued liability.
 - The amount that is 20 percent of the present value of the overpaid benefit that would have continued to be paid throughout the life of the member that the employer shall pay to the retired member, survivor, or beneficiary.
 - Written disclosure of the employer's obligations to the retired member, survivor, or beneficiary, as specified.
- Provide that a retirement system that has initiated a process prior to January 1, 2024, to recalculate compensation earnable and adjust retirement benefits based on the exclusion of disallowed compensation may continue to use that process to ensure compliance with PEPRA and the *Alameda* Decision.
- Provide that an employer or authorized employee representative may submit to the retirement system for review compensation items proposed for inclusion in a memorandum of understanding or collective bargaining agreement that are intended for pension benefit calculations. The retirement system would review the compensation item for consistency with PEPRA, the *Alameda* Decision, or its administrative regulations.

¹ *Alameda County Deputy Sheriff's Assn. v. Alameda County Employees' Retirement Assn.* (2020) 9 Cal.5th 1032

ANALYSIS

Existing Law

Government Code Section 31460 provides the definition of “compensation,” which is cash remuneration, and Section 31461 provides the definition of “compensation earnable,” which is the pay rate of those compensation items. A member’s retirement allowance is based on compensation earnable, service credit, and an age factor. Generally, the higher each of these components are, the higher the retirement benefit. A member receives base salary as compensation and may be receiving additional pay items of compensation such as bonuses and buybacks. To the extent that compensation is compensation earnable, it is used in the benefit formula to calculate a retirement allowance.

Beginning in 1997 (due to litigation initiated by an employee organization in the County of Ventura), compensation earnable has expanded to include many pay items in addition to base salary, although the *Ventura Decision*² also excluded items such as termination pay. In the wake of the *Ventura Decision*, several lawsuits were filed statewide by county employees and retirees as to whether the *Ventura Decision* should be applied retroactively. Those lawsuits were consolidated into a single proceeding³ for those retirement systems that did not enter into settlement agreements. Until 2013, the *Ventura Decision* and *In re Ret. Cases* guided the treatment of compensation earnable in the retirement systems operating under the County Employees Retirement Law of 1937 (CERL).

PEPRA was enacted to implement then-Governor Jerry Brown’s *Twelve Point Pension Reform Plan*. PEPRA generally applies to new employees on or after January 1, 2013 and introduced the definition of “pensionable compensation” for the purposes of calculating a retirement allowance for PEPRA members.

However, the bill (AB 340, Chapter 296, Statutes of 2012) that added PEPRA to the Government Code also amended Section 31461, which provides the definition of “compensation earnable” for legacy members (i.e., those who are not PEPRA members), to exclude certain items of compensation from compensation earnable.

Employee organizations in the Counties of Alameda, Contra Costa, and Merced initiated litigation on this change, which culminated in the California Supreme Court’s *Alameda Decision* on June 30, 2020. The California Supreme Court affirmed that the amendment to the definition of compensation earnable was constitutionally permissible and that CERL retirement systems must comply with the amendment.

This Bill

AB 3025 requires that a county employer discontinue reporting compensation that has been determined by the retirement system to be disallowed compensation. For both active and retired members, the bill requires that overpaid contributions on the disallowed

2 *Ventura County Deputy Sheriffs' Assn. v. Board of Retirement* (1997) 16 Cal.4th 483

3 *In re Ret. Cases. Eight Coordinated Cases* (2003) 110 Cal.App.4th 426

compensation be credited to the employer and credited or refunded to the member, depending on if they are active or retired.

For retired members, the bill requires that the employer who reported the disallowed compensation that was the basis for the overpayment to reimburse the retirement system for the overpayment and to pay to retired members a lump sum based on the present value of the overpaid benefit that would have continued to be paid throughout the life of the member.

However, AB 3025 would not apply to LACERA's current process of making adjustments for active and retired members who received Standby Pay since that process was initiated before January 1, 2024. On March 3, 2021, the BOR determined that Standby Pay, a legacy pay item, was included in the calculation of final compensation and must be excluded as a result of the *Alameda* Decision. As reported in the monthly Operations Briefing to the Operations Oversight Committee, LACERA is in the midst of a project to make adjustments for active and retired members who received Standby Pay.

AB 3025 would apply to *existing* pay items that have been determined to constitute compensation earnable and then are subsequently determined to be disallowed as compensation earnable, if a correction process is initiated after January 1, 2024. For *new* pay items that are to be included in a proposed agreement on or after January 1, 2025, and are intended to be considered compensation earnable, the BOR will engage in a determination process as specified in AB 3025.

Operational Impact

Benefit overpayments that meet the requirements of AB 3025 would be reimbursed to LACERA by our plan sponsor, the County of Los Angeles, instead of by the member. Therefore, there would be no impact to LACERA in this regard, since either way LACERA would receive a reimbursement. The plan sponsor would also pay to the member 20 percent of the present value of the overpaid benefit that would have continued to be paid throughout the life of the member. LACERA would be made whole with respect to the overpaid benefits but would incur compliance costs in calculating the present value of the overpaid benefits. However, these compliance costs are anticipated to be absorbable. Therefore, overall the operational impact is likely to be minimal.

Other Background

The Legislative Committee of the State Association of County Retirement Systems did not recommend any position on the bill but has engaged with the author of the bill and submitted amendments to make the bill more administratively efficient. Those amendments are reflected in the current May 2, 2024, version of the bill.

IT IS THEREFORE RECOMMENDED THAT THE BOARD adopt a "Neutral" position on Assembly Bill 3025, which would provide adjustments to retirement allowances based on

disallowed compensation.

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

AB 3025 (Valencia) as amended on May 2, 2024

cc: Santos H. Kreimann

Luis Lugo

JJ Popowich

Laura Guglielmo

Steven P. Rice

Jean Kim

Naomi Padron, MKP Government Relations

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

AB 2493 (Chen, 2022) would provide that adjustments be made to contributions for active members and to contributions and benefits for retired members based on disallowed compensation. The Board of Retirement adopted a “Neutral” position.

AB 826 (Irwin, 2021) would provide that compensation and compensation earnable include flexible benefits plan allowances paid by the county on behalf of its employees as part of a cafeteria plan, if certain requirements are met. The Board of Retirement adopted a “Watch” position.

AB 197 (Chapter 297, Statutes of 2012) enacted technical clarifications to the definition of compensation earnable that was amended by AB 340. The Board of Retirement did not adopt a position.

AB 340 (Chapter 296, Statutes of 2012) enacted the California Public Employees’ Pension Reform Act of 2013, amended the County Employees Retirement Law of 1937’s (CERL) provisions on compensation earnable, and added new provisions to CERL on the assessment, reporting, and audit of compensation items. The Board of Retirement adopted a “Watch” position.

SUPPORT

California Professional Firefighters (Co-sponsor)
California Fraternal Order of Police (Co-sponsor)
American Federation of State, County and Municipal Employees, AFL-CIO
Association of Orange County Deputy Sheriffs
California Fraternal Order of Police
California Labor Federation, AFL-CIO
California Teachers Association
Contra Costa County Professional Firefighters Local 1230
Kern County Firefighters Local 1301 Union
Long Beach Police Officers Association
Los Angeles County Firefighters Local 1014
Marin Professional Firefighters Local 1775
Orange County Employees Association
Orange County Professional Firefighters Association, Local 3631
Sacramento Area Firefighters Local 522
Sacramento County Deputy Sheriff's Association
San Bernardino County Firefighters Local 935
San Bernardino County Sheriff's Employees' Benefit Association
Ventura County Professional Firefighters Association Local 1364

OPPOSITION

California Special Districts Association
California State Association of Counties
League of California Cities
Rural County Representatives of California
Urban Counties of California

AMENDED IN ASSEMBLY MAY 2, 2024
AMENDED IN ASSEMBLY MARCH 18, 2024
CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 3025

Introduced by Assembly Member Valencia
(Coauthors: Assembly Members Chen and Lackey)

February 16, 2024

An act to add Section 31541.2 to the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 3025, as amended, Valencia. County employees' retirement: disallowed compensation: benefit adjustments.

(1) Existing law, the California Public Employees' Pension Reform Act of 2013 (PEPRA), generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL generally vests management of each retirement system in a board of retirement. CERL authorizes a board of retirement to correct errors in the calculation of a retired member's monthly allowances or other benefits under CERL in certain circumstances, including if the member caused their final compensation to be improperly increased or otherwise overstated at the time of retirement, and the system applied that overstated amount as

the basis for calculating the member's monthly retirement allowance or benefits under CERL, subject to certain limitations.

The Public Employees' Retirement Law (PERL) also authorizes its board of administration to adjust retirement payments due to errors or omissions, including for cases in which the retirement systems that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and is thus impermissible.

This bill would require a retirement system established under CERL, upon determining that the compensation reported for a member is disallowed compensation, to require the employer, as defined, to discontinue reporting the disallowed compensation. The bill would require, for an active member, the retirement system to credit all *employer* contributions made on the disallowed compensation against future contributions to the benefit of the employer that reported the disallowed compensation, and return any *member* contribution paid by, or on behalf of, that member, to the member ~~by~~ *directly or indirectly through* the employer that reported the disallowed compensation, except in certain circumstances in which a system has already initiated a process, as defined, to recalculate compensation. The bill would require the system, for a retired member, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation, to credit the *employer* contributions made on the disallowed compensation against future contributions, to the benefit of the employer that reported the disallowed compensation, *to return any member contributions paid by, or on behalf of, that member, to the member directly*, and to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation. The bill would establish other conditions required to be satisfied with respect to a retired member, survivor, or beneficiary when final compensation was predicated upon disallowed compensation, including, among others, requiring a specified payment to be made by the employer that reported contributions on the disallowed compensation to the retired member, survivor, or beneficiary, as appropriate. The bill would authorize a retirement system that has initiated a process prior to January 1, 2024, to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation to use that system in lieu of specified provisions that the bill would enact. The bill would also require certain information

regarding the relevant retired member, survivor, or beneficiary needed for purposes of these provisions to be kept confidential by the recipient.

This bill would authorize an employer to submit to a retirement system for review a compensation item proposed to be included in an agreement, as specified, on and after January 1, 2025, that is intended to form the basis of a pension benefit calculation and would require the system to provide guidance on the matter. The bill would prescribe a process in this regard. The bill would specify that it does not affect or otherwise alter a party’s right to appeal any determination regarding disallowed compensation made by the system after July 30, 2020.

(2) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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

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

1 SECTION 1. Section 31541.2 is added to the Government
2 Code, to read:

3 ~~31541.2. (a) The board of retirement or board of supervisors,~~
4 ~~as authorized pursuant to this chapter, may enter into any~~
5 ~~agreements as may be necessary and appropriate to carry out the~~
6 ~~provisions of this section.~~

7 ~~(b) For~~

8 31541.2. (a) For purposes of this section, the following
9 definitions apply:

10 (1) “Agreement” means a memorandum of understanding or
11 collective bargaining agreement. *agreement between the employer*
12 *and an exclusive representative pursuant to the*
13 *Meyers-Milias-Brown Act (Chapter 10 (commencing with Section*
14 *3500) of Division 4 of Title 1).*

15 (2) “Alameda” means the Supreme Court case of Alameda
16 County Deputy Sheriff’s Association v. Alameda County
17 Employees’ Retirement Association (2020) 9 Cal.5th 1032 ~~or~~ *and*
18 its holding.

1 (3) “Disallowed compensation” means *nonpensionable*
 2 *compensation reported for a member of the retirement system,*
 3 *consistent with the agreement covering that employee, system that*
 4 *the system subsequently determines is not in compliance with*
 5 *PEPRA, Alameda, Section 31461, the holding in Alameda, other*
 6 *provisions of this part, or the system’s administrative regulations,*
 7 *regulations or policies through no fault of the member.*

8 *For purposes of this paragraph, “disallowed compensation”*
 9 *also includes nonpensionable compensation that was previously*
 10 *included in an agreement.*

11 (4) “Employer” means the appropriate applicable county, county
 12 agency, or *special district standing in relationship between the*
 13 *employee and the system.*

14 (5) “Initiated a process” means a system has ~~begun collecting~~
 15 ~~any portion of an overpayment from any affected retired member,~~
 16 ~~survivor, or beneficiary or adjusted the retirement allowance of~~
 17 ~~any affected retired member, survivor, or beneficiary due to a~~
 18 ~~determination of disallowed compensation.~~ *formally adopted a*
 19 *resolution for a correction process on identified disallowed*
 20 *compensation that has required or will require collecting any*
 21 *portion of an overpayment from, or refunding member*
 22 *contributions to, any affected active member, retired member,*
 23 *survivor, or beneficiary, or adjusting the retirement allowance of*
 24 *any affected retired member, survivor, or beneficiary due to the*
 25 *determination of disallowed compensation by the system, including*
 26 *a determination by the system that is consistent with PEPRA, the*
 27 *holding in Alameda, and other provisions of this part.*

28 (6) “PEPRA” means the California Public Employees’ Pension
 29 Reform Act of 2013 (Article 4 (commencing with Section 7522)
 30 of Chapter 21 of Division 7 of Title 1).

31 (7) “System” means a retirement association or system
 32 ~~established by this act.~~ *pursuant to the County Employees*
 33 *Retirement Law of 1937 (commencing with Section 31450).*

34 (e)

35 (b) If the system determines that the compensation reported for
 36 a member is disallowed compensation, it shall require the employer
 37 to discontinue reporting the disallowed compensation.

38 (1) (A) In the case of an active member, the system shall credit
 39 all *employer* contributions made on the disallowed compensation
 40 against future contributions to the benefit of the employer that

1 reported the disallowed compensation, and shall return any *member*
2 contribution paid by, or on behalf of, that member, to the member
3 ~~by directly or indirectly through~~ the employer that reported the
4 disallowed compensation, except as provided by subparagraph
5 (B).

6 (B) A system that has initiated a process prior to January 1,
7 2024, to recalculate an active member's ~~reportable compensation~~
8 *compensation earnable pursuant to Section 31461* to exclude
9 disallowed compensation and return contributions, either directly
10 to the member or indirectly through the employer, may continue
11 to use that process ~~provided that it is consistent with PEPRA as it~~
12 ~~read on January 1, 2024, and with Alameda.~~ *to ensure compliance*
13 *with PEPRA, and that is consistent with, and pursuant to, the*
14 *holding in Alameda.*

15 (2) In the case of a retired member, survivor, or beneficiary
16 whose final compensation at the time of retirement was predicated
17 upon the disallowed compensation, the system shall credit the
18 *employer* contributions made on the disallowed compensation
19 against future contributions, to the benefit of the employer that
20 reported the disallowed compensation, *shall return any member*
21 *contributions paid by, or on behalf of, that member, to the member*
22 *directly*, and the system shall permanently adjust the benefit of the
23 affected retired member, survivor, or beneficiary to reflect the
24 exclusion of the disallowed compensation.

25 (3) (A) In the case of a retired member, survivor, or beneficiary
26 whose final compensation at the time of retirement was predicated
27 upon the disallowed compensation as described in paragraph (2),
28 the repayment and notice requirements described in this paragraph
29 and paragraph (4) shall apply only if all of the following conditions
30 are met:

31 (i) The employer reported the compensation to the system and
32 made contributions on that compensation while the member was
33 actively employed.

34 (ii) The system determined after the date of retirement that the
35 compensation was disallowed.

36 (iii) The member was not aware that the compensation was
37 disallowed at the time the employer reported it.

38 (B) If the disallowed compensation meets the conditions of
39 subparagraph (A), the employer that reported contributions on it
40 shall do all of the following:

1 (i) Pay to the system, as a direct payment, *or through recognition*
2 *in the actuarial accrued liability, as determined by the system*, the
3 full cost of any overpayment of the prior paid benefit made to an
4 affected retired member, survivor, or beneficiary resulting from
5 the disallowed compensation.

6 (ii) Pay to the affected retired member, survivor, or beneficiary,
7 as appropriate, *an amount that is 20 percent* of the amount
8 calculated by the system representing the actuarial equivalent
9 present value of the difference between the monthly allowance
10 that was predicated on the disallowed compensation and the
11 adjusted monthly allowance calculated pursuant to paragraph (2)
12 for the duration the system projects to pay that allowance to the
13 retired member, survivor, or beneficiary. The employer shall begin
14 payment within six months of notice from the system as prescribed
15 in paragraph (4) and may have up to four years to complete the
16 payment. *The system may charge the employer the actual costs of*
17 *actuarial services provided under this paragraph.*

18 (4) The system shall provide a written notice to the employer
19 that reported contributions on the disallowed compensation and
20 to the affected retired member, survivor, or beneficiary, including,
21 at a minimum, all of the following:

22 (A) The overpayment amount that the employer shall pay to the
23 system as described in subparagraph (B) of paragraph (3).

24 (B) The actuarial equivalent present value that the employer
25 owes to the retired member, survivor, or beneficiary as described
26 in clause (ii) of subparagraph (B) of paragraph (3), if applicable.

27 (C) Written disclosure of the employer's obligations to the
28 retired member, survivor, or beneficiary pursuant to this section.

29 (5) In lieu of the process described in paragraphs (3) and (4), a
30 system that has initiated a process prior to January 1, 2024, to
31 permanently adjust the benefit of the affected retired member,
32 survivor, or beneficiary to reflect the exclusion of the disallowed
33 compensation pursuant to paragraph (2) may continue to use that
34 process provided that it is consistent with ~~PEPRA as it read on~~
35 ~~January 1, 2024, and with Alameda. PEPRA, and with the holding~~
36 *in Alameda.*

37 (6) Upon the employer's request, the system shall provide the
38 employer with contact information data in its possession of a
39 relevant retired member, survivor, or beneficiary in order for the
40 employer or agency to fulfill their obligations to that retired

1 member, survivor, or beneficiary pursuant to this section. The
2 recipient of this contact information data shall keep it ~~confidential~~.
3 *confidential and shall use such contact data only to the extent*
4 *necessary to carry out its duties under this section.*

5 ~~(d)~~

6 (c) (1) An employer or authorized employee representative
7 may submit to the system for review an additional compensation
8 item that a party to a proposed agreement requests be included,
9 contained, adopted, or entered into that agreement, on and after
10 January 1, 2025, that is intended to form the basis of a pension
11 benefit calculation, in order for the system to review consistency
12 of the proposal with PEPRA, *the holding in Alameda*, Section
13 31461, *other provisions in the part*, and the system's administrative
14 ~~regulations~~; *regulations or policies.*

15 (2) A submission to the system for review under paragraph (1)
16 shall include all supporting documents or requirements the system
17 deems necessary to complete its review.

18 (3) The system shall provide guidance regarding the submission
19 within 90 days of the receipt of all information required to make
20 a review.

21 ~~(e)~~

22 (d) The system may periodically publish a notice of the proposed
23 compensation language submitted to the system pursuant to this
24 section for review and the guidance it provided.

25 ~~(f)~~

26 (e) This section does not alter or abrogate an employer's
27 responsibility to meet and confer in good faith with the employee
28 organization regarding the impact of the disallowed compensation
29 or the effect of any disallowed compensation on the rights of the
30 employees and the obligations of the employer to its employees,
31 including any employees who, due to the passage of time and
32 promotion, may have become exempt from inclusion in a
33 bargaining unit, but whose benefit was the product of collective
34 bargaining.

35 ~~(g)~~

36 (f) This section does not affect or otherwise alter a party's right
37 to appeal any determination regarding disallowed compensation
38 made by the system after July 30, 2020.

39 (g) *The board of retirement or board of supervisors, as*
40 *authorized pursuant to this chapter, may enter into any contracts*

1 for administrative purposes or as may be necessary and
2 appropriate to carry out the provisions of this section.

3 (h) (1) It is the intent of the Legislature in enacting this section
4 to fully comply with the provisions of the Internal Revenue Code,
5 the Internal Revenue Service Employee Plans Compliance
6 Resolution System (EPCRS), and any successor to such Internal
7 Revenue Service program, that apply to public retirement systems
8 in order to maintain and ensure the federal income tax exempt
9 status of the county employees' retirement systems.

10 (2) Systems that have initiated a process under this section that
11 was or is intended to comply with the Internal Revenue Code and
12 EPCRS requirements may revise the process as necessary to the
13 extent required to comply with the Internal Revenue Code and
14 EPCRS in order to maintain the tax exempt status of the system.

15 SEC. 2. The Legislature finds and declares that Section 1 of
16 this act, which adds Section 31541.2 to the Government Code,
17 imposes a limitation on the public's right of access to the meetings
18 of public bodies or the writings of public officials and agencies
19 within the meaning of Section 3 of Article I of the California
20 Constitution. Pursuant to that constitutional provision, the
21 Legislature makes the following findings to demonstrate the interest
22 protected by this limitation and the need for protecting that interest:

23 In order to appropriately maintain the current confidentiality of
24 personal contact information held by a county retirement system
25 regarding retired members of the system, and their survivors and
26 beneficiaries, it is necessary to limit access to this information if
27 it is provided to other public entities for purposes of Section
28 31541.2 of the Government Code.



June 25, 2024

TO: Each Trustee
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Vivian H. Gray, Vice Chair
Shawn R. Kehoe
Ronald Okum
David Ryu, Alternate

FOR: July 3, 2024 Board of Retirement Meeting

SUBJECT: **Taxpayer Protection and Government Accountability Act (21-0042A1)**

RECOMMENDATION

That the Board of Retirement adopt an “Oppose” position on The Taxpayer Protection and Government Accountability Act, a ballot initiative that would amend the California Constitution to define all state and local levies, charges, and fees as taxes and propose new voting requirements to approve such taxes.

LEGISLATIVE POLICY STANDARD

Government Code Section 54964 provides that a local agency may not expend or authorize the expenditure of any of the local agency’s funds to support or oppose the approval or rejection of a ballot measure, or the election or defeat of a candidate, by the voters. A local agency cannot campaign for or against a ballot measure but may provide information to the public about the possible effects of the ballot measure on the operations, activities, or policies of the local agency, including taking a position on the ballot measure in a meeting open to the public where all perspectives can be shared (Legislative Policy, page 15).

On the expenditure of public funds by public officials, the *Stanson* Decision¹ distinguishes between legislative lobbying and election campaigning activities. Although public agencies may publish a “fair presentation of facts” relevant to an election matter, the propriety or impropriety of such an expenditure depends on a careful consideration of the style, tenor, and timing of the publication, and no hard and fast rule governs every case. *Stanson*, at p. 222.

SUMMARY

The Taxpayer Protection and Government Accountability Act is a citizen-initiated amendment to the California Constitution that was submitted to the Office of the Attorney General (OAG) on January 4, 2022. On February 3, 2022, the OAG released a title and

¹ *Stanson v. Mott*. (1976) 17 Cal.3d 206.

summary of the initiative for the signature-gathering process. On February 1, 2023, the California Secretary of State determined that the initiative filed a valid number of signatures and was eligible for the general election on November 5, 2024. On June 27, 2024, the Secretary will certify that the initiative as qualified for the November general election unless the proponents withdraw the measure by that date.

The Act would amend the California Constitution to expand the definition of tax, increase requirements for voter approval of state and local taxes, and require state and local tax measures to identify the type, amount, and duration of the tax.

ANALYSIS

Existing Law

The California Constitution provides that state tax increases require approval by two-thirds of the Legislature or a majority vote of the statewide electorate. The Legislature can reduce taxes by a majority vote. The Legislature can delegate authority to administrative agencies to increase or change fees and other charges within certain limits. Local boards may increase taxes through a two-thirds vote of the governing body and a majority vote of local voters for general taxes but a two-thirds vote for special taxes. Recent case law has suggested that local citizen-initiated tax increases may be approved by majority vote rather than two-thirds vote.

This Initiative

The following table summarizes the current and proposed vote requirements by the Act for different types of tax increases.

Action	Current Vote Requirement	Proposed Vote Requirement
State tax increase by state legislature	Two-thirds legislative vote	Two-thirds legislative vote <u>and</u> majority vote of voters
State tax decrease by state legislature	Majority legislative vote	No change
State tax increase by citizen initiative	Majority vote of voters	No change
Local general tax increase by local board	Two-thirds vote by local board and majority vote of voters	No change
Local special tax increase by local board	Two-thirds vote by local board and two-thirds vote by voters	No change

Action	Current Vote Requirement	Proposed Vote Requirement
Local special tax increase by citizen initiative	Majority vote of voters	Two-thirds vote of voters

State and Local Government Taxes

- Expands the definition of tax to include what are currently fees and other charges and thereby subject more revenue proposals to the higher voter requirements.
- Requires majority voter approval for legislatively proposed state tax increases. However, tax increases not requiring legislative action would still be approved by majority vote of voters. State taxes approved between January 1, 2022, and the effective date of the Act would be nullified unless they meet this requirement.
- Requirements for local taxes remain the same except for local special tax increases by citizen initiative.
- State and local tax measures must specify the type, amount, and duration of the tax. They must general tax measures can be used for general purposes.

State and Local Government Fees

- Requires fees to be imposed by the Legislature or local governing bodies by majority vote rather than by administrative agencies. Any fees approved between January 1, 2022, and the effective date of the Act would be nullified unless they meet this requirement.
- Requires certain fees to be reasonable and to reflect the actual costs to state and local governments in providing the service. Requires state and local governments to provide clear and convincing evidence that the fee meets the threshold if challenged by a taxpayer and that a levy is a fee and not a tax under the Act’s new definition.

Legislative Analyst’s Office Analysis

The Legislative Analyst’s Office (LAO) is required by law to provide a fiscal analysis of the ballot initiative. The LAO estimates that there would be lower state and local tax and fee revenue due to the Act expanding the definition of tax, increasing vote requirements for approval, and restricting administrative changes to fees. Due to the uncertainty of factors, such as future decisions by the Legislature, local governing bodies, and voters, the LAO cannot estimate the amount of reduced tax revenue but estimates it could be substantial.

Other Background

The California Supreme Court is currently hearing a challenge by Governor Gavin Newsom and the California Legislature on the legality of the Act. The Governor and the

Legislature contend that the Act *revises* rather than *amends* the California Constitution and thus can only be placed on the ballot through ratification at a Constitutional Convention or by a two-thirds vote of the Legislature. The court is expected to rule on the challenge before the June 27, 2024, deadline for the Secretary of State to certify the Act as qualified for the November ballot.

Update: On June 21, 2024, in a unanimous decision, the California Supreme Court ordered the Secretary of State to refrain from taking any steps to place the initiative on the November 5, 2024 ballot. Thus, the initiative will not go before voters in the upcoming November general election.

Supporters and Opponents

Californians for Taxpayer Protection and Government Accountability is the proponent of the ballot initiative. Other supporters include the California Business Roundtable, California NAIOP, Howard Jarvis Taxpayer Association, and Los Angeles Taxpayers Association.

Opponents include Governor Gavin Newsom; the California Democratic Party; unions such as AFSCME California, California Professional Firefighters, SEIU California State Council; and organizations such as California Contract Cities Association, California Special Districts Association, California State Association of Counties, and the League of California Cities.

Effect on California Pension Plans

The Act is not a pension reform measure that seeks to change benefit structures or membership eligibility. The Act affects the ability of the state and local governments to raise tax revenues. The Act does not change the current provisions of the County Employees Retirement Law of 1937 (CERL) regarding the power of retirement associations such as LACERA to determine employer and employee contributions and the mandatory obligation of LACERA's participating employers to pay those contributions to the pension system when due.

IT IS THEREFORE RECOMMENDED THAT THE BOARD adopt an "Oppose" position on The Taxpayer Protection and Government Accountability Act, a ballot initiative that would amend the California Constitution to define all state and local levies, charges, and fees as taxes and propose new voting requirements to approve such taxes.

Attachments

The Taxpayer Protection and Government Accountability Act: Initiative Text
Title and Summary
Legislative Analyst's Office: Fiscal Analysis

Taxpayer Protection and Government
Accountability Act
Board of Retirement
June 25, 2024
Page 5

cc: Santos H. Kreimann
Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jon Gabel
Naomi Padron, MKP Government Relations

BELL, McANDREWS & HILTACHK, LLP
ATTORNEYS AND COUNSELORS AT LAW
455 CAPITOL MALL, SUITE 600
SACRAMENTO, CALIFORNIA 95814

(916) 442-7757
FAX (916) 442-7759
www.bmhlaw.com

21-0042 Amdt. # 1

January 4, 2022

RECEIVED

JAN 04 2022

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Initiative 21-0042 - Amendment Number One

Dear Initiative Coordinator:

Pursuant to subdivision (b) of Section 9002 of the Elections Code, enclosed please find Amendment #1 to Initiative No. 21-0042 "The Taxpayer Protection and Government Accountability Act." The amendments are reasonably germane to the theme, purpose or subject of the initiative measure as originally proposed.

I am the proponent of the measure and request that the Attorney General prepare a circulating title and summary of the measure as provided by law, using the amended language.

Thank you for your time and attention processing my request.

Sincerely,



Thomas W. Hiltachk

The Taxpayer Protection and Government Accountability Act

[Deleted codified text is denoted in ~~strikeout~~. Added codified text is denoted by *italics and underline*.]

Section 1. Title

This Act shall be known, and may be cited as, the Taxpayer Protection and Government Accountability Act.

Section 2. Findings and Declarations

(a) Californians are overtaxed. We pay the nation's highest state income tax, sales tax, and gasoline tax. According to the U.S. Census Bureau, California's combined state and local tax burden is the highest in the nation. Despite this, and despite two consecutive years of obscene revenue surpluses, state politicians in 2021 alone introduced legislation to raise more than \$234 *billion* in new and higher taxes and fees.

(b) Taxes are only part of the reason for California's rising cost-of-living crisis. Californians pay billions more in hidden "fees" passed through to consumers in the price they pay for products, services, food, fuel, utilities and housing. Since 2010, government revenue from state and local "fees" has more than doubled.

(c) California's high cost of living not only contributes to the state's skyrocketing rates of poverty and homelessness, they are the pushing working families and job-providing businesses out of the state. The most recent Census showed that California's population dropped for the first time in history, costing us a seat in Congress. In the past four years, nearly 300 major corporations relocated to other states, not counting thousands more small businesses that were forced to move, sell or close.

(d) California voters have tried repeatedly, at great expense, to assert control over whether and how taxes and fees are raised. We have enacted a series of measures to make taxes more predictable, to limit what passes as a "fee," to require voter approval, and to guarantee transparency and accountability. These measures include Proposition 13 (1978), Proposition 62 (1986), Proposition 218 (1996), and Proposition 26 (2010).

(e) Contrary to the voters' intent, these measures that were designed to control taxes, spending and accountability, have been weakened and hamstrung by the Legislature, government lawyers, and the courts, making it necessary to pass yet another initiative to close loopholes and reverse hostile court decisions.

Section 3. Statement of Purpose

(a) In enacting this measure, the voters reassert their right to a voice and a vote on new and higher taxes by requiring any new or higher tax to be put before voters for approval. Voters also intend that all fees and other charges are passed or rejected by the voters themselves or a governing body elected by voters and not unelected and unaccountable bureaucrats.

(b) Furthermore, the purpose and intent of the voters in enacting this measure is to increase transparency and accountability over higher taxes and charges by requiring any tax measure placed on the ballot—

either at the state or local level—to clearly state the type and rate of any tax, how long it will be in effect, and the use of the revenue generated by the tax.

(c) Furthermore, the purpose and intent of the voters in enacting this measure is to clarify that any new or increased form of state government revenue, by any name or manner of extraction paid directly or indirectly by Californians, shall be authorized only by a vote of the Legislature and signature of the Governor to ensure that the purposes for such charges are broadly supported and transparently debated.

(d) Furthermore, the purpose and intent of the voters in enacting this measure is also to ensure that taxpayers have the right and ability to effectively balance new or increased taxes and other charges with the rapidly increasing costs Californians are already paying for housing, food, childcare, gasoline, energy, healthcare, education, and other basic costs of living, and to further protect the existing constitutional limit on property taxes and ensure that the revenue from such taxes remains local, without changing or superseding existing constitutional provisions contained in Section 1(c) of Article XIII A.

(e) In enacting this measure, the voters also additionally intend to reverse loopholes in the legislative two-thirds vote and voter approval requirements for government revenue increases created by the courts including, but not limited to, *Cannabis Coalition v. City of Upland*, *Chamber of Commerce v. Air Resources Board*, *Schmeer v. Los Angeles County*, *Johnson v. County of Mendocino*, *Citizens Assn. of Sunset Beach v. Orange County Local Agency Formation Commission*, and *Wilde v. City of Dunsmuir*.

Section 4. Section 3 of Article XIII A of the California Constitution is amended to read:

Sec. 3(a) Every levy, charge, or exaction of any kind imposed by state law is either a tax or an exempt charge.

(b)(1) (a) Any change in state statute law which results in any taxpayer paying a new or higher tax must be imposed by an act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, and submitted to the electorate and approved by a majority vote, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property, may be imposed. Each Act shall include:

(A) A specific duration of time that the tax will be imposed and an estimate of the annual amount expected to be derived from the tax.

(B) A specific and legally binding and enforceable limitation on how the revenue from the tax can be spent. If the revenue from the tax can be spent for unrestricted general revenue purposes, then a statement that the tax revenue can be spent for “unrestricted general revenue purposes” shall be included in a separate, stand-alone section. Any proposed change to the use of the revenue from the tax shall be adopted by a separate act that is passed by not less than two-thirds of all members elected to each of the two houses of the Legislature and submitted to the electorate and approved by a majority vote.

(2) The title and summary and ballot label or question required for a measure pursuant to the Elections Code shall, for each measure providing for the imposition of a tax, including a measure proposed by an elector pursuant to Article II, include:

(A) The type and amount or rate of the tax;

(B) The duration of the tax; and

(C) The use of the revenue derived from the tax.

(c) Any change in state law which results in any taxpayer paying a new or higher exempt charge must be imposed by an act passed by each of the two houses of the Legislature. Each act shall specify the type of exempt charge as provided in subdivision (e), and the amount or rate of the exempt charge to be imposed.

(d) ~~(b)~~ As used in this section and in Section 9 of Article II, "tax" means every ~~any~~ levy, charge, or exaction of any kind imposed by the State state law that is not an exempt charge, except the following:

(e) As used in this section, "exempt charge" means only the following:

~~(1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the State of conferring the benefit or granting the privilege to the payor.~~

(1) ~~(2)~~ A reasonable charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable actual costs to the State of providing the service or product to the payor.

(2) ~~(3)~~ A charge imposed for the reasonable regulatory costs to the State incident to issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

(3) A levy, charge, or exaction collected from local units of government, health care providers or health care service plans that is primarily used by the State of California for the purposes of increasing reimbursement rates or payments under the Medi-Cal program, and the revenues of which are primarily used to finance the non-federal portion of Medi-Cal medical assistance expenditures.

(4) A reasonable charge imposed for entrance to or use of state property, or the purchase, rental, or lease of state property, except charges governed by Section 15 of Article XI.

(5) A fine, or penalty, ~~or other monetary charge~~ including any applicable interest for nonpayment thereof, imposed by the judicial branch of government or the State, as a result of a state administrative enforcement agency pursuant to adjudicatory due process, to punish a violation of law.

(6) A levy, charge, assessment, or exaction collected for the promotion of California tourism pursuant to Chapter 1 (commencing with Section 13995) of Part 4.7 of Division 3 of Title 2 of the Government Code.

(f) ~~(e)~~ Any tax or exempt charge adopted after January 1, ~~2010~~ 2022, but prior to the effective date of this act, that was not adopted in compliance with the requirements of this section is void 12 months after the effective date of this act unless the tax or exempt charge is reenacted by the Legislature and signed into law by the Governor in compliance with the requirements of this section.

(g) ~~(1) ~~(d)~~~~ The State bears the burden of proving by a preponderance of the clear and convincing evidence that a levy, charge, or other exaction is an exempt charge and not a tax. The State bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor, ~~that the amount is no more than necessary to cover the reasonable costs of the governmental activity and~~

that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity

(2) The retention of revenue by, or the payment to, a non-governmental entity of a levy, charge, or exaction of any kind imposed by state law, shall not be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(3) The characterization of a levy, charge, or exaction of any kind as being voluntary, or paid in exchange for a benefit, privilege, allowance, authorization, or asset, shall not be a factor in determining whether the levy, charge, or exaction is a tax or an exempt charge.

(4) The use of revenue derived from the levy, charge or exaction shall be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(h) As used in this section:

(1) "Actual cost" of providing a service or product means: (i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.

(2) "Extend" includes, but is not limited to, doing any of the following with respect to a tax or exempt charge: lengthening its duration, delaying or eliminating its expiration, expanding its application to a new territory or class of payor, or expanding the base to which its rate is applied.

(3) "Impose" means adopt, enact, reenact, create, establish, collect, increase or extend.

(4) "State law" includes, but is not limited to, any state statute, state regulation, state executive order, state resolution, state ruling, state opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by the legislative or executive branches of state government. "State law" does not include actions taken by the Regents of the University of California, Trustees of the California State University, or the Board of Governors of the California Community Colleges.

Section 5. Section 1 of Article XIII C of the California Constitution is amended, to read:

Sec. 1. Definitions. As used in this article:

(a) "Actual cost" of providing a service or product means: (i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.

(b) "Extend" includes, but is not limited to, doing any of the following with respect to a tax, exempt charge, or Article XIII D assessment, fee, or charge: lengthening its duration, delaying or eliminating its expiration, expanding its application to a new territory or class of payor, or expanding the base to which its rate is applied.

~~(c) (a)~~ "General tax" means any tax imposed for general governmental purposes.

~~(d)~~ "Impose" means adopt, enact, reenact, create, establish, collect, increase, or extend.

~~(e) (b)~~ "Local government" means any county, city, city and county, including a charter city or county, any special district, or any other local or regional governmental entity, or an elector pursuant to Article II or the initiative power provided by a charter or statute.

~~(f)~~ "Local law" includes, but is not limited to, any ordinance, resolution, regulation, ruling, opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by a local government.

~~(g) (c)~~ "Special district" means an agency of the State, formed pursuant to general law or a special act, for the local performance of governmental or proprietary functions with limited geographic boundaries including, but not limited to, school districts and redevelopment agencies.

~~(h) (d)~~ "Special tax" means any tax imposed for specific purposes, including a tax imposed for specific purposes, which is placed into a general fund.

~~(i) (e)~~ As used in this article, and in Section 9 of Article II, "tax" means every ~~any~~ levy, charge, or exaction of any kind, imposed by a local government law that is not an exempt charge, ~~except the following:~~

~~(i)~~ As used in this section, "exempt charge" means only the following:

~~(1)~~ A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

~~(1) (2)~~ A reasonable charge imposed for a specific local government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable actual costs to the local government of providing the service or product.

~~(2) (3)~~ A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

~~(3) (4)~~ A reasonable charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.

~~(4) (5)~~ A fine, or penalty, or other monetary charge including any applicable interest for nonpayment thereof, imposed by the judicial branch of government or a local government administrative enforcement agency pursuant to adjudicatory due process, as a result of to punish a violation of law.

~~(5) (6)~~ A charge imposed as a condition of property development. No levy, charge, or exaction regulating or related to vehicle miles traveled may be imposed as a condition of property development or occupancy.

~~(6) (7)~~ An Assessments and property related fees assessment, fee, or charge imposed in accordance with the provisions of subject to Article XIII D, or an assessment imposed upon a business in a tourism marketing district, a parking and business improvement area, or a property and business improvement district.

(7) A charge imposed for a specific health care service provided directly to the payor and that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the health care service. As used in this paragraph, a "health care service" means a service licensed or exempt from licensure by the state pursuant to Chapters 1, 1.3, or 2 of Division 2 of the Health and Safety Code.

The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Section 6. Section 2 of Article XIII C of the California Constitution is amended to read:

Sec. 2. Local Government Tax Limitation. Notwithstanding any other provision of this Constitution:

(a) Every levy, charge, or exaction of any kind imposed by local law is either a tax or an exempt charge. All taxes imposed by any local government shall be deemed to be either general taxes or special taxes. Special purpose districts or agencies, including school districts, shall have no power to levy general taxes.

(b) No local law government, whether proposed by the governing body or by an elector, may impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote. A general tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. The election required by this subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body.

(c) ~~Any general tax imposed, extended, or increased, without voter approval, by any local government on or after January 1, 1995, and prior to the effective date of this article, shall continue to be imposed only if approved by a majority vote of the voters voting in an election on the issue of the imposition, which election shall be held within two years of the effective date of this article and in compliance with subdivision (b).~~ (d) No local law government, whether proposed by the governing body or by an elector, may impose, ~~extend, or increase~~ any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. A special tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved.

(d) The title and summary and ballot label or question required for a measure pursuant to the Elections Code shall, for each measure providing for the imposition of a tax, include:

(1) The type and amount or rate of the tax;

(2) the duration of the tax; and

(3) The use of the revenue derived from the tax. If the proposed tax is a general tax, the phrase "for general government use" shall be required, and no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could, or should be used for a specific purpose.

(e) Only the governing body of a local government, other than an elector pursuant to Article II or the initiative power provided by a charter or statute, shall have the authority to impose any exempt charge. The governing body shall impose an exempt charge by an ordinance specifying the type of exempt charge

as provided in Section 1(j) and the amount or rate of the exempt charge to be imposed, and passed by the governing body. This subdivision shall not apply to charges specified in paragraph (7) of subdivision (i) of Section 1.

(f) No amendment to a Charter which provides for the imposition, extension, or increase of a tax or exempt charge shall be submitted to or approved by the electors, nor shall any such amendment to a Charter hereafter submitted to or approved by the electors become effective for any purpose.

(g) Any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of this act, that was not adopted in compliance with the requirements of this section is void 12 months after the effective date of this act unless the tax or exempt charge is reenacted in compliance with the requirements of this section.

(h)(1) The local government bears the burden of proving by clear and convincing evidence that a levy, charge or exaction is an exempt charge and not a tax. The local government bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

(2) The retention of revenue by, or the payment to, a non-governmental entity of a levy, charge, or exaction of any kind imposed by a local law, shall not be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(3) The characterization of a levy, charge, or exaction of any kind imposed by a local law as being paid in exchange for a benefit, privilege, allowance, authorization, or asset, shall not be factors in determining whether the levy, charge, or exaction is a tax or an exempt charge.

(4) The use of revenue derived from the levy, charge or exaction shall be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

Section 7. Section 3 of Article XIII D of the California Constitution is amended, to read:

Sec. 3. Property Taxes, Assessments, Fees and Charges Limited

(a) No tax, assessment, fee, ~~or~~ charge, or surcharge, including a surcharge based on the value of property, shall be assessed ~~by any agency~~ upon any parcel of property or upon any person as an incident of property ownership except:

(1) The ad valorem property tax ~~imposed pursuant to~~ described in Section 1(a) of Article XIII and Section 1(a) of Article XIII A, and described and enacted pursuant to the voter approval requirement in Section 1(b) of Article XIII A.

(2) Any special non-ad valorem tax receiving a two-thirds vote of qualified electors pursuant to Section 4 of Article XIII A, or after receiving a two-thirds vote of those authorized to vote in a community facilities district by the Legislature pursuant to statute as it existed on December 31, 2021.

(3) Assessments as provided by this article.

(4) Fees or charges for property related services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership.

Section 8. Sections 1 and 14 of Article XIII are amended to read:

Sec. 1 Unless otherwise provided by this Constitution or the laws of the United States:

(a) All property is taxable and shall be assessed at the same percentage of fair market value. When a value standard other than fair market value is prescribed by this Constitution or by statute authorized by this Constitution, the same percentage shall be applied to determine the assessed value. The value to which the percentage is applied, whether it be the fair market value or not, shall be known for property tax purposes as the full value.

(b) All property so assessed shall be taxed in proportion to its full value.

(c) All proceeds from the taxation of property shall be apportioned according to law to the districts within the counties.

Sec. 14. All property taxed by state or local government shall be assessed in the county, city, and district in which it is situated. Notwithstanding any other provision of law, such state or local property taxes shall be apportioned according to law to the districts within the counties.

Section 9. General Provisions

A. This Act shall be liberally construed in order to effectuate its purposes.

B. (1) In the event that this initiative measure and another initiative measure or measures relating to state or local requirements for the imposition, adoption, creation, or establishment of taxes, charges, and other revenue measures shall appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(2) In furtherance of this provision, the voters hereby declare that this measure conflicts with the provisions of the "Housing Affordability and Tax Cut Act of 2022" and "The Tax Cut and Housing Affordability Act," both of which would impose a new state property tax (called a "surcharge") on certain real property, and where the revenue derived from the tax is provided to the State, rather than retained in the county in which the property is situated and for the use of the county and cities and districts within the county, in direct violation of the provisions of this initiative.

(3) If this initiative measure is approved by the voters, but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting initiative is later held invalid, this measure shall be self-executing and given full force and effect.

C. The provisions of this Act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this Act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Act. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not

declared invalid or unconstitutional without regard to whether any portion of this Act or application thereof would be subsequently declared invalid.

D. If this Act is approved by the voters of the State of California and thereafter subjected to a legal challenge alleging a violation of state or federal law, and both the Governor and Attorney General refuse to defend this Act, then the following actions shall be taken:

(1) Notwithstanding anything to the contrary contained in Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.

(2) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this Act. The written affirmation shall be made publicly available upon request.

(3) A continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.

(4) Nothing in this section shall prohibit the proponents of this Act, or a bona fide taxpayers association, from intervening to defend this Act.

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO
RAISE REVENUES FOR GOVERNMENT SERVICES. INITIATIVE**

CONSTITUTIONAL AMENDMENT. For new or increased state taxes currently enacted by two-thirds vote of Legislature, also requires statewide election and majority voter approval. Limits voters' ability to pass voter-proposed local special taxes by raising vote requirement to two-thirds. Eliminates voters' ability to advise how to spend revenues from proposed general tax on same ballot as the proposed tax. Expands definition of "taxes" to include certain regulatory fees, broadening application of tax approval requirements. Requires Legislature or local governing body set certain other fees. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Lower annual state and local revenues, potentially substantially lower, depending on future actions of the Legislature, local governing bodies, voters, and the courts.** (21-0042A1.)



January 19, 2022

21-0042 Amdt. 1

Hon. Rob Bonta
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

RECEIVED

Jan 19 2022

Attention: Ms. Anabel Renteria
Initiative Coordinator

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General Bonta:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional Taxpayer Protection and Government Accountability Act initiative (A.G. File No. 21-0042, Amendment #1).

Background

State Government

Taxes and Fees. This year's state budget spends over \$255 billion in state funds. Over 90 percent of the state budget is funded with revenues from taxes. These include, for example, sales taxes paid on goods and income taxes paid on wages and other sources of income. Much of the rest of the state budget is funded by fees and other charges. Examples include: (1) charges relating to regulatory activities; (2) charges for specific government services or products, like fees charged to drivers to improve roads; (3) charges for entering state property, such as a state park; and (4) judicial fines, penalties, and other charges. The State Constitution requires the state to set fees at a reasonable level, generally reflecting the costs of the services or benefits provided. The state uses revenue from taxes and fees to fund a variety of programs and services, including education, health care, transportation, and housing and homelessness services.

Current Requirements to Approve Taxes and Fees. Under the State Constitution, state tax increases require approval by two-thirds of each house of the Legislature or a majority vote of the statewide electorate. The Legislature can reduce taxes with a majority vote of each house, provided the change does not result in an increase in taxes paid by any single taxpayer. In many cases, the Legislature has enacted statutes that delegate its authority to adjust fees and other


Legislative Analyst's Office
California Legislature
Gabriel Petek, Legislative Analyst
925 L Street, Suite 1000, Sacramento, CA 95814
(916) 445-4656

charges to administrative entities, like state departments. In these cases, these charges can be increased or changed by the department within certain limits.

Local Government

Taxes and Fees. The largest local government tax is the property tax, which raises roughly \$75 billion annually. Other local taxes include sales taxes, utility taxes, and hotel taxes. In addition to these taxes, local governments levy a variety of fees and other charges. Examples include parking meter fees, building permit fees, regulatory fees, and judicial fines and penalties. In order to be considered a fee, the charge cannot exceed the reasonable costs to the local government of providing the associated product or service. Local governments use revenues from taxes and fees to fund a variety of services, like fire and police, public works, and parks.

Current Requirements to Approve Taxes and Fees. State law requires increases in local taxes to receive approval of the local governing body—for example, a city council or county board of supervisors—as well as approval of voters in that local jurisdiction. Most proposed taxes require a two-thirds vote of the local governing board before being presented to the voters. Special taxes (those used for a specific purpose) require a two-thirds vote of the electorate while other types of taxes require a majority vote of the electorate. The majority-vote general taxes can be used for any purpose. Recent case law suggests that citizen initiative special taxes may be approved by majority vote, rather than a two-thirds vote. Currently, local governing bodies have the ability to delegate their authority to adjust fees and other charges to administrative entities, like city departments. In these cases, these charges can be increased or changed by the department within certain limits.

Proposal

This measure amends the State Constitution to change the rules for how the state and local governments can impose taxes, fees, and other charges.

State and Local Government Taxes

Expands Definition of Tax. The measure amends the State Constitution to expand the definition of taxes to include some charges that state and local governments currently treat as fees and other charges. For example, certain charges imposed for a benefit or privilege granted to a payer but not granted to those not charged would no longer be considered fees. As a result, the measure could increase the number of revenue proposals subject to the higher state and local vote requirements for taxes discussed below.

Requires Voter Approval for State Taxes. The measure increases the vote requirements for increasing state taxes. Specifically, the measure requires that legislatively proposed tax increases receive approval by two-thirds of each house *and* a majority vote of the statewide electorate. Voters would still be able to increase taxes by majority vote of the electorate without legislative action, however. Any state tax approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

Requirements for Approving Local Taxes. Whether sought by the local governing body or the electorate, the measure establishes the same approval requirements for increasing local

special taxes. Any local tax approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

Allowable Uses and Duration of State and Local Tax Revenues Must Be Specified. The measure requires state and local tax measures to identify the type and amount (or rate) of the tax and the duration of the tax. State and local government general tax measures must state that the revenue can be used for general purposes.

State and Local Government Fees

Requires the Legislature and Local Government Bodies to Impose State and Local Fees. Fees would have to be imposed by a majority vote of both houses of the Legislature or local governing bodies. The measure would restrict the ability of state and local governments to delegate fee changes to administrative entities. The extent of these restrictions would depend on future court decisions. Any fee approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

Some New State and Local Fees Could Not Exceed Actual Costs. For some categories of fees, if the Legislature or a local governing body wished to impose a new fee or make changes to an existing fee, the measure generally would require that the charge be both reasonable and reflect the actual costs to the state or local government of providing the service. The measure also specifies that actual cost should not exceed “the minimum amount necessary.” In many cases, existing fees already reflect the government’s actual costs. In other cases, some fees would have to more closely approximate the payer’s actual costs in order to remain fees. If a fee payer challenged the charge, the state or local government would need to provide clear and convincing evidence that the fee meets this threshold. State and local governments also would bear the burden of providing clear and convincing evidence that the levy is a fee—which is not subject to a vote by the electorate—and not a tax under the new definition.

Fiscal Effects

Lower State Tax and Fee Revenue. By expanding the definition of a tax, increasing the vote requirements for approving taxes, and restricting administrative changes to fees, the measure makes it harder for the Legislature to increase nearly all types of state revenues. The extent to which revenues would be lower under the measure would depend on various factors, most notably future decisions made by the Legislature and voters. For example, requirements for legislative approval of fee increases currently set administratively could result in lower fee revenues, depending on future votes of the Legislature. That lower revenue could be particularly notable for some state programs largely funded by fees. Due to the uncertainty of these factors, we cannot estimate the amount of reduced state revenue, but it could be substantial.

Lower Local Government Tax and Fee Revenue. Compared to the state, local governments generally face greater restrictions to raising revenue. By expanding the definition of taxes and restricting administrative changes to fees, the measure would make it somewhat harder for local governments to raise revenue. Consequently, future local tax and fee revenue could be lower than they would be otherwise. The extent to which revenues would be lower is unknown, but

fees could be more impacted. The actual impact on local government revenue would depend on various factors, including future decisions by the courts, local governing bodies, and voters.

Possible Increased State and Local Administrative Costs to Change Some Fee Levels. In some cases, state and local departments would need to develop methods for setting fees to reflect actual costs if the Legislature or local governing bodies wanted to change those fees in the future. Estimating actual costs by program and fee source could involve some added workload for those state and local departments, which likely would be supported by fee revenue. The extent of these administrative costs would depend on (1) whether the state and local governments determine a fee increase is needed in order to maintain their current level of programs and services funded through fee revenue and (2) future court decisions.

Summary of Fiscal Effects. We estimate that this measure would have the following major fiscal effects:

- Lower annual state and local revenues, potentially substantially lower, depending on future actions of the Legislature, local governing bodies, voters, and the courts.

Sincerely,



for Gabriel Petek
Legislative Analyst



for Keely Martin Bosler
Director of Finance



June 25, 2024

TO: Trustees, Board of Retirement

FOR: Board of Retirement Meeting on July 3, 2024

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.

MONTHLY AGENDA REPORTS FOR: 7/3/2024

AGENDA - VERSION - #3

THIS IS A COPY OF THE STANDARD AGENDA WHICH
OMITS THE RETIREE'S AGE AND ADDRESS.

DATE RUN: 6/25/2024

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JEANINE M. AMBRIZ	SHERIFF Dept.#SH	05-31-2024	21 YRS 03 MOS
BRUCE D. CHASE	SHERIFF Dept.#SH	06-30-2024	35 YRS 05 MOS
REGAN P. FITZGERALD	SHERIFF Dept.#SH	07-27-2024	28 YRS 01 MOS
JASON B. GOSS	SHERIFF Dept.#SH	06-04-2024	06 YRS 02½ MOS
WALTER T. HENKES	SHERIFF Dept.#SH	07-27-2024	23 YRS 02 MOS
LISAA. HERNANDEZ	SHERIFF Dept.#SH	06-14-2024	25 YRS 07½ MOS
CHADREN K. HORNIG	SHERIFF Dept.#SH	05-31-2024	32 YRS ½ MOS
EDWARD S. LEE	LA COUNTY FIRE DEPT Dept.#FR	05-31-2024	28 YRS 10½ MOS
MICHAEL C. METCALF	SHERIFF Dept.#SH	06-01-2024	32 YRS 08½ MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JAMES S. MOSS	SHERIFF Dept.#SH	06-29-2024	33 YRS 08 MOS
MATTHEW W. OHNEMUS	SHERIFF Dept.#SH	05-31-2024	30 YRS ½ MOS
DALE Q. PARKER	SHERIFF Dept.#SH	06-22-2024	23 YRS 01 MOS
LEON E. REYNOLDS	SHERIFF Dept.#SH	06-29-2024	35 YRS 05 MOS
THOMAS M. THOMPSON	L A COUNTY FIRE DEPT Dept.#FR	05-30-2024	27 YRS 10 MOS
CRAIG M. WIGGINS	SHERIFF Dept.#SH	07-02-2024	28 YRS 05½ MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
SHARI M. AFSHARI	PUBLIC WORKS Dept.#PW	06-29-2024	42 YRS 03 MOS
BARBARA D. ALCORN	PROBATION DEPARTMENT Dept.#PB	06-29-2024	37 YRS 10 MOS
PRISCILA V. ALFONSO	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	07-26-2024	42 YRS 04 MOS
TROI A. ANDREOLA	CHILDREN & FAMILY SERVICES Dept.#CH	07-31-2024	18 YRS 01½ MOS
SUZETTE ANDRY	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2024	31 YRS 09 MOS
LOVELYN U. ANYANWU	PUBLIC HEALTH PROGRAM Dept.#PH	06-01-2024	17 YRS 07½ MOS
YOLANDA A. ARELLANO	SHERIFF Dept.#SH	05-30-2024	37 YRS 01½ MOS
NICHOLAS BELL	HEALTH SERVICES ADMINISTRATION Dept.#HS	05-20-2024	25 YRS 10 MOS
ALYSSA D. BELLEW	PARKS AND RECREATION Dept.#PK	06-01-2024	06 YRS 09½ MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
WILLIAM F. BENNETT	SHERIFF Dept.#SH	06-29-2024	33 YRS 11 MOS
LISA A. BERKOWITZ	SUPERIOR COURT/COUNTY CLERK Dept.#SC	07-31-2024	43 YRS ½ MOS
SHOHEIL F. BHANJI	CORRECTIONAL HEALTH Dept.#HC	06-01-2024	30 YRS 09½ MOS
JIMMIE-LEE BRANTLEY	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-29-2024	29 YRS 02 MOS
EVA BRIGGS	MENTAL HEALTH Dept.#MH	07-31-2024	26 YRS 09½ MOS
RICHARD BROUWER	COUNTY COUNSEL Dept.#CC	06-29-2024	29 YRS 08 MOS
KIMBERLY K. BUJ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-29-2024	44 YRS 02 MOS
ZAVEN BUICKIANS	PROBATION DEPARTMENT Dept.#PB	07-31-2024	25 YRS 00 MOS
MINEO S. CABUHAT	HEALTH SERVICES ADMINISTRATION Dept.#HS	06-15-2024	17 YRS 06½ MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ASUNCION CARREON	AMBULATORY CARE NETWORK Dept.#HN	06-30-2024	33 YRS 03 MOS
THERESA A. CELENTANO-KE	HEALTH SERVICES ADMINISTRATION Dept.#HS	06-12-2024	13 YRS 08½ MOS
PAO-LIN P. CHANG	PUBLIC WORKS Dept.#PW	05-30-2024	35 YRS 10 MOS
REX L. CHENG	HEALTH SERVICES ADMINISTRATION Dept.#HS	06-30-2024	36 YRS 05 MOS
BRIDGET M. CROSBY	SHERIFF Dept.#SH	06-29-2024	26 YRS 01 MOS
ROBERT L. DANIEL	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-26-2024	32 YRS 07 MOS
JENAI R. DAVIS	MILITARY & VETRANS AFFAIRS Dept.#MV	06-27-2024	28 YRS 03 MOS
SANDRA R. DELGADO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-27-2024	25 YRS ½ MOS
CAROL L. ELLIS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2024	59 YRS 01 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
FRASER C. EPHRIM	PROBATION DEPARTMENT Dept.#PB	06-29-2024	37 YRS 03 MOS
DOUGLAS S. FERGUSON	ASSESSOR Dept.#AS	06-28-2024	38 YRS 06 MOS
JOYCE FLORES	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-31-2024	40 YRS 03½ MOS
CHRIS FOSTER	PUBLIC HEALTH PROGRAM Dept.#PH	07-02-2024	34 YRS 11½ MOS
MARIELLA FREIRE-REYES	AGING DEPARTMENT Dept.#AG	05-16-2024	00 YRS 04½ MOS
KEVIN E. FRENCH	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-28-2024	22 YRS 06 MOS
DEAN M. GIALAMAS	INTERNAL SERVICES Dept.#IS	06-29-2024	23 YRS 00 MOS
DEBRA K. GIBSON	MEDICAL EXAMINER-CORONER Dept.#ME	06-29-2024	30 YRS 01 MOS
PAULINE T. GOLIT	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-30-2024	28 YRS 05 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ALMA F. GOLLA	CHILDREN & FAMILY SERVICES Dept.#CH	06-29-2024	34 YRS 09 MOS
GEORGE GONZALES	CHILD SUPPORT SERVICES Dept.#CD	06-01-2024	30 YRS ½ MOS
MARTIN GONZALEZ	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-29-2024	38 YRS 04 MOS
FRANCES L. GUTIERREZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-29-2024	37 YRS 11 MOS
DON S. HASHIMA	MENTAL HEALTH Dept.#MH	05-31-2024	15 YRS 05½ MOS
NISHA HATIA	AMBULATORY CARE NETWORK Dept.#HN	07-30-2024	22 YRS 10 MOS
RENEE R. HAYWARD	PROBATION DEPARTMENT Dept.#PB	07-28-2024	36 YRS 06 MOS
ALBERTA HERNANDEZ-CA	MENTAL HEALTH Dept.#MH	06-30-2024	25 YRS 02 MOS
MARYANN C. JARDINIANO	PUBLIC WORKS Dept.#PW	07-31-2024	08 YRS 08 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
DEBORAH L. JETER	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-29-2024	43 YRS 09 MOS
VINCENT P. JOHNSON	PUBLIC WORKS Dept.#PW	06-27-2024	19 YRS 00 MOS
JUDITH E. JOHNSON	PUBLIC DEFENDER Dept.#PD	06-28-2024	44 YRS 07 MOS
ROSINA L. KAMEL	ASSESSOR Dept.#AS	07-27-2024	32 YRS 08 MOS
TRACEY D. KEMP	SHERIFF Dept.#SH	06-30-2024	41 YRS 08 MOS
NARISA M. KESTRACHON	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	06-29-2024	06 YRS 06½ MOS
TAE JOON KIM	PUBLIC WORKS Dept.#PW	07-20-2024	30 YRS 05 MOS
KIMBERLY L. KIRBY	CHILDREN & FAMILY SERVICES Dept.#CH	05-31-2024	18 YRS 07½ MOS
KIMBERLY D. KNOX	CHILDREN & FAMILY SERVICES Dept.#CH	06-29-2024	22 YRS 00 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
RUSSELL LANDERY	CHILDREN & FAMILY SERVICES Dept.#CH	05-31-2024	30 YRS 08½ MOS
CARMEN T. LEANDRO	AMBULATORY CARE NETWORK Dept.#HN	05-31-2024	25 YRS ½ MOS
MARIA G. LOERA	AMBULATORY CARE NETWORK Dept.#HN	06-29-2024	12 YRS 03 MOS
ROBERT A. LOPEZ	PROBATION DEPARTMENT Dept.#PB	07-05-2024	29 YRS 02½ MOS
WILMAN G. MADISON JR	PROBATION DEPARTMENT Dept.#PB	07-30-2024	24 YRS 08 MOS
MARK W. MANNING	INTERNAL SERVICES Dept.#IS	06-28-2024	30 YRS 01½ MOS
MARK A. MARTINEZ	INTERNAL SERVICES Dept.#IS	07-31-2024	39 YRS 09½ MOS
THOMAS MARX	INTERNAL SERVICES Dept.#IS	07-31-2024	20 YRS ½ MOS
SONJA MARZETT	SHERIFF Dept.#SH	07-31-2024	40 YRS 00 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
GEORGE F. MAY	PUBLIC LIBRARY Dept.#PL	07-28-2024	29 YRS 06 MOS
HARRIET A. MCCRACKEN	SHERIFF Dept.#SH	06-30-2024	45 YRS 00 MOS
SHEILA L. MCMARYION	CHILDREN & FAMILY SERVICES Dept.#CH	05-30-2024	29 YRS 01 MOS
CHARMAINE T. MCNEEL	PROBATION DEPARTMENT Dept.#PB	08-31-2024	24 YRS 05½ MOS
LINDA R. MEDVENE	COUNTY COUNSEL Dept.#CC	06-29-2024	25 YRS 01 MOS
BIBIANA C. MEJIA-COVARR	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-27-2024	18 YRS 00 MOS
DOROTHY A. MERSHON	SHERIFF Dept.#SH	04-27-2024	10 YRS 00 MOS
CESAR MONCAYO	HEALTH SERVICES ADMINISTRATION Dept.#HS	06-27-2024	34 YRS 00 MOS
LAWRENCE E. MOSER	SHERIFF Dept.#SH	05-31-2024	35 YRS 06½ MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JOAN F. NG	PUBLIC HEALTH PROGRAM Dept.#PH	06-28-2024	23 YRS 08 MOS
MICHAEL E. OMOROGIEVA	PROBATION DEPARTMENT Dept.#PB	07-31-2024	25 YRS ½ MOS
KELLY PATEY	PROBATION DEPARTMENT Dept.#PB	07-31-2024	31 YRS 04½ MOS
BICH PHAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-29-2024	25 YRS 00 MOS
DEBRA PICKETT	AMBULATORY CARE NETWORK Dept.#HN	05-31-2024	29 YRS 01½ MOS
JACQUELINE I. RAMIREZ	PUBLIC HEALTH PROGRAM Dept.#PH	06-29-2024	25 YRS 02 MOS
MAX RAZEGHI	PUBLIC DEFENDER Dept.#PD	07-26-2024	16 YRS 02 MOS
LUPE REYES	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-29-2024	29 YRS 06 MOS
ROLANDO J. REYES	INTERNAL SERVICES Dept.#IS	06-25-2024	40 YRS 05 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ARACELY A. RIVERA	PROBATION DEPARTMENT Dept.#PB	07-01-2024	29 YRS 07 MOS
PHYLLIS ROBERTS	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	06-30-2024	35 YRS 01 MOS
ZENA ROCHA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2024	18 YRS 04 MOS
STEPHANIE K. RODRIGUEZ	MENTAL HEALTH Dept.#MH	05-31-2024	10 YRS 09 MOS
JUDY A. RODRIGUEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-29-2024	23 YRS 04½ MOS
MONICA SALDANA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-30-2024	29 YRS 00 MOS
PATRICIA S. SHELBY	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	08-31-2024	33 YRS 05 MOS
EARLENE D. SMITH	SHERIFF Dept.#SH	07-27-2024	45 YRS 04 MOS
MICHELE A. STAECK	PUBLIC HEALTH PROGRAM Dept.#PH	06-30-2024	21 YRS 08 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
LINDA STONE-ABRAMS	MENTAL HEALTH Dept.#MH	06-27-2024	22 YRS 07½ MOS
BETTY L. STRODE	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-28-2024	25 YRS 02 MOS
DELBRA STURDIVANT	L A COUNTY FIRE DEPT Dept.#FR	05-10-2024	19 YRS 11 MOS
VALENTE TERRONES	L A COUNTY FIRE DEPT Dept.#FR	05-30-2024	28 YRS 03 MOS
RAJIMOLE THOMAS	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-29-2024	34 YRS 10 MOS
QUANG TRAN	CHILD SUPPORT SERVICES Dept.#CD	06-29-2024	32 YRS 03 MOS
ANA MARIA TRIBBLE	CHILDREN & FAMILY SERVICES Dept.#CH	05-31-2024	25 YRS 05½ MOS
JOANNE K. TSE	CHILDREN & FAMILY SERVICES Dept.#CH	06-22-2024	37 YRS 11 MOS
PASCUAL UGALDE	SHERIFF Dept.#SH	06-29-2024	25 YRS 05 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
GEORGE VALENZUELA	SHERIFF Dept.#SH	05-03-2024	25 YRS 06½ MOS
SONYA VARDANYAN	CHILDREN & FAMILY SERVICES Dept.#CH	06-29-2024	28 YRS 00 MOS
LUCY E. VOGUE	PROBATION DEPARTMENT Dept.#PB	05-31-2024	31 YRS 03½ MOS
GLYN H. WADDELL	INTERNAL SERVICES Dept.#IS	06-29-2024	18 YRS 06½ MOS
BEVERLY J. WHITAKER	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-21-2024	11 YRS 01 MOS
HARRY J. WHITE	CHILDREN & FAMILY SERVICES Dept.#CH	06-28-2024	30 YRS 09 MOS
CHRISTOPHER J. WILLIAMS	PROBATION DEPARTMENT Dept.#PB	07-27-2024	25 YRS 06 MOS
CLAUDETTE WILLIAMS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-28-2024	44 YRS 01 MOS
SANDRA E. WOODS	PROBATION DEPARTMENT Dept.#PB	08-01-2024	44 YRS 08 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
STACY N. WOOLMAN	CHILDREN & FAMILY SERVICES Dept.#CH	07-31-2024	26 YRS 06½ MOS
TRUDY L. ZAPATA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2024	08 YRS 01 MOS
VILMA ZEPEDA	CHILDREN & FAMILY SERVICES Dept.#CH	07-31-2024	31 YRS 05 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

SAFETY SURVIVOR APPLICATIONS

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MICHELLE L. BETTS	SHERIFF Dept.#SH	03-25-2024	17 YRS 03½ MOS
SPOUSE of ERIC C BETTS dec'd on 03-24-2024, Sect. #31781.3			
AMY K. FLORES	L A COUNTY FIRE DEPT Dept.#FR	04-09-2024	26 YRS 06½ MOS
WIFE of HENRY H FLORES dec'd on 04-08-2024, Sect. #31781.1			
MARISOL MILLER	SHERIFF Dept.#SH	05-02-2024	25 YRS 05½ MOS
SPOUSE of ALEXANDER W MILLER dec'd on 05-01-2024, Sect. #31781.1			

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL SURVIVOR APPLICATIONS

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JOSEPH CANTON	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-01-2024	06 YRS 04½ MOS
SPOUSE of REINA ASUNCI D CANTON dec'd on 04-30-2024, Sect. #31781.3			
PRINCESITA S. LAPID	HEALTH SERVICES ADMINISTRATION Dept.#HS	03-23-2024	11 YRS 03½ MOS
WIFE of EDMON F LAPID dec'd on 03-22-2024, Sect. #31781.1			
ORLANDO TONEY	CHILDREN & FAMILY SERVICES Dept.#CH	12-27-2023	09 YRS 03 MOS
SPOUSE of ERICKA R JUPITER dec'd on 12-26-2023, Sect. #31781.1			

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
SEBASTIAN JIMENEZ JR	SHERIFF Dept.#SH	05-05-2024	12 YRS 00 MOS
GREGORY L. KANE	SHERIFF Dept.#SH	05-20-2024	05 YRS 11 MOS
FRANK L. SZICK	SHERIFF Dept.#SH	04-19-2024	03 YRS 01 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
BHARAT C. BHATT	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	06-27-2024	18 YRS 08 MOS
SAMANTHA J. BRICKER	BOARD OF SUPERVISORS Dept.#BS	05-18-2024	11 YRS 04 MOS
JOHN P. CASTELLI	PUBLIC HEALTH PROGRAM Dept.#PH	06-01-2024	07 YRS 04 MOS
VALERIE M. COOPER	CHILDREN & FAMILY SERVICES Dept.#CH	07-02-2024	08 YRS 06 MOS
CHERYL Y. DALLAS	PUBLIC HEALTH PROGRAM Dept.#PH	05-20-2024	21 YRS 04½ MOS
ROSALVA J. EMBERY	ANIMAL CONTROL Dept.#AN	06-25-2024	27 YRS 06 MOS
MARIA E. FLORES	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-02-2024	12 YRS 01 MOS
MARGARITA GAMELL	AGRICULTURAL COMM./WTS & MEAS. Dept.#AW	05-21-2024	14 YRS 01 MOS
ZACHARY GARNETTE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-22-2024	22 YRS 09 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MARYLOU GONZALES	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	05-14-2024	24 YRS 11½ MOS
MICHAEL E. GREEN	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	04-10-2024	14 YRS 06 MOS
MORRIS F. GRIFFIN	INTERNAL SERVICES Dept.#IS	03-01-2024	28 YRS 01½ MOS
DAVID M. GUDEMAN	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-30-2024	03 YRS 05 MOS
HECTOR E. GUTIERREZ	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-30-2024	14 YRS 02 MOS
RENA HARPER	PUBLIC DEFENDER Dept.#PD	05-03-2024	34 YRS 05 MOS
DORA L. HOOPER	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-16-2024	18 YRS 01 MOS
JENNIFER B. HUNTER	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	05-08-2024	10 YRS ½ MOS
CLEMENT P. JOHNSON II	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-30-2024	05 YRS 07 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
CHRISTOPHER G. JOY	PROBATION DEPARTMENT Dept.#PB	06-01-2024	21 YRS 05 MOS
LOUIS M. KWONG	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	05-28-2024	28 YRS 09½ MOS
STELLA M. LARRACAS	SHERIFF Dept.#SH	05-18-2024	03 YRS 09 MOS
UNJOO H. LEE	PUBLIC LIBRARY Dept.#PL	06-04-2024	27 YRS 03 MOS
MARGO K. LOUIS	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	05-13-2024	05 YRS 11½ MOS
JEANNA LOUPE	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-29-2024	13 YRS 05 MOS
MIKE MC KELLY	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	06-30-2024	13 YRS 02 MOS
PAUL E. MERICLE	PUBLIC WORKS Dept.#PW	06-04-2024	03 YRS 07 MOS
DONNA M. MIYAHARA	CALIFORNIA CHILDREN'S SERVICES Dept.#PS	05-06-2024	14 YRS 10 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JUAN ORDORICA	PUBLIC WORKS Dept.#PW	05-31-2024	32 YRS 03½ MOS
KATHLEEN ORTIZ-RANKIN	Dept.#156	05-06-2024	14 YRS 06 MOS
ERNESTO PACHECO	ALTERNATE PUBLIC DEFENDER Dept.#AD	05-15-2024	14 YRS 09 MOS
CHERE PARSONS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-29-2024	22 YRS 08½ MOS
JOCELYN K. PILLING	MENTAL HEALTH Dept.#MH	06-21-2024	25 YRS 04 MOS
MERCEDES QUICENO	CHILDREN & FAMILY SERVICES Dept.#CH	05-07-2024	12 YRS 03 MOS
LINDA D. RANDLE	PROBATION DEPARTMENT Dept.#PB	02-09-2024	13 YRS 03 MOS
LONA R. SEYMOUR	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-06-2024	32 YRS 04 MOS
LUCIA A. SORIANO	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-17-2024	18 YRS 06 MOS

BOARD OF RETIREMENT MEETING OF JULY 3, 2024

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
BRENDA THOMPSON	REG-RECORDER/COUNTY CLERK Dept.#RR	07-02-2024	15 YRS 06½ MOS
DEBORAH L. UJFALUSY	CHILDREN & FAMILY SERVICES Dept.#CH	05-10-2024	01 YRS 00 MOS
ANGELICA A. VALENZUELA	BOARD OF SUPERVISORS Dept.#BS	05-31-2024	14 YRS 08 MOS

**BOARD OF RETIREMENT MEETING OF JULY 3, 2024, RESCISSIONS/CHANGES
FROM BENEFIT APPROVAL LIST
APPROVED ON JUNE 5, 2024**

GENERAL MEMBER APPLICATIONS FOR SERVICE RETIREMENT

NAME	DEPARTMENT	UPDATE
DARYLL L HARKLESS	SHERIFF	CHANGE OF DATE TO May 31, 2024

GENERAL MEMBER APPLICATIONS FOR SERVICE RETIREMENT

NAME	DEPARTMENT	UPDATE
LATONYA T NELSON	PROBATION DEPARTMENT	CHANGE OF DATE TO July 27, 2024
JOSE L JUAREZ	PROBATION DEPARTMENT	RESCISSION OF RETIREMENT
MYRNA TUYOR	COASTAL CLUSTER-HARBOR/UCLA MC	CHANGE OF DATE TO June 30, 2024



June 20, 2024

TO: Each Trustee
Board of Retirement

FROM: Tamara Caldwell, Division Manager
Disability Retirement Services

SUBJECT: **APPEAL(S) FOR THE BOARD OF RETIREMENT'S MEETING
OF JULY 3, 2024**

IT IS RECOMMENDED that the Board of Retirement grant the appeal(s) and request(s) for administrative hearing received from the following member(s), and direct the Disability Retirement Services Manager to refer each case to a referee:

5420B	Jessica Heads	In Pro Per	DENY SCD
5423B	Debra A. Zamudio	In Pro Per	DENY SCD – GRANT NSCD
1817B	George F. Gillen	In Pro Per	GRANT SCD WITHOUT OPTION OF EARLIER EFFECTIVE DATE

TLC:kw



June 20, 2024

TO: Each Trustee
Board of Retirement

FROM: Tamara Caldwell, Manager 
Disability Retirement Services Division

FOR: July 3, 2024, Board of Retirement Meeting

SUBJECT: **DISMISS WITH PREJUDICE THE APPEAL OF RESSIE L. DUCUT**

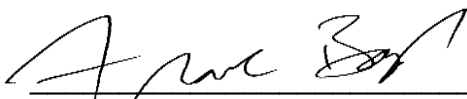
Ms. Ressie L. Ducut applied for a service-connected disability retirement on October 26, 2020. On May 5, 2022, the Board denied her application for a service-connected disability retirement.

Ms. Ducut's attorney filed a timely appeal. On May 24, 2024, the applicant's attorney advised LACERA that his client did not wish to proceed with the appeal for a service-connected disability retirement.

IT IS THEREFORE RECOMMENDED THAT THE BOARD:

Dismiss with prejudice Ressie L. Ducut's appeal for a service-connected disability retirement.

NOTED AND REVIEWED:


Francis J. Boyd, Sr. Staff Counsel

Date: 06/20/2024

FJB:TC:rl

Attachment

MICHAEL B. LEWIS
ALAN B. MARENSTEIN
THOMAS J. WICKE
ROBERT J. SHERWIN
GOLD D. LEE
ADAM J. TURNER
LAWRENCE D. ROSENBERG
JUSTIN D. FELDMAN
ANDREW DHADWAL
JEFFREY S. SWARTZ
NYRIE KAYEKJIAN EMURIAN

LEWIS, MARENSTEIN, WICKE, SHERWIN & LEE, LLP

ATTORNEYS AT LAW

20750 VENTURA BOULEVARD

SUITE 400

WOODLAND HILLS, CALIFORNIA 91364-2338

TELEPHONE (818) 703-6000 • FAX (818) 703-0200

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TAMARA A. YERITSYAN
RONALD PRASAD
MICHAEL Z. PEHLEVANIAN
KELLI M. KRUPKA
ARI L. EMURIAN
ERIC M. FREEDMAN

OF COUNSEL
JANE OATMAN

MICHAEL T. ROBERTS
(1942 - 2000)

May 24, 2024

David Rosenman, Referee
Attorney at Law
11286 Patom Drive
Culver City, CA 90230

Re: RESSIE DUCUT/DISABILITY RETIREMENT
[REDACTED] [REDACTED]

Dear Mr. Rosenman:


After further consideration, our client Ressie Ducut, has decided to withdraw her appeal in a request for a service-connected disability retirement.

By copy of this letter, we are advising the Disability Retirement staff as well as Ms. Allison Barrett, Senior Staff Counsel, of our client's decision to withdraw her appeal.

Should you have any questions concerning this matter, please feel free to contact me.

Very truly yours,

LEWIS, MARENSTEIN, WICKE, SHERWIN & LEE, LLP



THOMAS J. WICKE

TJW:tah

cc: Kerri Wilson, LACERA
cc: Allison Barrett, Senior Staff Counsel / LACERA
cc: Ressie Ducut

RECEIVED

JUN 03 2024

MAILROOM



DISCORF3



June 20, 2024

TO: Each Trustee
Board of Retirement

FROM: Tamara Caldwell, Manager 
Disability Retirement Services Division

FOR: July 3, 2024, Board of Retirement Meeting

SUBJECT: **DISMISS WITH PREJUDICE THE APPEAL OF DEBORAH L. MORGAN**

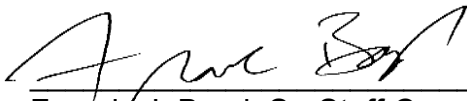
Ms. Deborah L. Morgan applied for a service-connected disability retirement on January 7, 2022. On May 1, 2024, the Board denied her application for a service-connected disability retirement.

Ms. Morgan filed a timely appeal. On June 11, 2024, the applicant advised LACERA that she does not wish to proceed with the appeal for a service-connected disability retirement.

IT IS THEREFORE RECOMMENDED THAT THE BOARD:

Dismiss with prejudice Deborah L. Morgan's appeal for a service-connected disability retirement.

NOTED AND REVIEWED:


Francis J. Boyd, Sr. Staff Counsel

Date: 06/20/2024

FJB:TC:rl

Confidential Attachment

Received: 06/20/2024 09:01AM
From: KWilson@lacera.com
To: sol-outlook@lacera.com;
Cc:
Subject: FW: Withdrawal of Appeal for Work Related Retirement [REDACTED]
Attachments: Withdrawal of Appeal for Work Related Retirement 06-11-2024.docx;
Body:



Kerri Wilson
Disability Retirement Specialist
Supervisor
Disability Retirement Services Division
300 North Lake Ave, Pasadena, CA 91101
Microsoft Teams Number: 626-831-9798
Office Number: 626-564-6000, Ext. 2419
Email: kwilson@lacera.com

STATEMENT OF CONFIDENTIALITY

The information contained in this email and any attachments is strictly confidential and is for the use of the intended recipient. Any use, dissemination, distribution, or reproduction of any part of this email or any attachment is prohibited. If you are not the intended recipient, please notify the sender by return email and delete all copies including attachments.

From: Maisha Coulter <mcoulter@lacera.com>
Sent: Tuesday, June 11, 2024 3:04 PM
To: Kerri Wilson <KWilson@lacera.com>
Subject: FW: Withdrawal of Appeal for Work Related Retirement

From: Deborah Morgan <[REDACTED]>
Sent: Tuesday, June 11, 2024 3:01 PM
To: Maisha Coulter <mcoulter@lacera.com>
Subject: Withdrawal of Appeal for Work Related Retirement

You don't often get email from d1b4a1@gmail.com. [Learn why this is important](#)

WARNING: This email originated from outside of LACERA. Please do not click links or open attachments unless you recognize the sender and expect the message.

Dear Ms. Coulter,

Please find attached my Withdrawal of Appeal letter.

[REDACTED]

[REDACTED]

[REDACTED]

I appreciate everything you have done for me over the past several years. I will never forget all of your hard work and diligence in fighting for what is right. [REDACTED]

So, I am truly grateful for all of your time and energy and I wish you the best life possible.

**One more thing, I spoke to a young lady this morning about making the appointment to deliver the Appeal paperwork to me. I asked her to stop the process of delivery because I would be withdrawing my Appeal. I also asked her to let you know that I was going to send you an email today requesting the withdrawal.

Sincerely,

Deborah L Morgan, Retiree

To the Attention of:

Maisha Coulter, Senior Disability Retirement Specialist

From:

Deborah Morgan, Retiree

Re: Withdrawal of the Appeal for Work Related Retirement

Case#: 5326B

This is to let you know that, after great consideration I am withdrawing my appeal for the judgement on my Work Related Retirement.

Sincerely,

Deborah L Morgan, Retiree



June 18, 2024

TO: Trustees – Board of Retirement

FROM: Santos H. Kreimann ^{SHK}
Chief Executive Officer

Ted Granger ^{TG}
Chief Financial Officer

FOR: Board of Retirement Meeting on July 3, 2024

SUBJECT: **2023 INVESTIGATION OF EXPERIENCE FOR
OTHER POST-EMPLOYMENT BENEFITS (OPEB) ASSUMPTIONS**

RECOMMENDATION

It is recommended that the Board of Retirement (BOR):

1. Adopt the economic assumptions, which includes a 6.25% investment return assumption for agents that are pre-funding through the OPEB Trust, 3.50% for those agents not pre-funding through the OPEB Trust, and health cost trend assumptions. For more details, please see Section 7 starting on page 43 of the draft 2023 Investigation of Experience for OPEB Assumptions Report (2023 Experience Study) as submitted by LACERA's OPEB consulting actuary, Milliman.
2. Adopt the demographic assumptions, which consist of Initial Enrollment, Plan and Tier Selection, Retirement of Vested Terminated Members, and Other OPEB Demographic Assumptions. These assumptions are discussed beginning on Page 12, Sections 3 through 6 of the draft 2023 OPEB Experience Study.

EXECUTIVE SUMMARY

The Board's policy requires LACERA's consulting actuary, Milliman to prepare annual actuarial valuations for the Los Angeles County OPEB Program administered by LACERA. In addition to the annual valuation reports, the Policy also requires the consulting actuary to review the reasonableness of the economic and demographic actuarial assumptions at least every three years.

At the January 2024 Board of Retirement meeting, staff and Milliman provided an educational session to the Board, which included a history of the changes to the OPEB Program actuarial and accounting reporting process and an overview of the upcoming experience study and valuation cycle. The next step in the process occurred in February

2024 when staff and Milliman conducted a conference call with the Stakeholders¹ group, communicating recommended changes to the current OPEB actuarial assumptions and the draft 2023 OPEB Experience Study.

In April 2024, the Board of Investments approved an updated strategic asset allocation for the OPEB Trust which is typically done every 3-5 years. Staff and Milliman delayed the OPEB experience study report so this information could be reviewed by Milliman and considered in recommending the OPEB Trust investment return assumption for agents that are pre-funding through the OPEB Trust.

In May 2024, staff and Milliman conducted a second conference call with the Stakeholders group to provide an overview of economic assumptions affecting the 2023 OPEB Experience Study. A similar economic assumption overview was then presented to the Board of Investments in June 2024 as an educational session.

Attached for the Board's consideration is the latest draft investigation of experience or 2023 Experience Study Report (*Attachment I*) prepared by Milliman. The actuarial assumptions studied in this report were previously reviewed by the Stakeholders and include assumptions specific to the OPEB Program, along with certain assumptions carried over from the retirement benefits plan. The OPEB related actuarial assumptions are critical components used in calculating the OPEB valuation results. Once approved by the Board, Milliman will use these assumptions to perform the upcoming 2023 OPEB actuarial valuation.

LACERA's reviewing actuary, Cavanaugh Macdonald Consulting, LLC (CMC) has reviewed the draft 2023 Experience Study Report and the processes Milliman used to develop the assumption recommendations. The draft Actuarial Review Report of the 2023 Investigation of Experience for OPEB Assumptions is included as *Attachment II*. CMC will provide a presentation at the July 3, 2024 Board meeting.

DISCUSSION

Recommended Assumptions

On February 15, 2024, LACERA conducted a conference call with the Stakeholders where Milliman presented both the demographic assumptions, discussing the proposed changes in the assumptions and answering any questions from the Stakeholders. The recommended assumption changes are included below:

¹ The Stakeholders group includes staff from the Los Angeles County Auditor-Controller and Chief Executive Office; staff from the Outside Districts, LACERA staff from the Executive Office, Legal Office, Benefits Division, Internal Audit, Retiree Healthcare Division, and Financial and Accounting Services Division; LACERA's consulting actuary, Milliman; LACERA's auditing actuary, Cavanaugh MacDonald Consulting, LLC; LACERA's retiree healthcare consultant, Segal Consulting; Los Angeles County actuary, Cheiron, Inc.; SEIU Local 720 staff; SEIU Local 720 actuary, Rael-Letson, Inc.; and staff from the California Association of Professional Employees.

Initial Enrollment

This assumption addresses initial enrollment of future retirees for both medical and dental/vision coverages. Milliman recommends adjustments to Tier 1 members to reflect recent experience but still achieve the actual-to-expected enrollment ratio of 100%. At this time, there is not enough historical information regarding initial enrollment for Tier 2, which was established in June 2014. Milliman recommends having the same initial enrollment assumption for Tier 2 as Tier 1. See page 12, Section 3 of the 2023 Experience Study Report for more details.

Plan and Tier Selection

The actuary studies the plan and tier selections for Medical and Dental/Vision of new retired enrollees and their dependents. Milliman is recommending changes to reflect recent medical plan and dental/vision plan and tier selection patterns. This discussion is included in Section 4, page 20, of the 2023 Experience Study Report.

Retirement of Vested Terminated Members

Milliman is recommending changes to General Plans A-D, G, E and Safety Plans A, B and C due to actual retirement experience being generally lower than the current assumptions to bring the assumptions closer to the actuals. See page 36, Section 5 of the 2023 Experience Study Report for more information.

Investment Earnings

For agents that are pre-funding through the OPEB Trust, the recommendation is for the investment earnings assumption to increase from 6.00% to 6.25%, while the non-prefunding agents' recommended investment earnings assumption is recommended to change from 2.30% to 3.50%, based on the County's general fund expected return. Consumer Price Inflation (CPI) and Wage Inflation assumptions are recommended to remain the same as the retirement benefits plan assumptions and those that were recommended in the prior OPEB experience study, which are 2.75% and 3.25% respectively. The OPEB economic assumptions are addressed on Page 43, Section 7 of the attached draft 2023 Experience Study Report.

LEGAL AUTHORITY

Under the 1982 Agreement, as amended in 1994 and 2014, between the County and LACERA, LACERA administers the OPEB Program on behalf of the County. The agreements were entered into pursuant to Government Code Section 31691 of the County Employees Retirement Law of 1937. In the responsible exercise of LACERA's authority as OPEB Program administrator, the Board of Retirement engages a consulting actuary to conduct OPEB Actuarial Valuations and Investigations of Experience in accordance with Board of Retirement policy, and engages an additional consulting actuary to review these reports, all as described below and in accordance with actuarial standards and sound actuarial practice.

LACERA's OPEB ACTUARIAL VALUATION AND AUDIT POLICY

The Board's OPEB Actuarial Valuation and Audit Policy (Policy), requires annual valuations such that financial statement disclosure reports under Governmental Accounting Standards Board (GASB) 74 (for OPEB plans) and 75 (for plan sponsors or employers) can be prepared for LACERA, as well as the plan sponsors, to report the Net OPEB Liability. Since the transition to an Agent Plan, financial statement disclosure reports under GASB 74 are no longer required due to OPEB liability reporting responsibility shifting to the plan sponsors within their financial statements.

In addition to the annual valuations, the Policy also requires the consulting actuary to review the reasonableness of the economic and non-economic (demographic) actuarial assumptions every three years. This review, commonly referred to as the investigation of experience or experience study, is accomplished by comparing actual experience during the preceding three years to what was expected to happen according to the actuarial assumptions. On the basis of the experience study, the actuary recommends whether any changes in the assumptions or methodology would allow a more accurate projection of total program liabilities and asset growth.

The Board's Policy also requires periodic actuarial reviews of the OPEB experience study and valuation every three years. LACERA engaged CMC, a separate consulting actuary, to perform actuarial reviews of Milliman's 2023 OPEB experience study process and valuation reports.

FUNDING

Pay-As-You-Go

Plan sponsors and members provide monthly funding using a "pay-as-you-go" (pay-go) methodology. Each month, LACERA prepares and sends an invoice to the participating agencies who review and then remit payment to fund the monthly pay-go costs. These pay-go costs include providing medical, dental, vision, death/burial benefits to current retirees. LACERA collects from program members who are required to pay the difference between applicable employer-paid subsidy and the actual premium cost.

Pre-Funding

Some employers participate in the OPEB Trust (i.e., Los Angeles County, Los Angeles County Superior Court, and LACERA) to pre-fund future obligations. Each year the County updates their five-year projected OPEB Trust contribution schedule maintained as part of their annual budget process. The County remits funding throughout the fiscal year on a quarterly basis. LACERA, as an employer, participates in this funding cycle based on a proportional rate. The Los Angeles County Superior Court (Superior Court) provides OPEB Trust funding on an annual basis. As the fiscal year end approaches, the Court reviews their annual budget and determines an amount available to fund the OPEB Trust which is then sent to LACERA.

There is no minimum funding requirement prescribed by actuarial standards. However, the Actuarially Determined Contributions (ADC) are calculated by the actuary and can be seen as a minimum funding target. Once contributions reach the ADC, theoretically, the employer is considered to be adequately funding the program. LACERA, as an OPEB Trust participating employer, is providing funding at a level consistent with the ADC. The other two OPEB Trust participating employers: the County and Superior Court are not yet providing funding at a level consistent with the ADC. However, the projections for the County indicate that this level may be achieved sometime in the late 2020s. Superior Court is not projected to reach this level within the term of Milliman's projections.

There are no minimum funding requirements per Governmental Accounting Standards Board (GASB) accounting standards. Each employer determines their discretionary funding amount which is used in funding calculations and reported financial statement disclosures.

EXPERIENCE STUDY PROCESS

Annually, staff spearheads and conducts several meetings with the Stakeholders to discuss and review the OPEB experience study and valuation reports completed by Milliman. In November 2023, staff coordinated the 2023 experience study and valuation entrance meeting with the Stakeholders and Outside districts². Milliman outlined the scope and timeline of the project and focused on the considerations for changing some actuarial assumptions and methods.

In January 2024, staff and Milliman provided an educational session at the Board of Retirement meeting to provide updates on changes to the OPEB program actuarial, financial statements reporting requirements, upcoming experience study and actuarial process including a discussion of assumptions such as the investment return, amortization period and health cost trends such as medical, Medicare Part B premiums, and dental/vision plans. Also, in February and May of 2024, the Stakeholders participated in conference calls to review the 2023 OPEB Experience Study draft report. The Stakeholders agreed to use the new investment earnings assumption based on OPEB Trust investment earnings as compared to the investment earnings assumption as the prior experience study based upon Milliman's review of information contained in the strategic asset allocation prepared by Meketa, LACERA's general investment consultant.

OPEB specific Health Cost Trend Assumptions are reviewed and changes are made to reflect recent OPEB program experience. Milliman includes their recommendations in the attached draft 2023 Experience Study Report. A summary of the Health Cost Trend Assumptions is included in Table A-22 on pages 117 and 118 of the experience study report. These updated trends will be modified to reflect the July 1, 2024 health plan

² Outside districts are the South Coast Air Quality Management District (SCAQMD), Los Angeles County Office of Education (LACOE), Local Agency Formation Commission for the County of Los Angeles (LAFCO), and Little Lake Cemetery District (LLCD).

premium renewals which were approved by the Board of Retirement in February 2024 and will be included in the July 1, 2024 OPEB Valuation Report.

Reporting

At the Board of Retirement (BOR) meeting on July 3, 2024, the Experience Study report will be presented as a draft, which gives the Board the opportunity to review the assumptions and methods determined by the Stakeholders. Both the final 2023 experience study and valuation reports will be submitted at a future date.

CMC, as LACERA's reviewing actuary, performed a review of Milliman's process for developing and recommending the actuarial assumption and method changes included in the 2023 OPEB Experience Study Report. CMC has completed its review and prepared a draft report providing their conclusion in the cover letter that, *"We generally find the Investigation of Experience results to be reasonable and accurate. The study was performed by qualified actuaries and conducted in accordance with the principles and practices prescribed by the Actuarial Standards Board,"* and in the executive summary, *"In general, we find Milliman's work to be accurate and complete, and we have not identified any material findings."* The final report from CMC will be provided to the Board later this year along with their review of the valuation.

CONCLUSION

LACERA's OPEB consulting actuaries, Robert Schmidt and Janet Jennings with Milliman, and LACERA's OPEB reviewing actuary, Brent Banister with Cavanaugh MacDonald Consulting, will be present at the July 3, 2024 meeting to discuss the draft 2023 Experience Study Report and answer any questions the Board may have regarding the report. Milliman's presentation slides are included as *Attachment III*.

Finally, we would like to recognize and express our gratitude to the Stakeholders and Outside districts who actively participated in the OPEB experience study process.

Attachments:

- I. Milliman 2023 Investigation of Experience for Other Post-Employment Benefits Assumptions Report (Draft)
- II. Cavanaugh MacDonald Actuarial Review Report for the 2023 Investigation of Experience for Other Post-Employment Benefits Assumptions Report (Draft)
- III. Milliman and Cavanaugh MacDonald Presentation Slides

SHK:tg:gr
2023_OPEBExpStudy_BOR_2024.07.03_Final

C: Luis A. Lugo
Steven P. Rice
Jonathan Grabel

Laura Guglielmo
JJ Popowich
Cassandra Smith
Richard Bendall



Los Angeles County Other Postemployment Benefits Program

2023 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
Consulting Actuary

Milliman, Inc.
950 W. Bannock Street, Suite 430
Boise, ID 83702
Tel +1 208 342 3485
milliman.com



950 W. Bannock Street
Suite 430
Boise, ID 83702
USA

Tel +1 208 342 3485

milliman.com

June 18, 2024

Board of Retirement
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

Dear Trustees of the Board:

It is a pleasure to submit this report of our investigation of the experience of the Los Angeles County Employees Retirement Association (LACERA) Other Postemployment Benefits (OPEB) Program for the period ending June 30, 2023. It has been three years since the last 2020 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, 2023.

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 Los Angeles County's OPEB Program administered by LACERA.

We have provided financial information showing the estimated hypothetical impact of the recommended assumptions if they had been used in the July 1, 2022 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.

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to estimate the assumed investment earnings, analysis of OPEB demographic assumptions, retiree health claim costs, and annual trends for retiree health benefits. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). In addition, the valuation results were developed using models intended for valuations that use standard actuarial techniques.

The models rely on data and information as input to the models. We have relied upon certain data and information listed below for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete.

Milliman's data and information reliance are listed below. The models, including all input, calculations, and output may not be appropriate for any other purpose.

In preparing this report, we relied without audit on information (some oral and some in writing) supplied by the County, the Superior Court, 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, 2022 OPEB Actuarial Valuation Report. In some cases, where the census data was incomplete, we made assumptions as noted in Table C-10 of Appendix C of the July 1, 2022 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.

In developing these recommendations, we have reflected an estimate of fees associated with the Affordable Care Act (ACA), which was signed into law in March 2010 and subsequent regulations and acts. The OPEB assumptions will reflect changes in future valuations as regulations are released. The trend will be updated for the July 1, 2023 valuation to reflect the July 1, 2024 final annual medical and dental plan rate renewals and adjustments from the Inflation Reduction Act.

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 2022 LACERA Investigation of Experience for Retirement Benefit Assumptions and collaboration among a group of stakeholder representatives. Demographic assumptions from the latest 2022 Retirement Benefit Investigation of Experience, conducted by Milliman and approved by LACERA's Board of Investments, are integrated into the OPEB Investigation of Experience where they are appropriate for OPEB benefits. 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 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. The claim cost assumptions and final trend rates reflecting the July 1, 2024 annual medical and dental plan rate renewals will be developed and agreed upon collaboratively with the same LACERA stakeholders during the July 1, 2023 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.

The assumptions from this July 1, 2023 OPEB Investigation of Experience Report will be used in the forthcoming OPEB funding valuation reports. The funding goals serve as a basis for the separate Government Accounting Standards Board (GASB) Statement Number 75 disclosure report. Actuarial computations under GASB Statement Numbers 74 and 75 are for the purposes of fulfilling financial accounting requirements for LACERA, Los Angeles County, the 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. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this valuation 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, the Superior Court, the South Coast Air Quality Management District, Local Agency Formation Commission, Los Angeles County Office of Education, and Little Lake Cemetery District who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to their own specific needs.

We would like to express our appreciation to LACERA staff members, Los Angeles County, SEIU Local 721, Cavanaugh Macdonald, Segal, Rael & Letson, Cheiron, and Meketa Investment Group who gave substantial assistance in supplying the data on which this report is based.

The consultants who worked on this assignment are 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.

We respectfully submit the following report and look forward to discussing it with you.

Sincerely,

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

Janet O. Jennings, ASA, MAAA
Consulting 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, 2023. It includes a discussion of the OPEB-related economic and 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; in 2018 for the July 1, 2018 and July 1, 2019 OPEB valuations; and in 2020 for the July 1, 2020, July 1, 2021, and July 1, 2022 OPEB valuations. Now that three additional years have passed since the 2020 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 2022. Some of those assumptions are also used in the OPEB valuations. For consistency, changes to those assumptions will continue to be made in future OPEB valuations. The next OPEB investigation of experience study is scheduled for 2026.

The OPEB funding valuations starting with the July 1, 2018 report have been under an agent structure with results shown by agent. This 2023 OPEB Investigation of Experience Study reviews experience for all OPEB program participants (members) combined regardless of agency. Assumptions are also studied and considered on a combined basis.

This report recommends several assumption changes that result in an Actuarially Determined Contribution (ADC) rate decrease of 0.71% 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.

The five-year period ending June 30, 2023 for retirement of vested terminated members and the three-year period ending June 30, 2023 for all other assumptions overlapped with the COVID pandemic. Results for this triennial period were reviewed with experience from prior studies and we decided to consider the prior six year of experience for the initial enrollment in part, due to COVID. The 2022 Retirement Benefit Investigation of Experience also considered COVID impacts.

Healthcare Tier

Employees who were hired after June 30, 2014 are covered by Tier 2 of the Los Angeles County OPEB Program. 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 agents 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 coverages. We are recommending adjustments from the current assumptions to reflect recent experience while achieving an actual-to-expected enrollment ratio near 100% for both medical and dental/vision. Since there is insufficient experience regarding initial enrollment for Tier 2, we recommend the same initial enrollment assumptions for both Tier 1 and Tier 2.

We saw some short term fluctuations in the most recent three year period, which may be temporary, due to a variety of factors including the COVID-19 pandemic. For this 2023 study, we considered the prior six years of enrollment for the initial enrollment assumptions.

**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, D, and G, General Plan E, and Safety Plans A, B, and C, the actual retirements have been generally lower than current assumptions, and we recommend changes to these assumptions to bring them closer to actual experience. Experience from the five-year period ended June 30, 2023 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

We recommend no changes to the age difference assumptions for male and female spouses. We are recommending no change to our Medicare enrollment assumption. For our survivor enrollment assumptions, we have quantified the impact and determined analysis is not necessary this experience study. We recommend applying loads based on the 2020 assumptions for Tier 1 and Tier 2.

**Section 7
OPEB Economic
Assumptions**

Section 7 discusses the investment earnings and health cost trend assumptions. We will continue to use the inflation and general wage increases of 2.75% and 3.25% respectively based on the 2022 Retirement Benefit Investigation of

Experience. These assumptions are the same as the July 1, 2023 retirement funding valuation.

There are two investment return assumptions based on whether an agent prefunds into the OPEB Trust. The agents that prefund through the OPEB Trust are the County, Superior Court, and LACERA. We recommend increasing the investment return assumption for these agents from 6.00% to 6.25%. This is based on a review of Meketa, Horizon, and Milliman's capital market assumptions.

For agents that are not prefunding through the OPEB Trust, known as the Outside Districts, we recommend an investment earnings assumption of 3.50%, based on the County's general fund expected return. This is an increase compared to the current assumption of 2.30%.

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 in the July 1, 2023 OPEB valuation to reflect the final July 1, 2024 annual medical and dental plan rate renewals. The July 1, 2023 OPEB valuation trends will also have updates to the short term trends based on impacts from the Inflation Reduction Act.

Future Amortization Considerations

The commitment to prefunding is based on the following:

- June 22, 2015 County budget policy,
- November 20, 2015 LACERA funding policy and June 23, 2023 LACERA Surplus Memo
- Superior Court funding policy communicated to LACERA on October 23, 2023

The County's policy is to increase the OPEB Trust contributions by \$56 million each year. The OPEB Trust contributions are capped at the ADC less the County's portion of the premiums and death benefit, also known as Pay as You Go (PAYG).

The funded ratio is expected to increase gradually over time. However, the UAAL is expected to continue to increase due to the open 30-year amortization not paying down the principal.

The ADC is expected to increase over time as part of the funding policy and as a result of contributing less than the ADC in the initial phase-in period. The ADC would have been considerably higher if there had been no prefunding.

Milliman has been discussing the options for amortization changes with the County, LACERA, and the stakeholders. Possible considerations include the following:

- Shortening the amortization period
- Closed versus open amortization
- Layering of amortization bases
- Level dollar or level percentage of pay

The chart below illustrates the impact on the July 1, 2022 ADC with different open amortization periods on a level percent of pay basis.

Open Amortization Period	30-year	25-year	20-year	15-year	10-year
Actuarially Determined Contribution (ADC)					
1. Normal Cost	\$ 649.0	\$ 649.0	\$ 649.0	\$ 649.0	\$ 649.0
2. UAAL payment	984.4	1,115.2	1,313.6	1,648.3	2,323.5
3. Total	\$ 1,633.4	\$ 1,764.2	\$ 1,962.6	\$ 2,297.3	\$ 2,972.5
ADC expressed as a percentage of payroll					
1. Normal Cost	7.26%	7.26%	7.26%	7.26%	7.26%
2. UAAL payment	11.01%	12.48%	14.69%	18.44%	25.99%
3. Total	18.27%	19.74%	21.95%	25.70%	33.25%

If a change in amortization method is made sometime in the future, a methodology to transition from the current 30-year open amortization period to the new method will be evaluated. We recommend ongoing discussions about the funded status goals and choosing an amortization period and method that are in alignment.

Financial Impact

The assumption changes in total are projected to decrease the Actuarial Accrued Liability (AAL) by 3.98%, decrease the Normal Cost Rate by 0.54% of payroll, and decrease the Actuarially Determined Contribution (ADC) by 0.71% 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, 2022 OPEB valuation results. Note that the relative impact of the various assumption changes by component is somewhat dependent on the order in which they are evaluated. For this study, the impact from the 2022 retirement demographic assumption changes are not applicable because the assumptions based on the 2022 Retirement Benefit Investigation of Experience for LACERA have already been reflected in the July 1, 2022 OPEB valuation results.

**Exhibit 1-1
 Hypothetical Results of July 1, 2022 Valuation
 with Proposed Assumptions**

	Actuarial Accrued Liability ⁽¹⁾	(Assets) ⁽¹⁾	Unfunded Actuarial Accrued Liability ⁽¹⁾	Normal Cost Rate ⁽²⁾	ADC Percentage ⁽²⁾
July 1, 2022 Valuation	\$ 23,097.8	\$ (2,394.1)	\$ 20,703.7	7.26%	18.27%
Assumption Changes					
Initial Enrollment	(63.0)	-	(63.0)	(0.01%)	(0.04%)
Plan and Tier Selection	(41.1)	-	(41.1)	(0.03%)	(0.05%)
Vested Terminated Commencement	(7.6)	-	(7.6)	0.00%	(0.01%)
Trend - Without 1st Year Renewal Adjustment	(9.8)	-	(9.8)	(0.02%)	(0.02%)
Remarriage	(0.6)	-	(0.6)	0.00%	0.00%
Discount Rate	(796.4)	-	(796.4)	(0.48%)	(0.59%)
Total Assumption Changes	\$ (918.5)	\$ -	\$ (918.5)	(0.54%)	(0.71%)
July 1, 2022 Valuation with Assumption Changes	\$ 22,179.3	\$ (2,394.1)	\$ 19,785.2	6.72%	17.56%

(1) In millions of dollars

(2) Expressed as a percentage of payroll

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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 2022 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.

Year	Assumptions Studied
2006, 2008, and 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
2019	OPEB Economic Assumptions
2020	OPEB Demographic and Economic Assumptions
2021 and 2022	OPEB Economic Assumptions
2023	OPEB Demographic and Economic Assumptions

Due to the timing requirements of GASB 74 and 75 along with the audit schedule, the experience study was performed on a two-year cycle, from 2016 to 2018, and 2018 to 2020. Since 2020, we have returned to a three-year cycle. These OPEB experience studies are 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 participants 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 is completed annually for the Los Angeles County OPEB Program and 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 2022 Investigation of Experience as developed under Actuarial Standards of Practice (ASOP) Numbers 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, 2022. 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, 2023 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 2022 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 reviewing actuary; Segal, LACERA’s Healthcare 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 in this 2023 study and actual rates from the prior 2020 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, 2022 OPEB valuation and the new proposed assumptions are shown 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.

Each year, we review impacts from COVID, legislation such as the ACA and the Inflation Reduction Act (IRA), and relevant regulations when setting assumptions.

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:

- **Do Not 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

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

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 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 the Board of Retirement consideration in this report have been developed in accordance with ASOP No. 27.

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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 coverages, 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, 2023 separately for males and females. The results show those who both enrolled at the time of retirement and those who enrolled sometime after retirement.

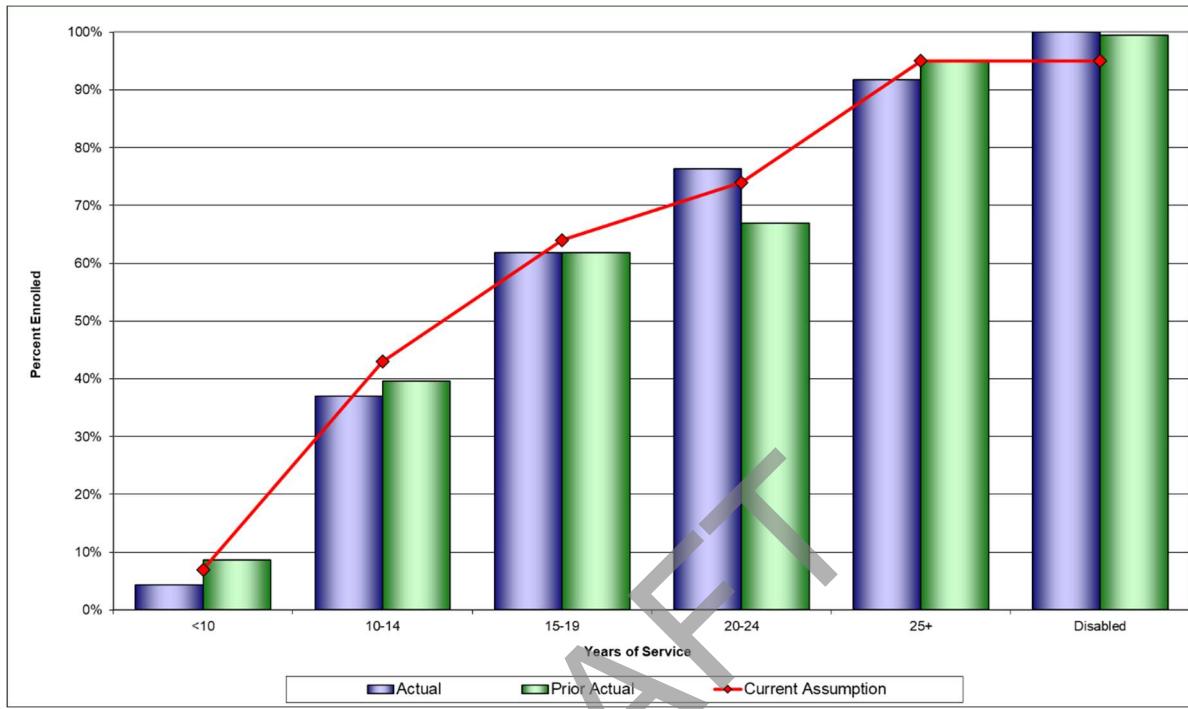
The exhibits show that patterns for males and females are similar. Therefore, we recommend using combined male/female assumptions.

Exhibit 3-3 shows the combined male and female experience, along with the current and proposed assumptions. We saw some the short term fluctuations in the most recent three year period which may be temporary, due to a variety of factors including the COVID-19 pandemic. For this reason, we considered the prior six years of experience with the proposed assumptions resulting in an overall actual-to-expected ratio similar to the 2020 experience study.

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.

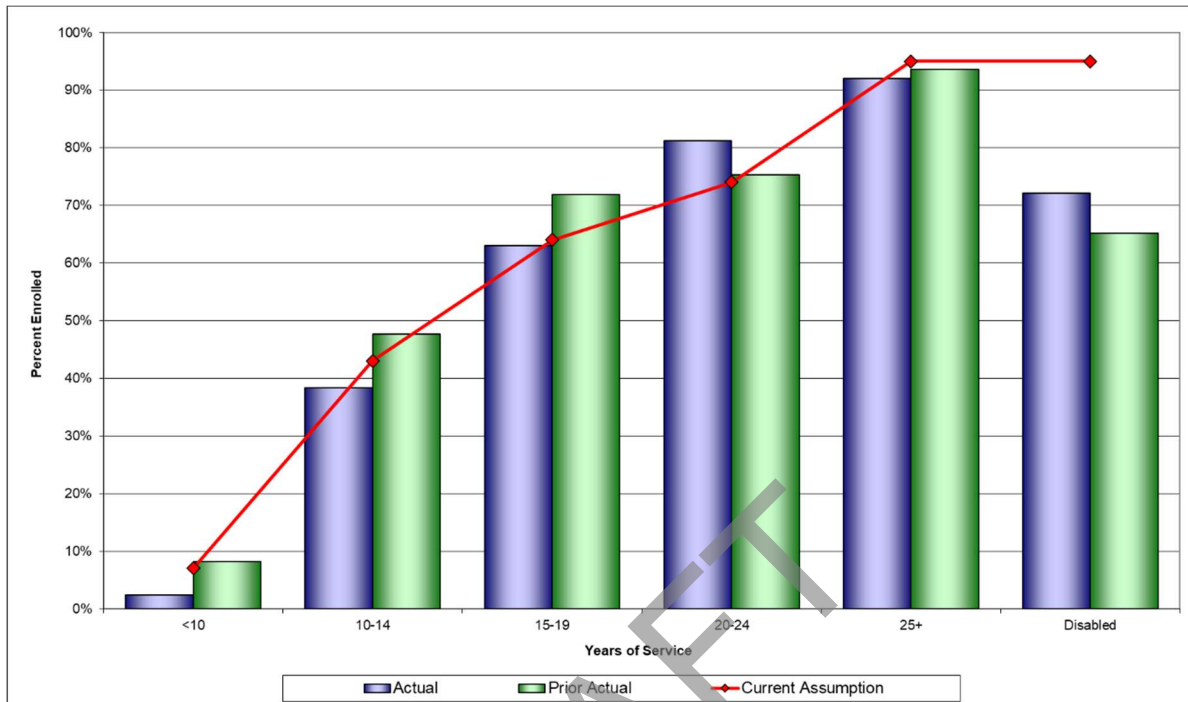
Due to lack of credible experience with respect to Tier 2 enrollees, we recommend the same initial enrollment assumptions for Tier 1 and Tier 2 enrollees. We will monitor Tier 2 as experience develops.

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



All Enrollees	Current Assumption	Actual
Total Count	3,585	3,508
Actual / Expected	98%	

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



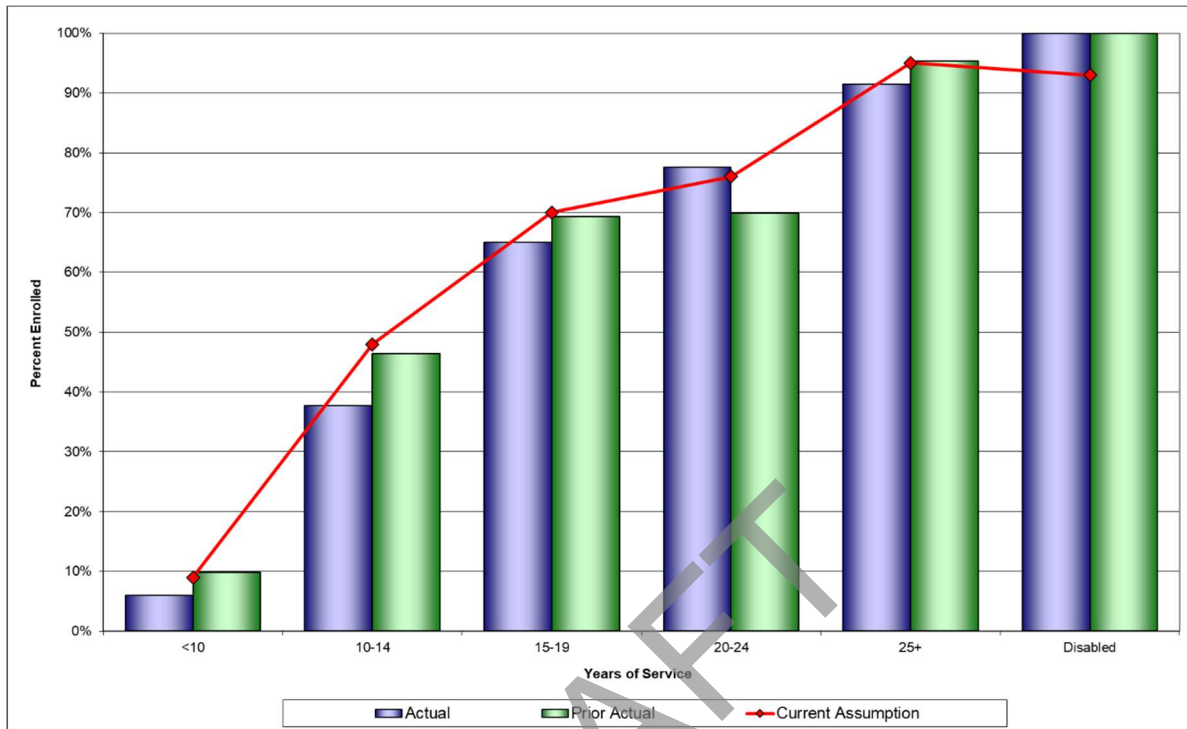
All Enrollees	Current Assumption	Actual
Total Count	4,859	4,728
Actual / Expected	97%	

Exhibit 3-3
Initial Medical Enrollment – Males and Females



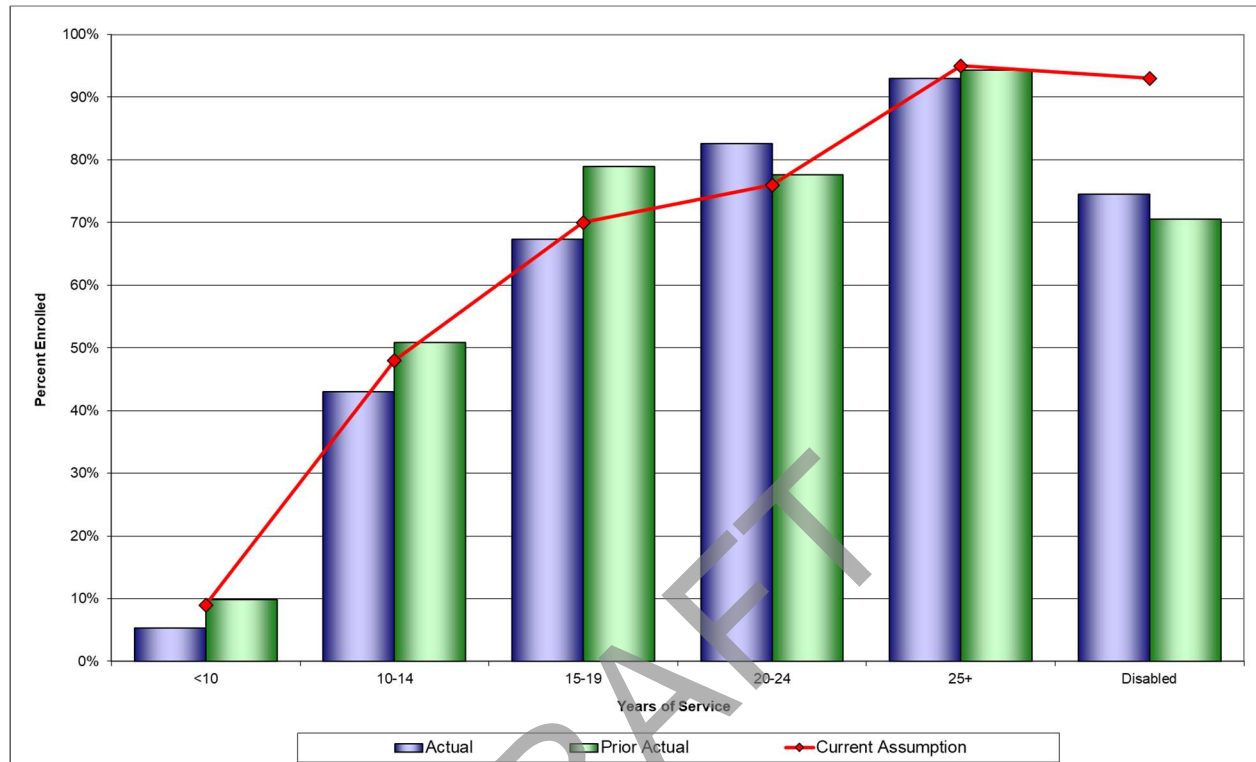
All Enrollees	Current Assumption	Actual	Proposed Assumption
Total Count	8,444	8,236	8,419
Actual / Expected	98%		98%

Exhibit 3-4
Initial Dental/Vision Enrollment – Males



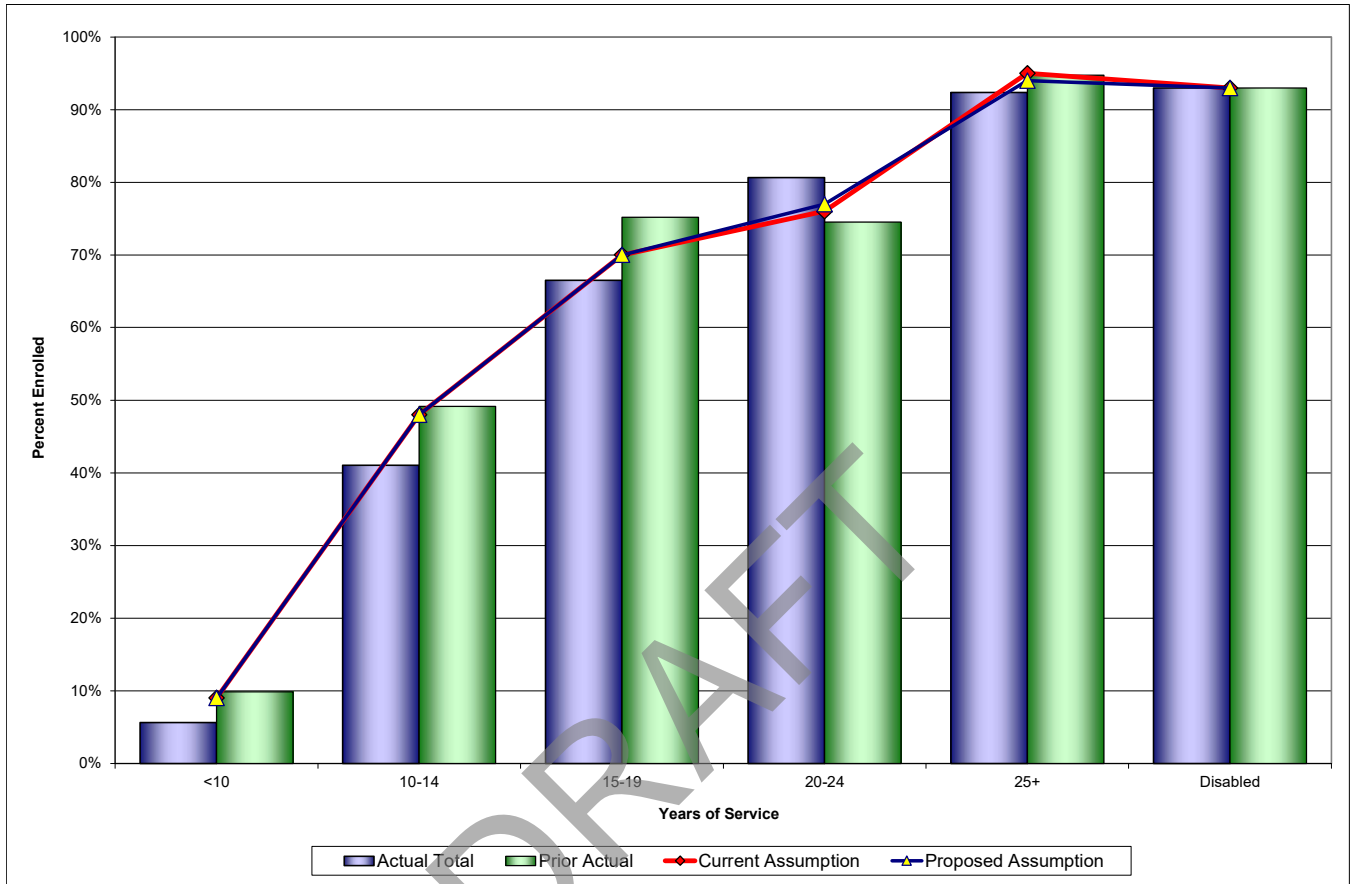
All Enrollees	Current Assumption	Actual
Total Count	3,625	3,522
Actual / Expected	97%	

Exhibit 3-5
Initial Dental/Vision Enrollment – Females



All Enrollees	Current Assumption	Actual
Total Count	4,939	4,833
Actual / Expected	98%	

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



All Enrollees	Current Assumption	Actual	Proposed Assumption
Total Count	8,564	8,355	8,515
Actual / Expected	98%		98%

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Section 4 Plan and Tier Selection



The plan and tier selection assumptions are used to model the range of possible selections for new enrollees. In our July 1, 2022 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 member's 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, on July 1, 2021, July 1, 2022, and July 1, 2023. 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.

Basing election assumptions on the initial elections of recent retiring members, rather than the average elections of the entire retiree group better reflects anticipated future enrollment. While people could change plans after enrollment, there is a low likelihood this would occur except at age 65.

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 Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	0.3%	0.3%	0.2%	0.8%	0.6%	0.6%
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	0.3%	0.3%	0.1%	0.8%	0.6%	0.6%
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	0.9%	0.9%	0.6%	1.4%	1.2%	1.2%
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children			0.1%	0.3%	0.1%	0.1%
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor						
211	Anthem Blue Cross I	Retiree Only	0.5%	0.5%	0.1%	0.7%	0.6%	0.6%
212	Anthem Blue Cross I	Retiree and Spouse			0.2%	1.4%	0.5%	0.5%
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.5%	0.5%	0.4%	1.4%	0.9%	0.9%
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	4.5%	4.5%	4.5%	5.0%	4.8%	4.8%
222	Anthem Blue Cross II	Retiree and Spouse	12.5%	12.5%	11.8%	10.4%	11.4%	11.4%
223	Anthem Blue Cross II	Retiree, Spouse and Children	14.9%	14.9%	16.9%	17.4%	17.2%	17.2%
224	Anthem Blue Cross II	Retiree and Children	1.5%	1.5%	1.9%	1.1%	1.3%	1.3%
225	Anthem Blue Cross II	Minor Survivor						
240	Anthem Blue Cross III	One Medicare			0.1%	0.1%		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			0.1%			
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare						
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare						
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%	0.1%	0.1%
248	Anthem Blue Cross III	Retiree and Family 2 Medicare						
249	Anthem Blue Cross III	Retiree and Family 2 Medicare						
250	Anthem Blue Cross III	Retiree and Family 3 Medicare						
301	Cigna Network Model Plan	Retiree Only	0.1%	0.1%		0.2%	0.1%	0.1%
302	Cigna Network Model Plan	Retiree and Spouse	0.2%	0.2%	0.1%	0.3%	0.2%	0.2%
303	Cigna Network Model Plan	Retiree and Family	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%
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)						
393	Kaiser (WA)	Retiree and Family						
394	Kaiser (WA)	Retiree and Family						
395	Kaiser (WA)	Retiree and Family						
396	Kaiser (WA)	Retiree and Family						
397	Kaiser (WA)	Retiree and Family						
398	Kaiser (WA)	Retiree and Family						
399	Kaiser (WA)	Retiree and Family						
400	Kaiser (WA)	Retiree and Family						
401	Kaiser (CA)	Retiree Basic (Under 65)	11.0%	11.0%	10.0%	9.8%	10.2%	10.2%
403	Kaiser (CA)	Retiree Risk (Senior Advantage)			0.2%	0.1%		
404	Kaiser (CA)	Retiree Excess I						
405	Kaiser (CA)	Retiree Excess II - Part B						
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)						
411	Kaiser (CA)	Family Basic	33.0%	33.0%	29.5%	27.4%	30.8%	30.8%
413	Kaiser (CA)	One Advantage, Others Basic			2.0%	1.7%		
414	Kaiser (CA)	One Excess I, Others Basic						
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						
422	Kaiser (CA)	One Excess II - Part B, One Basic			0.1%			
423	Kaiser (CA)	One Excess III (MNP), One Basic						
426	Kaiser (CA)	One Risk, One Excess II - Part B						
427	Kaiser (CA)	One Risk, One Excess III (MNP)						
428	Kaiser (CA)	One Excess I, One Excess II - Part B						
429	Kaiser (CA)	One Excess I, One Excess III (MNP)						
430	Kaiser (CA)	Two Excess II - Part B						
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)						
432	Kaiser (CA)	Two Excess III - Both (MNP)						

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

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic						
451	Kaiser - Colorado	Retiree Risk						
453	Kaiser - Colorado	Retiree Basic (Two Party)			0.1%	0.1%		
454	Kaiser - Colorado	Retiree Basic Family			0.1%			
455	Kaiser - Colorado	One Risk, One Basic						
457	Kaiser - Colorado	Two Retiree Risk						
458	Kaiser - Colorado	One Risk, Two or More Dependents						
459	Kaiser - Colorado	Two Risk, Two or More Dependents						
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 + One Medicare with Part B only						
445	Kaiser - Georgia	One Medicare + One Medicare with Part A only						
446	Kaiser - Georgia	One Medicare + One Medicare without Part A&B						
461	Kaiser - Georgia Basic	Basic						
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)			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)						
486	Kaiser - Oregon	One Retiree Risk, One Basic						
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						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)						
620	SCAN Health Plan (AZ)	Arizona - Retiree Only						
621	SCAN Health Plan (AZ)	Arizona - Retiree & 1 Dependent (2 Medicare)						
622	SCAN Health Plan (NV)	Nevada - Retiree Only						
623	SCAN Health Plan (NV)	Nevada - Retiree & 1 Dependent (2 Medicare)						
701	United Healthcare Medicare Advantage	Retiree Only						
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	0.6%	0.6%	0.6%	0.4%	0.5%	0.5%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)						
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)	0.1%	0.1%	0.3%			
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)						
706	United Healthcare Medicare Advantage	Minor Survivor						
707	United Healthcare	Single	3.5%	3.5%	3.5%	4.3%	3.8%	3.8%
708	United Healthcare	Two-Party	7.0%	7.0%	6.3%	6.1%	6.7%	6.7%
709	United Healthcare	Family	8.5%	8.5%	9.5%	8.2%	8.3%	8.3%
Total			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	80.1%	80.1%	81.3%	78.9%	79.9%	79.9%
Total New Enrollees			1,920	2,051		

* May not total to 100% due to rounding.

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

Firefighters Local 1014 Retirees			Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
Deduction Code	Plan	Tier						
801	Firefighters Local 1014	Med-Member under 65	6.5%	6.5%	5.9%	7.8%	7.2%	7.2%
802	Firefighters Local 1014	Med-Member +1 under 65	35.0%	35.0%	30.9%	27.0%	30.8%	30.8%
803	Firefighters Local 1014	Med-Member +2 under 65	58.5%	58.5%	62.9%	65.2%	62.0%	62.0%
804	Firefighters Local 1014	Med-Member with Medicare						
805	Firefighters Local 1014	Med-Member +1; 1 MDC			0.3%			
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%	100.0%
Probability of enrolling at least one dependent			93.5%	93.5%	94.1%	92.2%	92.8%	92.8%
Total New Enrollees					304	337		

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

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	0.1%	0.1%	0.1%	0.5%	0.3%	0.3%
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	0.1%	0.1%	0.1%	0.4%	0.3%	0.3%
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor						
211	Anthem Blue Cross I	Retiree Only	0.4%	0.4%	0.3%	1.0%	0.7%	0.7%
212	Anthem Blue Cross I	Retiree and Spouse	0.3%	0.3%	0.3%	0.6%	0.5%	0.5%
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%
214	Anthem Blue Cross I	Retiree and Children	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
215	Anthem Blue Cross I	Minor Survivor						
221	Anthem Blue Cross II	Retiree Only	7.7%	7.7%	7.8%	8.4%	8.1%	8.1%
222	Anthem Blue Cross II	Retiree and Spouse	7.0%	7.0%	7.4%	5.2%	6.1%	6.1%
223	Anthem Blue Cross II	Retiree, Spouse and Children	3.0%	3.0%	3.5%	2.7%	2.8%	2.8%
224	Anthem Blue Cross II	Retiree and Children	1.3%	1.3%	1.2%	1.7%	1.5%	1.5%
225	Anthem Blue Cross II	Minor Survivor						
240	Anthem Blue Cross III	One Medicare	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	0.1%	0.1%	0.1%		0.1%	0.1%
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare						
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare	0.2%	0.2%	0.3%		0.1%	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	0.3%	0.3%	0.4%	0.5%	0.4%	0.4%
248	Anthem Blue Cross III	Retiree and Family 2 Medicare						
249	Anthem Blue Cross III	Retiree and Family 2 Medicare						
250	Anthem Blue Cross III	Retiree and Family 3 Medicare						
301	Cigna Network Model Plan	Retiree Only						
302	Cigna Network Model Plan	Retiree and Spouse						
303	Cigna Network Model Plan	Retiree and Family						
304	Cigna Network Model Plan	Retiree and Children				0.1%		
305	Cigna Network Model Plan	Minor Survivor						
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only						
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse						
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)						
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children						
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)						
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)						
393	Kaiser (WA)	Retiree and Family				0.1%		
394	Kaiser (WA)	Retiree and Family						
395	Kaiser (WA)	Retiree and Family						
396	Kaiser (WA)	Retiree and Family						
397	Kaiser (WA)	Retiree and Family						
398	Kaiser (WA)	Retiree and Family						
399	Kaiser (WA)	Retiree and Family						
400	Kaiser (WA)	Retiree and Family						
401	Kaiser (CA)	Retiree Basic (Under 65)	26.2%	26.2%	24.8%	26.3%	26.3%	26.3%
403	Kaiser (CA)	Retiree Risk (Senior Advantage)	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
404	Kaiser (CA)	Retiree Excess I						
405	Kaiser (CA)	Retiree Excess II - Part B				0.1%		
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)						
411	Kaiser (CA)	Family Basic	32.0%	32.0%	23.7%	22.9%	31.1%	31.1%
413	Kaiser (CA)	One Advantage, Others Basic			8.2%	7.5%		
414	Kaiser (CA)	One Excess I, Others Basic			0.1%			
418	Kaiser (CA)	Two+ Advantage			0.2%	0.3%		
419	Kaiser (CA)	One Excess I, One Advantage						
420	Kaiser (CA)	Two+ Excess I						
421	Kaiser (CA)	Survivor						
422	Kaiser (CA)	One Excess II - Part B, One Basic			0.2%			
423	Kaiser (CA)	One Excess III (MNP), One Basic						
426	Kaiser (CA)	One Risk, One Excess II - Part B						
427	Kaiser (CA)	One Risk, One Excess III (MNP)						
428	Kaiser (CA)	One Excess I, One Excess II - Part B						
429	Kaiser (CA)	One Excess I, One Excess III (MNP)						
430	Kaiser (CA)	Two Excess II - Part B						
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)						
432	Kaiser (CA)	Two Excess III - Both (MNP)						

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

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic			0.1%	0.1%		
451	Kaiser - Colorado	Retiree Risk						
453	Kaiser - Colorado	Retiree Basic (Two Party)						
454	Kaiser - Colorado	Retiree Basic Family						
455	Kaiser - Colorado	One Risk, One Basic						
457	Kaiser - Colorado	Two Retiree Risk						
458	Kaiser - Colorado	One Risk, Two or More Dependents						
459	Kaiser - Colorado	Two Risk, Two or More Dependents						
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 + One Medicare with Part B only						
445	Kaiser - Georgia	One Medicare + One Medicare with Part A only						
446	Kaiser - Georgia	One Medicare + One Medicare without Part A&B						
461	Kaiser - Georgia Basic	Basic			0.1%	0.1%		
462	Kaiser - Georgia	Retiree Risk						
463	Kaiser - Georgia	Retiree (Two Party)						
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)				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)						
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)						
486	Kaiser - Oregon	One Retiree Risk, One Basic						
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						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)						
620	SCAN Health Plan (AZ)	Arizona - Retiree Only						
621	SCAN Health Plan (AZ)	Arizona - Retiree & 1 Dependent (2 Medicare)						
622	SCAN Health Plan (NV)	Nevada - Retiree Only						
623	SCAN Health Plan (NV)	Nevada - Retiree & 1 Dependent (2 Medicare)						
701	United Healthcare Medicare Advantage	Retiree Only	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	2.0%	2.0%	1.9%	2.5%	2.3%	2.3%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			0.1%			
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)	0.5%	0.5%	0.4%	0.5%	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	8.6%	8.6%	8.1%	8.3%	8.5%	8.5%
708	United Healthcare	Two-Party	5.5%	5.5%	5.6%	5.4%	5.5%	5.5%
709	United Healthcare	Family	2.7%	2.7%	3.1%	2.8%	2.8%	2.8%
Total			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	55.5%	55.5%	57.2%	54.1%	54.8%	54.8%
Total New Enrollees			2,082	2,355		

* May not total to 100% due to rounding.

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

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	Firefighters Local 1014	Med-Member under 65	6.5%	6.5%	60.0%	41.7%	7.2%	7.2%
802	Firefighters Local 1014	Med-Member +1 under 65	35.0%	35.0%		16.7%	30.8%	30.8%
803	Firefighters Local 1014	Med-Member +2 under 65	58.5%	58.5%	40.0%	41.7%	62.0%	62.0%
804	Firefighters Local 1014	Med-Member with Medicare						
805	Firefighters Local 1014	Med-Member +1; 1 MDC						
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%	100.0%

Probability of enrolling at least one dependent	93.5%	93.5%	40.0%	58.3%	92.8%	92.8%
Total New Enrollees			5	13		

* May not total to 100% due to rounding.

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

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only				0.3%	0.2%	
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse			0.1%	0.3%	0.2%	
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	0.3%		0.1%	0.3%	0.3%	
212	Anthem Blue Cross I	Retiree and Spouse				0.6%	0.3%	
213	Anthem Blue Cross I	Retiree, Spouse and Children			0.1%			
214	Anthem Blue Cross I	Retiree and Children						
215	Anthem Blue Cross I	Minor Survivor						
221	Anthem Blue Cross II	Retiree Only	0.8%		0.6%	1.3%	1.1%	
222	Anthem Blue Cross II	Retiree and Spouse	2.3%		2.0%	2.3%	2.3%	
223	Anthem Blue Cross II	Retiree, Spouse and Children	0.8%		0.6%	1.0%	0.9%	
224	Anthem Blue Cross II	Retiree and Children	0.3%		0.1%		0.2%	
225	Anthem Blue Cross II	Minor Survivor						
240	Anthem Blue Cross III	One Medicare	7.1%	8.2%	7.3%	7.5%	7.3%	8.9%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	0.2%	0.2%	0.3%	0.5%	0.4%	0.4%
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	5.5%	7.8%	5.6%	3.5%	4.5%	7.3%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare	7.1%	7.1%	7.3%	8.4%	7.9%	7.9%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare						
245	Anthem Blue Cross III	Retiree and Children 1 Medicare	0.4%	0.7%	0.3%	0.1%	0.3%	0.5%
246	Anthem Blue Cross III	Retiree and Family 1 Medicare						
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	1.3%	2.1%	1.7%	1.2%	1.3%	2.2%
248	Anthem Blue Cross III	Retiree and Family 2 Medicare			0.1%			
249	Anthem Blue Cross III	Retiree and Family 2 Medicare	0.6%	0.6%	0.7%		0.3%	0.3%
250	Anthem Blue Cross III	Retiree and Family 3 Medicare	0.3%	0.3%	0.1%		0.2%	0.2%
301	Cigna Network Model Plan	Retiree Only			0.1%	0.4%	0.2%	0.2%
302	Cigna Network Model Plan	Retiree and Spouse				0.2%	0.1%	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)						
393	Kaiser (WA)	Retiree and Family						
394	Kaiser (WA)	Retiree and Family						
395	Kaiser (WA)	Retiree and Family						
396	Kaiser (WA)	Retiree and Family				0.1%		
397	Kaiser (WA)	Retiree and Family						
398	Kaiser (WA)	Retiree and Family						
399	Kaiser (WA)	Retiree and Family						
400	Kaiser (WA)	Retiree and Family						
401	Kaiser (CA)	Retiree Basic (Under 65)			1.4%	1.9%		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)	18.0%	19.7%	16.5%	15.6%	17.4%	19.0%
404	Kaiser (CA)	Retiree Excess I	0.4%		0.4%		0.2%	
405	Kaiser (CA)	Retiree Excess II - Part B	1.3%		1.6%	1.4%	1.4%	
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)			0.1%			
411	Kaiser (CA)	Family Basic			2.2%	1.7%		
413	Kaiser (CA)	One Advantage, Others Basic	20.8%	22.6%	18.3%	17.3%	19.5%	21.1%
414	Kaiser (CA)	One Excess I, Others Basic	0.5%		0.2%		0.3%	
418	Kaiser (CA)	Two+ Advantage	15.9%	16.1%	15.8%	16.2%	16.2%	16.6%
419	Kaiser (CA)	One Excess I, One Advantage			0.3%		0.1%	
420	Kaiser (CA)	Two+ Excess I						
421	Kaiser (CA)	Survivor						
422	Kaiser (CA)	One Excess II - Part B, One Basic	1.2%		1.3%	1.3%	1.3%	
423	Kaiser (CA)	One Excess III (MNP), One Basic						
426	Kaiser (CA)	One Risk, One Excess II - Part B				0.1%	0.1%	
427	Kaiser (CA)	One Risk, One Excess III (MNP)						
428	Kaiser (CA)	One Excess I, One Excess III (MNP)						
429	Kaiser (CA)	One Excess I, One Excess II (MNP)						
430	Kaiser (CA)	Two Excess II - Part B						
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)	0.1%		0.2%	0.3%	0.2%	
432	Kaiser (CA)	Two Excess III - Both (MNP)						

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

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic						
451	Kaiser - Colorado	Retiree Risk						
453	Kaiser - Colorado	Retiree Basic (Two Party)						
454	Kaiser - Colorado	Retiree Basic Family						
455	Kaiser - Colorado	One Risk, One Basic						
457	Kaiser - Colorado	Two Retiree Risk						
458	Kaiser - Colorado	One Risk, Two or More Dependents						
459	Kaiser - Colorado	Two Risk, Two or More Dependents						
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 + One Medicare with Part B only						
445	Kaiser - Georgia	One Medicare + One Medicare with Part A only						
446	Kaiser - Georgia	One Medicare + 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			0.1%			
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)				0.2%		
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						
488	Kaiser - Oregon	Two Retiree Risk				0.1%		
489	Kaiser - Oregon	Retiree w/ Part A only						
490	Kaiser - Oregon	Retiree w/ Part B only						
491	Kaiser - Oregon	One Risk, One Medicare Part A only						
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare						
493	Kaiser - Oregon	One Risk, Two Basic						
494	Kaiser - Oregon	Two Risk, One Basic						
495	Kaiser - Oregon	Two Over 65 unassigned Medicare						
496	Kaiser - Oregon	Two Medicare Part A only						
497	Kaiser - Oregon	One Basic, One Medicare Part A only						
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B						
611	SCAN Health Plan	Retiree Only	0.5%	0.5%	0.5%	0.3%	0.4%	0.4%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
620	SCAN Health Plan (AZ)	Arizona - Retiree Only						
621	SCAN Health Plan (AZ)	Arizona - Retiree & 1 Dependent (2 Medicare)						
622	SCAN Health Plan (NV)	Nevada - Retiree Only						
623	SCAN Health Plan (NV)	Nevada - Retiree & 1 Dependent (2 Medicare)						
701	United Healthcare Medicare Advantage	Retiree Only	3.8%	3.8%	3.6%	4.4%	4.2%	4.2%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	3.9%	3.9%	3.2%	3.8%	3.9%	3.9%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)	3.7%	3.7%	4.2%	4.9%	4.4%	4.4%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)	1.7%	1.7%	1.9%	1.5%	1.6%	1.6%
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)	0.5%	0.5%	0.4%	0.1%	0.3%	0.3%
706	United Healthcare Medicare Advantage	Minor Survivor						
707	United Healthcare	Single				0.1%		
708	United Healthcare	Two-Party			0.1%	0.2%		
709	United Healthcare	Family				0.1%		
Total			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	67.8%	67.8%	67.8%	66.1%	67.3%	67.3%
Total New Enrollees			1,108	1,107		

* May not total to 100% due to rounding.

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

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
801	Firefighters Local 1014	Med-Member under 65			16.7%			
802	Firefighters Local 1014	Med-Member +1 under 65				7.7%		
803	Firefighters Local 1014	Med-Member +2 under 65						
804	Firefighters Local 1014	Med-Member with Medicare	12.0%	12.0%			6.0%	6.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC			16.7%	30.8%		
806	Firefighters Local 1014	Med-Member +1; 2 MDC	28.0%	28.0%		23.1%	44.0%	44.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC			50.0%	38.5%		
808	Firefighters Local 1014	Med-Member +2; 2 MDC	60.0%	60.0%	16.7%		50.0%	50.0%
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%	100.1%	100.1%	100.0%	100.0%
Probability of enrolling at least one dependent			88.0%	88.0%	83.4%	100.1%	94.0%	94.0%
Total New Enrollees					6	13		

* May not total to 100% due to rounding.

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

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
201	Anthem Blue Cross Prudent Buyer Plan	Retiree Only			0.1%	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						
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%		0.4%	0.8%	0.5%	
212	Anthem Blue Cross I	Retiree and Spouse				0.3%	0.1%	
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	1.3%		1.2%	1.6%	1.5%	
222	Anthem Blue Cross II	Retiree and Spouse	0.9%		0.6%	0.6%	0.7%	
223	Anthem Blue Cross II	Retiree, Spouse and Children			0.2%	0.1%		
224	Anthem Blue Cross II	Retiree and Children				0.1%	0.1%	
225	Anthem Blue Cross II	Minor Survivor						
240	Anthem Blue Cross III	One Medicare	11.5%	13.0%	11.5%	11.1%	11.3%	13.5%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			0.3%	0.2%		
242	Anthem Blue Cross III	Retiree and Spouse 2 Medicare	1.0%	1.9%	1.0%	1.4%	1.2%	2.1%
243	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	5.1%	5.1%	5.7%	5.7%	5.4%	5.4%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare				0.2%	0.1%	0.2%
245	Anthem Blue Cross III	Retiree and Children 2 Medicare	0.1%	0.1%	0.3%	0.2%	0.2%	0.2%
246	Anthem Blue Cross III	Retiree and Family 1 Medicare						
247	Anthem Blue Cross III	Retiree and Family 2 Medicare	0.1%	0.1%	0.2%	0.3%	0.2%	0.2%
248	Anthem Blue Cross III	Retiree and Family 3 Medicare						
249	Anthem Blue Cross III	Retiree and Family 4 Medicare	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
250	Anthem Blue Cross III	Retiree and Family 5 Medicare						
301	Cigna Network Model Plan	Retiree Only				0.1%	0.1%	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)						
393	Kaiser (WA)	Retiree and Family						
394	Kaiser (WA)	Retiree and Family						
395	Kaiser (WA)	Retiree and Family						
396	Kaiser (WA)	Retiree and Family						
397	Kaiser (WA)	Retiree and Family						
398	Kaiser (WA)	Retiree and Family						
399	Kaiser (WA)	Retiree and Family						
400	Kaiser (WA)	Retiree and Family						
401	Kaiser (CA)	Retiree Basic (Under 65)			2.7%	3.0%		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)	38.2%	41.7%	33.3%	32.3%	36.0%	40.2%
404	Kaiser (CA)	Retiree Excess I	1.0%		0.9%		0.8%	
405	Kaiser (CA)	Retiree Excess II - Part B	2.5%		3.5%	4.0%	3.4%	
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)						
411	Kaiser (CA)	Family Basic			0.8%	0.7%		
413	Kaiser (CA)	One Advantage, Others Basic	5.0%	5.5%	5.0%	4.2%	4.8%	5.3%
414	Kaiser (CA)	One Excess I, Others Basic			0.1%			
418	Kaiser (CA)	Two+ Advantage	16.5%	16.9%	16.0%	14.9%	15.9%	16.4%
419	Kaiser (CA)	One Excess I, One Advantage			0.2%			
420	Kaiser (CA)	Two+ Excess I						
421	Kaiser (CA)	Survivor						
422	Kaiser (CA)	One Excess II - Part B, One Basic	0.5%		0.3%	0.4%	0.5%	
423	Kaiser (CA)	One Excess III (MNP), One Basic						
426	Kaiser (CA)	One Risk, One Excess II - Part B	0.4%		0.2%	0.3%	0.4%	
427	Kaiser (CA)	One Risk, One Excess III (MNP)						
428	Kaiser (CA)	One Excess I, One Excess II - Part B			0.1%			
429	Kaiser (CA)	One Excess I, One Excess III (MNP)						
430	Kaiser (CA)	Two Excess II - Part B				0.1%	0.1%	
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)						
432	Kaiser (CA)	Two Excess III - Both (MNP)						

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

Non Local 1014 Firefighters Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	Prior Actual *	Actual *	Proposed Assumption Tier 1	Proposed Assumption Tier 2
450	Kaiser - Colorado Basic	Retiree Basic						
451	Kaiser - Colorado	Retiree Risk						
453	Kaiser - Colorado	Retiree Basic (Two Party)						
454	Kaiser - Colorado	Retiree Basic Family						
455	Kaiser - Colorado	One Risk, One Basic						
457	Kaiser - Colorado	Two Retiree Risk						
458	Kaiser - Colorado	One Risk, Two or More Dependents						
459	Kaiser - Colorado	Two Risk, Two or More Dependents						
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 + One Medicare with Part B only						
445	Kaiser - Georgia	One Medicare + One Medicare with Part A only						
446	Kaiser - Georgia	One Medicare + One Medicare without Part A&B						
461	Kaiser - Georgia Basic	Basic						
462	Kaiser - Georgia	Retiree Risk			0.1%	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						
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	0.8%	0.8%	0.6%	0.8%	0.8%	0.8%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%
620	SCAN Health Plan (AZ)	Arizona - Retiree Only						
621	SCAN Health Plan (AZ)	Arizona - Retiree & 1 Dependent (2 Medicare)						
622	SCAN Health Plan (NV)	Nevada - Retiree Only						
623	SCAN Health Plan (NV)	Nevada - Retiree & 1 Dependent (2 Medicare)						
701	United Healthcare Medicare Advantage	Retiree Only	9.2%	9.2%	8.8%	8.7%	9.0%	9.0%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	1.0%	1.0%	0.9%	1.1%	1.1%	1.1%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)	4.1%	4.1%	4.1%	4.7%	4.4%	4.4%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)	0.1%	0.1%	0.2%	0.4%	0.3%	0.3%
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)			0.1%	0.3%	0.2%	0.2%
706	United Healthcare Medicare Advantage	Minor Survivor						
707	United Healthcare	Single				0.2%		
708	United Healthcare	Two-Party				0.1%		
709	United Healthcare	Family						
Total			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent	35.3%	35.3%	36.8%	37.1%	36.5%	36.4%
Total New Enrollees			2,167	2,359		

* May not total to 100% due to rounding.

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

Firefighters Local 1014 Retirees

Deduction Code	Plan	Tier	Current Assumption Tier 1	Current Assumption Tier 2	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	12.0%	12.0%			6.0%	6.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC						
806	Firefighters Local 1014	Med-Member +1; 2 MDC	28.0%	28.0%		100.0%	44.0%	44.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC						
808	Firefighters Local 1014	Med-Member +2; 2 MDC	60.0%	60.0%			50.0%	50.0%
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%	0.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			88.0%	88.0%	0.0%	100.0%	94.0%	94.0%
Total New Enrollees					0	1		

* May not total to 100% due to rounding.

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**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	18.5%	70.5%	0.0%	3.0%	8.0%	0.0%
Females	45.0%	42.7%	0.0%	7.5%	4.8%	0.0%

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	621	2,425	0	101	264	0
Percentage	18.2%	71.1%	0.0%	3.0%	7.7%	0.0%
Female						
Count	1,940	1,918	0	298	197	0
Percentage	44.7%	44.0%	0.0%	6.8%	4.5%	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	567	2,099	0	244	632	0
Percentage	16.0%	59.3%	0.0%	6.9%	17.8%	0.0%
Female						
Count	1,856	1,790	0	706	509	0
Percentage	38.2%	36.8%	0.0%	14.5%	10.5%	0.0%

Proposed Assumption Percentage:

Tier Deduction Code	Cigna Indemnity Dental/Vision			Cigna HMO Dental/Vision		
	Retiree Only	Retiree and Dependents	Survivor	Retiree Only	Retiree and Dependents	Survivor
	501	502	503	901	902	903
Male	17.3%	64.9%	0.0%	4.9%	12.9%	0.0%
Female	41.6%	39.8%	0.0%	11.0%	7.6%	0.0%

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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, 2023 with those expected to retire according to the actuarial assumptions used in our 2022 OPEB valuation.

Assumption Format

- 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 and G, General Plan E, and the Safety Plans A-C, due to different retirement eligibility provisions.

Results and Recommendations

Over the five-year period ended June 30, 2023, retirements from vested terminated status were generally 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 without the certain retirement age which are presented by age on Exhibits 5-1, 5-2, and 5-3.

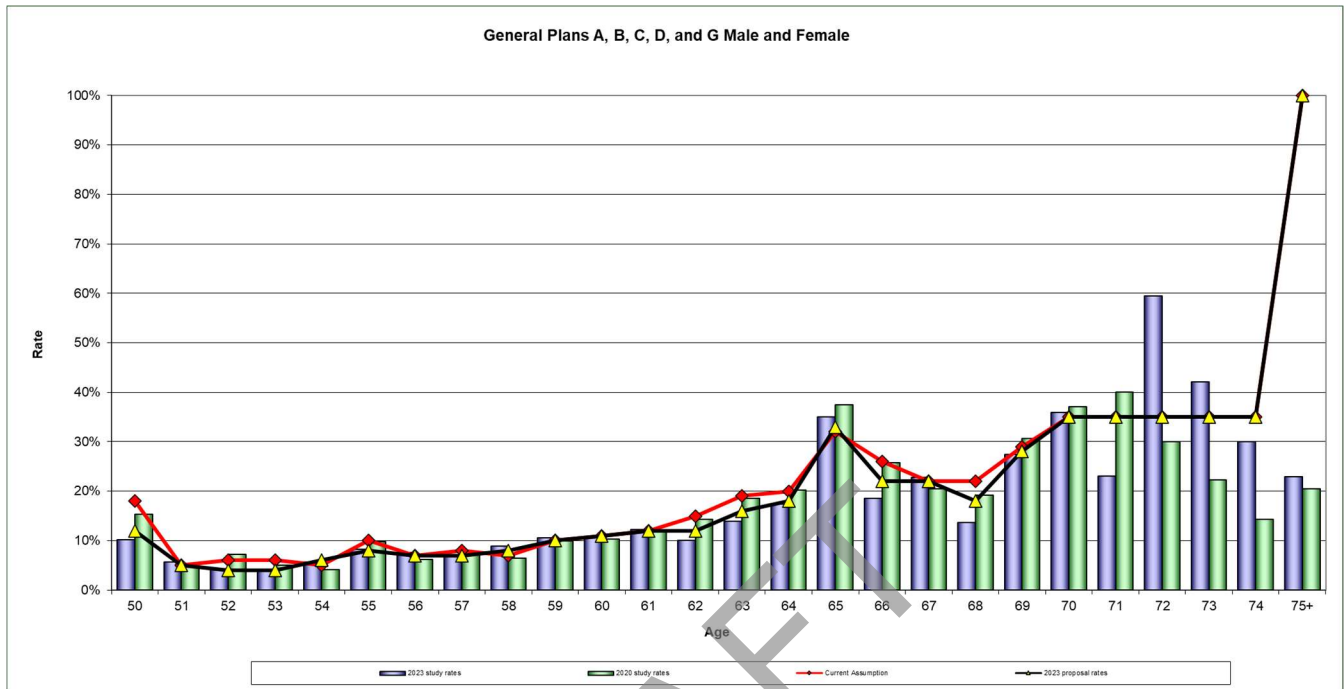
We recommend these assumptions be the same for Tier 1 and Tier 2.

Retirement of Vested Terminated Members

Class of Members	Number of Retirements				Actual / Expected	
	Current Assumption	Prior Actual	Actual	Proposed	Current	Proposed
General A,B,C,D,G	1,166	726	985	1,009	84%	98%
General E	1,238	878	1,288	1,265	104%	102%
Safety A,B,C	134	84	106	110	79%	96%
Total	2,538	1,688	2,379	2,384	94%	100%

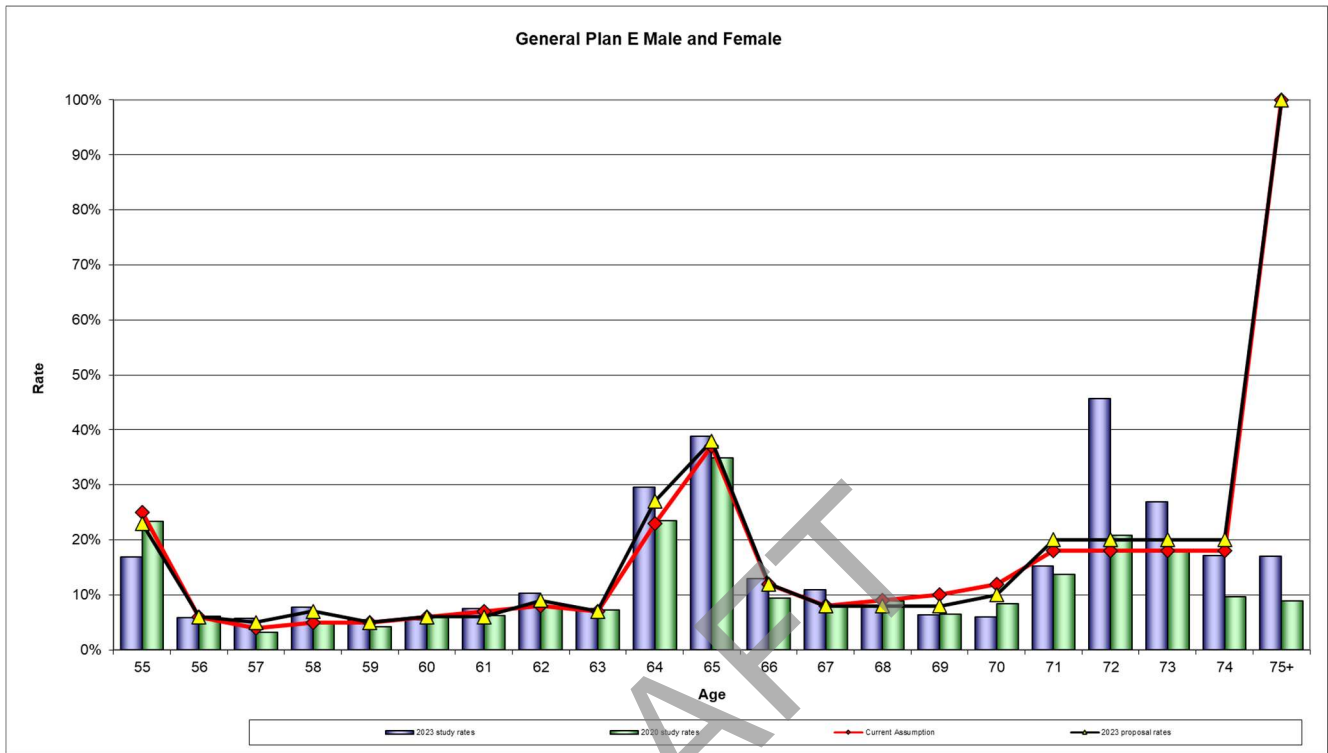
The charts in Exhibits 5-1, 5-2, and 5-3 include results for ages below the assumed certain retirement age, since a considerable number of vested terminated members retire later than that.

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



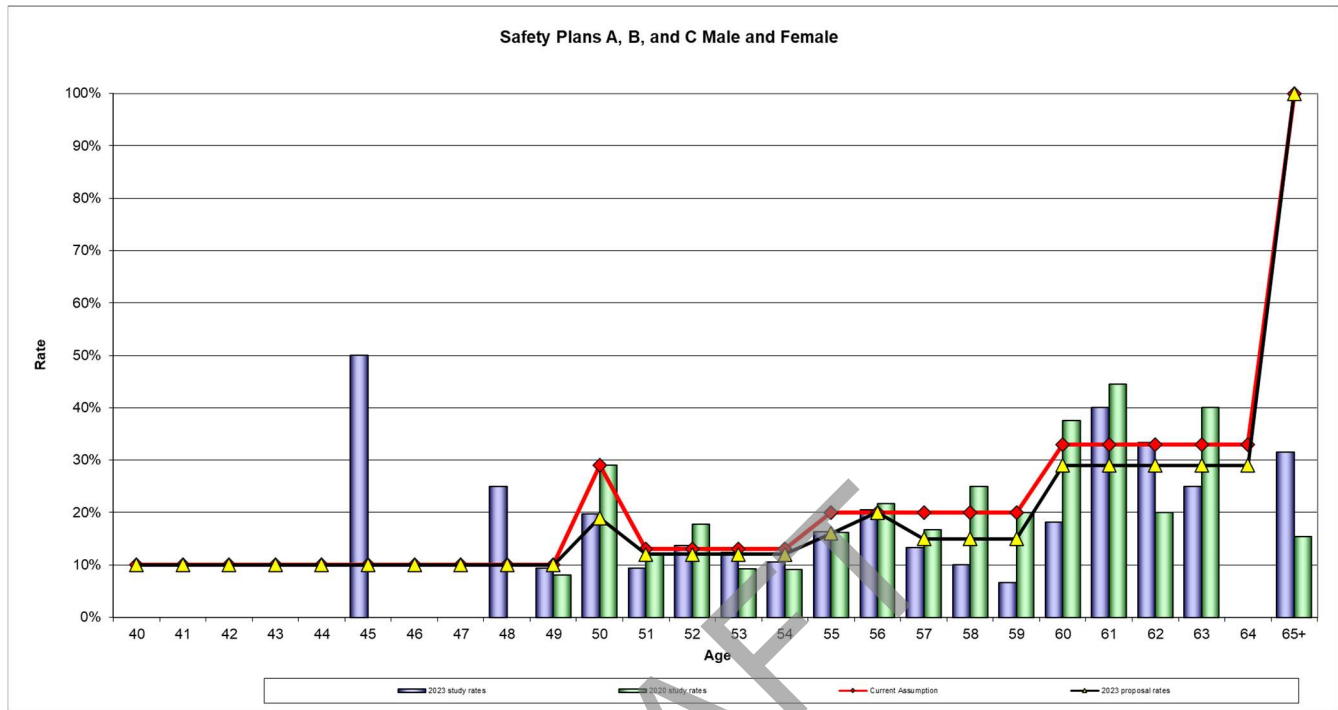
All Eligible VTs	Current Assumption	Prior Actual	Actual	2023 Proposal
Total Count	1,227	736	999	1,070
Actual / Expected	81%			93%
Total Count w/o 75+	1,166	726	985	1,009
Actual / Expected w/o 75+	84%			98%

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



All Eligible VTs	Current Assumption	Prior Actual	Actual	2023 Proposal
Total Count	1,450	888	1,324	1,477
Actual / Expected	91%			90%
Total Count w/o 75+	1,238	878	1,288	1,265
Actual / Expected w/o 75+	104%			102%

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



All Eligible VTs	Current Assumption	Prior Actual	Actual	2023 Proposal
Total Count	153	86	112	129
Actual / Expected	73%			87%
Total Count w/o 65+	134	84	106	110
Actual / Expected w/o 65+	79%			96%
Total Count 50 - 65	129	81	100	101
Actual / Expected 50 - 65	78%			99%

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, 2022 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 (6 years)

The table below shows the results by group based on the July 1, 2021, 2022, and 2023 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	17,711	4.5 years	9,799	1.3 years
Recent Retirees	4,121	3.5 Years	3,195	1.4 years
Actual Experience				
All Retirees	18,316	4.1 years	10,780	1.4 years
Recent Retirees	4,429	3.2 years	3,472	1.6 years
Recommended Assumption (Tier 1 and Tier 2)		4.0 years		1.0 year

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

Our July 1, 2022 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, 2021, 2022, and 2023 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, 2022 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

Our previous 2020 OPEB Investigation of Experience Study had 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	2020 Spouse/Domestic Partner Enrollment	2020 Dependent Enrollment
Scenario 1		
Recommended Assumption	1.0%	2.5%
Scenario 2		
Recommended Assumption	2.0%	2.5%

The impact on the July 1, 2022 OPEB valuation of including these assumptions was as follows:

- Active and Vested Terminated Members 0.38%
- Retired members 0.52%

Since these percentages are small, we have decided to not investigate these assumptions in this 2023 OPEB Experience Study. Rather than use our remarriage valuation coding, we will apply these loads to our valuation results. We will periodically review this assumption in future OPEB Experience Studies.

This is consistent with ASOP 35 Sections 3.10.1 and 3.10.2 noting that there should be considerations of the balance between refined assumptions and materiality. In particular, more refined assumptions are not needed when their use is not expected to produce materially different results.

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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. The salary increase assumptions and inflation are included in the retirement benefit experience studies. These assumptions are used for both the retirement benefits funding valuation and the OPEB funding valuation. There is not a separate OPEB study of the salary increase and inflation assumptions.

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 2022 Investigation of Experience for Retirement Benefit Assumptions dated January 6, 2023.

The change from cost sharing to agent was 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 agents that are 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 the OPEB Trust for the purposes of prefunding future OPEB costs. The expected investment return on the OPEB Trust is based on the OPEB Trust asset allocation approved in the April 10, 2024 Board of Investments meeting.

The investment return assumption for agents that have been prefunding the OPEB Trust have been rounded to the nearest 0.25% since 2014 which was the initial valuation with OPEB Trust assets. The LACERA retirement investment return assumption has also been rounded to the nearest 0.25%. We will continue with this rounding approach for agents that are prefunding through the OPEB Trust. Beginning with this 2023 OPEB Experience Study, we will also round the investment return assumption for agents that are not prefunding the OPEB trust to the nearest 0.25%. 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.

To estimate the expected investment return for the prefunding agents, we have looked at capital market assumptions from three sources: Milliman, Meketa (LACERA's external investment consultant), and a survey of other investment consulting firms (Horizon Survey of Capital Market Assumptions). We have combined these capital market assumptions with LACERA's target asset allocation. The target asset allocation is summarized in the following table:

Class	Target Allocation
Global Equity	40%
Private Equity	5%
High Yield Bonds	4%
Bank Loans	5%
Private Debt	7%
Short Term TIPs	4%
Core Private Real Estate	5%
Natural Resources (Private)	2%
Infrastructure (Core Private)	2%
Investment Grade Bonds	19%
Long-Term Government Bonds	5%
Cash Equivalents	2%

Combining the capital market assumptions with LACERA's target asset allocation policy, we calculated both the 10- and 20-year expected returns for each of the three sources. These expected returns have been reduced for administrative and investment expenses, as discussed later, and are the median expected return on a geometric basis for LACERA's assets. Meketa provided returns based on a three-year average of their 2022, 2023, and 2024 capital market assumptions. Milliman and Horizon's returns are based on a three year average of 2021, 2022, and 2023 capital market assumptions. 2024 Capital Market assumptions for Milliman and Horizon are not yet available. Note that we have included the associated three-year average inflation assumptions. A higher inflation will generally lead to a higher expected return.

2024 Beginning of Year	Meketa	Milliman	Horizon
Based on 10-Year Assumptions			
Median Annualized Return	6.5%	6.0%	6.0%
Assumed Inflation	2.5%	2.4%	2.4%
Based on 20-Year Assumptions			
Median Annualized Return	7.3%	6.5%	6.6%
Assumed Inflation	2.5%	2.3%	2.4%

Notes:

1. Returns are net of assumed expenses of 0.05% of assets.
2. The Horizon Survey reports a limited number of asset classes. In cases where there was not a corresponding asset class in the survey, Milliman's assumptions for the corresponding time horizon were used.
3. Horizon 10-year assumptions include some consultants with less than 10 years. Horizon 20-year assumptions include some consultants with more than 20 years and are based on a subgroup of less than half of the full group.

When actuaries recommend the investment return assumption, they generally consider the long-term time horizon. The OPEB Trust assets are currently increasing because benefits will not be paid out of the OPEB Trust until prefunding and benefit contributions reach the ADC. Additionally, more than half the value of accrued liabilities are expected to be paid in the next 15 years. So, we have considered the 10-year and 20-year time horizons in making our recommendation.

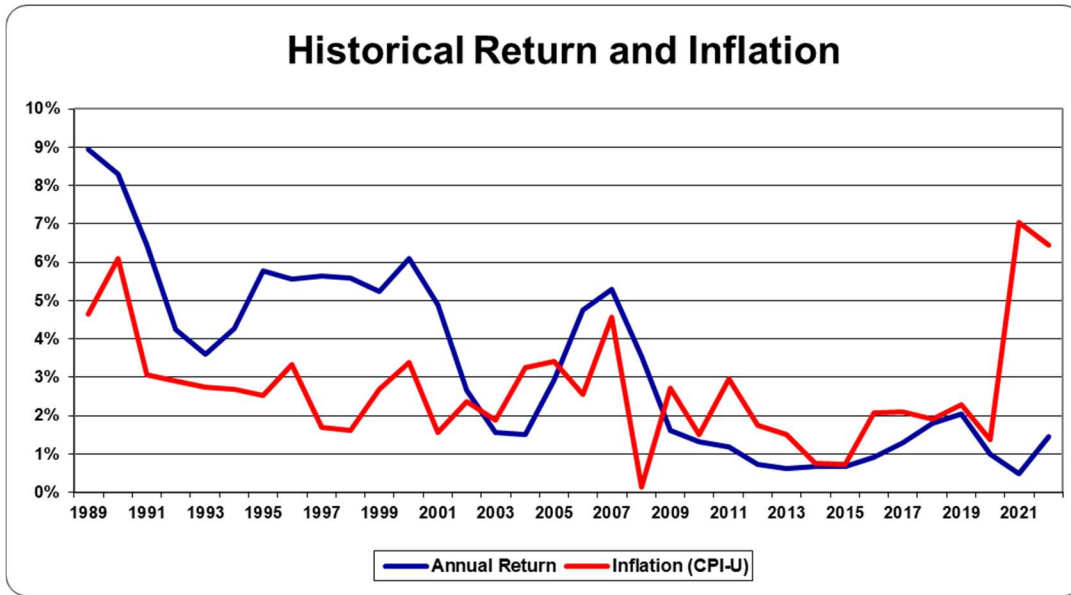
The real return is the investment return that can be achieved above national price inflation. For example, Milliman's 10-year expected return reflecting the capital market assumptions is 6.0% with an underlying price inflation assumption of 2.4%. Therefore, using a building block approach, the real return is 3.6% (6.0% less 2.4%). In theory, if actual inflation is consistent with the proposed assumption of 2.75%, the expected return would be 0.35% higher at 6.35% (3.6% real return plus 2.75% inflation). But if inflation is higher than the underlying assumption, there is generally an offsetting impact in the short-term as higher inflation typically results in lower fixed-income values. We have considered the difference in the inflation assumptions used in our analysis, but our primary consideration is on the nominal investment return when making our recommendations.

The investment return used for the valuation is assumed to be net of most administrative and investment-related expenses. Most asset classes in the Milliman capital market assumptions are effectively net of investment expenses. It is our understanding that this is also true for Meketa and the investment consultants included in the Horizon survey. Asset classes that are readily marketable, such as global equity and fixed income, do not reflect expenses in the expected return assumption. For these classes, we assume investment fees based on the cost of indexing, as it is unlikely LACERA would pay active managers unless it was expected the net return could at least match the index return. Additionally, we adjust for other investment-related expenses, such as custodian bank fees and outside consultants. Our assumption is that investment and administrative expenses will be 0.05% of assets. We do not adjust for \$8 per contract per month operational administration fee because this is included in the liabilities.

Based on a three-year average of the latest capital market assumptions for 10- and 20-year time frames, we are recommending raising the investment return for prefunding agents to 6.25%.

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 2022. Over this period, the geometric averages of the annual return and the rate of inflation were 3.3% and 2.7%, respectively, resulting in a real return over the period of approximately 0.6% per year.



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 0.6% real return may be lower than what is achievable in the future. Current projections are for real returns in the 0.82% to 0.87% range for these investments.

The 2022 retirement benefit experience study analyzed the rate of price inflation and wage inflation. The price inflation assumption remained at 2.75% and was approved by the Board of Investments. 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 3.57% and 3.62% (2.75% inflation plus assumed real return between 0.82% and 0.87%).

Milliman used our current capital market assumptions and investment forecast model to develop an expected return on general assets rounded to the nearest 0.25% of **3.50%**. We incorporated the County’s general fund balance sheet as of June 30, 2023 to develop this result, as shown in the chart below. Note that this rounded estimate is close to the range derived from the building block approach described above.

Asset Class	Expected Arithmetic Nominal Return (30 yrs)	Asset Allocation
Cash	3.26%	30.52%
Short-term U.S. Bonds	3.71%	69.48%

Expected Arithmetic Return (30 yrs) ⁽¹⁾	3.57%
Expected Geometric Return (30 yrs) ⁽²⁾	3.55%

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

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 6.25%. The agents that are not prefunding through the OPEB Trust will have an investment earnings assumption of the County’s general funds expected return of 3.50%.

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	6.00%	6.25%
Agents not prefunding	2.30%	3.50%

**Health Cost Trend
 General Discussion**

In our July 1, 2022 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, 2024 final annual medical and dental plan rate renewals which will be reflected in the July 1, 2023 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 recommends 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:

- *Initial trends.* These trends are based on our review of the July 1, 2023 annual medical and dental plan rate renewals and summaries provided by Segal taking into account drug percentage of total, approximate annual premiums, and plan type.
- *2033 GDP % Share.* This is the assumed percentage of GDP that is spent on healthcare and is assumed to be 19.0%. This is based on a 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. The model uses a 1.4% assumption, which falls within the range of projected scenarios from both the Congressional Budget Office (CBO) and CMS.
- *Excess Medical Cost Growth.* This component represents all other sources of excess trend, and it is assumed to be 0.9%, 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 17% 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 healthcare 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 0.4% decrease in the 2023 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.

The first-year trend rates for LACERA will be adjusted for the July 1, 2024 annual medical and dental plan rate renewals and fees in the July 1, 2023 OPEB funding valuation. These approved annual medical and dental plan rate renewals will not be available until March 2024. These fees include the Patient Centered Outcomes Research Institute (PCORI) Fee.

Exhibits 7-1 through 7-4 show the recommended medical trend assumptions for the July 1, 2023 OPEB valuation compared to the medical trend assumptions used

for the July 1, 2022 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, 2022 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, 2023 valuation based on the following CMS reports:

- *2023 Medicare Trustees Report.* We used this report for assumed Medicare Part B enrollment growth and for projected Medicare Part B premiums through 2032.
- *2023 CMS report titled *Projected Medicare Expenditures under an Illustrative Scenario with Alternative Payment Updates to Medicare Providers.** We used this report for assumed Part B premium increases beginning in 2033, under the assumption that physician updates will increase in line with the Medicare Economic Index (MEI).

Our recommended July 1, 2023 Medicare Part B premium trend is compared to the July 1, 2022 assumption in Exhibits 7-5 and 7-6. The July 1, 2023 census data indicates that a large number of individuals are being reimbursed for an amount lower than the 2023 standard Part B premium of \$164.90. The lower amount is due in part to delayed proof by some members of their Part B amount and a CMS hold harmless provision that does not allow an individual's Part B premium increase to exceed the increase in their Social Security benefits. 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 2024, 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, 2023 OPEB valuation, the underlying dental/vision trend rate will be 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 rates to decline for about 34 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 for Pre-65 Members

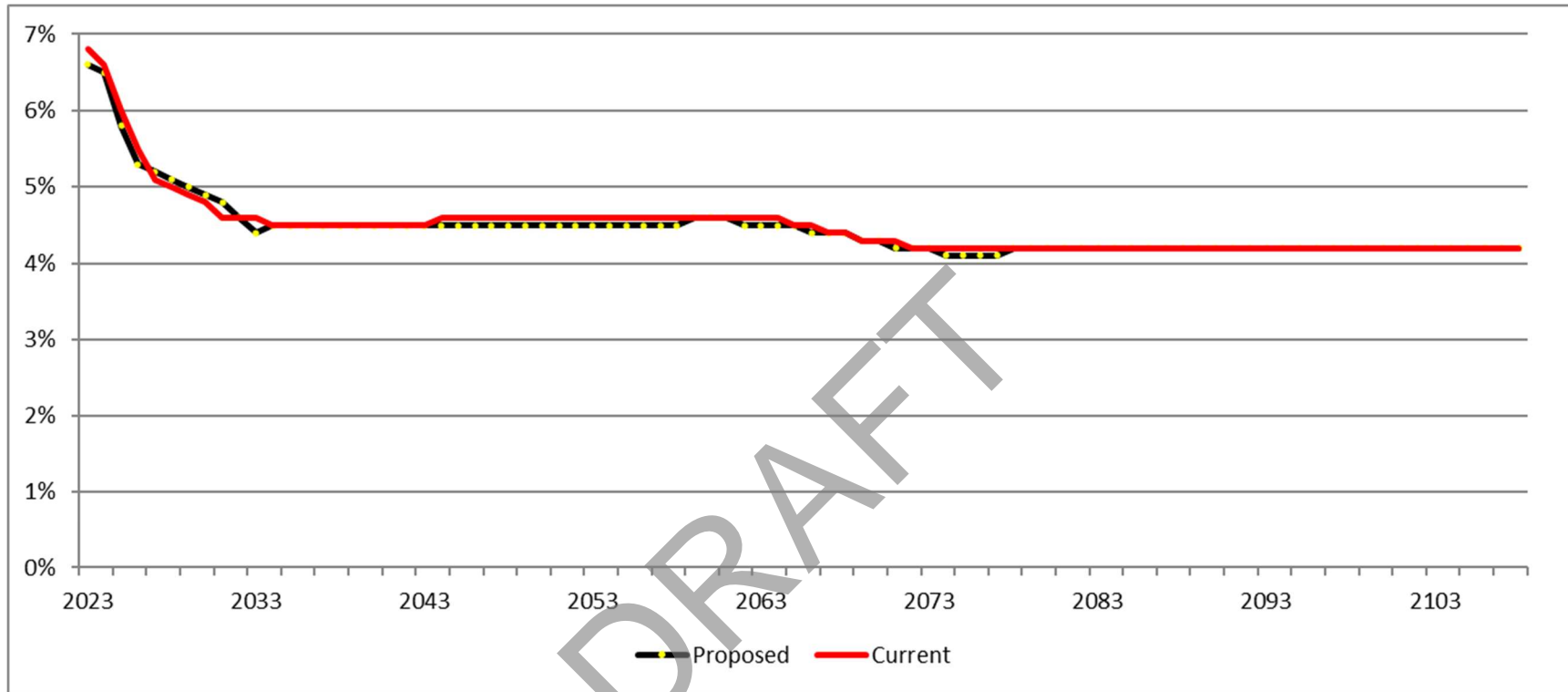
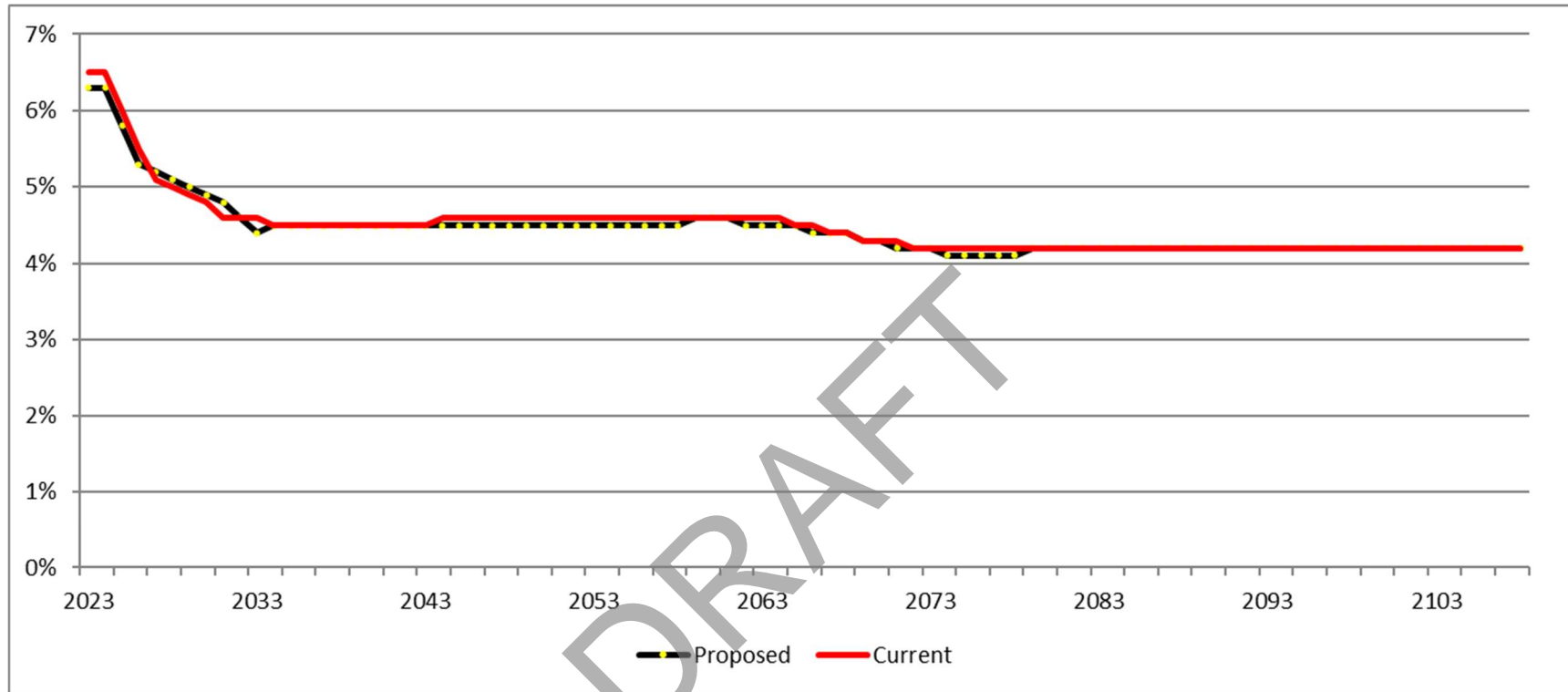


Exhibit 7-2
Medical Trend for Pre-65 Members – Percentage Table

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2024	6/30/2025	6.80%	6.60%	6/30/2067	6/30/2068	4.50%	4.40%
6/30/2025	6/30/2026	6.60%	6.50%	6/30/2068	6/30/2069	4.40%	4.40%
6/30/2026	6/30/2027	6.00%	5.80%	6/30/2069	6/30/2070	4.40%	4.40%
6/30/2027	6/30/2028	5.50%	5.30%	6/30/2070	6/30/2071	4.30%	4.30%
6/30/2028	6/30/2029	5.10%	5.20%	6/30/2071	6/30/2072	4.30%	4.30%
6/30/2029	6/30/2030	5.00%	5.10%	6/30/2072	6/30/2073	4.30%	4.20%
6/30/2030	6/30/2031	4.90%	5.00%	6/30/2073	6/30/2074	4.20%	4.20%
6/30/2031	6/30/2032	4.80%	4.90%	6/30/2074	6/30/2075	4.20%	4.20%
6/30/2032	6/30/2033	4.60%	4.80%	6/30/2075	6/30/2076	4.20%	4.10%
6/30/2033	6/30/2034	4.60%	4.60%	6/30/2076	6/30/2077	4.20%	4.10%
6/30/2034	6/30/2035	4.60%	4.40%	6/30/2077	6/30/2078	4.20%	4.10%
6/30/2035	6/30/2036	4.50%	4.50%	6/30/2078	6/30/2079	4.20%	4.10%
6/30/2036	6/30/2037	4.50%	4.50%	6/30/2079	6/30/2080	4.20%	4.20%
6/30/2037	6/30/2038	4.50%	4.50%	6/30/2080	6/30/2081	4.20%	4.20%
6/30/2038	6/30/2039	4.50%	4.50%	6/30/2081	6/30/2082	4.20%	4.20%
6/30/2039	6/30/2040	4.50%	4.50%	6/30/2082	6/30/2083	4.20%	4.20%
6/30/2040	6/30/2041	4.50%	4.50%	6/30/2083	6/30/2084	4.20%	4.20%
6/30/2041	6/30/2042	4.50%	4.50%	6/30/2084	6/30/2085	4.20%	4.20%
6/30/2042	6/30/2043	4.50%	4.50%	6/30/2085	6/30/2086	4.20%	4.20%
6/30/2043	6/30/2044	4.50%	4.50%	6/30/2086	6/30/2087	4.20%	4.20%
6/30/2044	6/30/2045	4.50%	4.50%	6/30/2087	6/30/2088	4.20%	4.20%
6/30/2045	6/30/2046	4.60%	4.50%	6/30/2088	6/30/2089	4.20%	4.20%
6/30/2046	6/30/2047	4.60%	4.50%	6/30/2089	6/30/2090	4.20%	4.20%
6/30/2047	6/30/2048	4.60%	4.50%	6/30/2090	6/30/2091	4.20%	4.20%
6/30/2048	6/30/2049	4.60%	4.50%	6/30/2091	6/30/2092	4.20%	4.20%
6/30/2049	6/30/2050	4.60%	4.50%	6/30/2092	6/30/2093	4.20%	4.20%
6/30/2050	6/30/2051	4.60%	4.50%	6/30/2093	6/30/2094	4.20%	4.20%
6/30/2051	6/30/2052	4.60%	4.50%	6/30/2094	6/30/2095	4.20%	4.20%
6/30/2052	6/30/2053	4.60%	4.50%	6/30/2095	6/30/2096	4.20%	4.20%
6/30/2053	6/30/2054	4.60%	4.50%	6/30/2096	6/30/2097	4.20%	4.20%
6/30/2054	6/30/2055	4.60%	4.50%	6/30/2097	6/30/2098	4.20%	4.20%
6/30/2055	6/30/2056	4.60%	4.50%	6/30/2098	6/30/2099	4.20%	4.20%
6/30/2056	6/30/2057	4.60%	4.50%	6/30/2099	6/30/2100	4.20%	4.20%
6/30/2057	6/30/2058	4.60%	4.50%	6/30/2100	6/30/2101	4.20%	4.20%
6/30/2058	6/30/2059	4.60%	4.50%	6/30/2101	6/30/2102	4.20%	4.20%
6/30/2059	6/30/2060	4.60%	4.50%	6/30/2102	6/30/2103	4.20%	4.20%
6/30/2060	6/30/2061	4.60%	4.60%	6/30/2103	6/30/2104	4.20%	4.20%
6/30/2061	6/30/2062	4.60%	4.60%	6/30/2104	6/30/2105	4.20%	4.20%
6/30/2062	6/30/2063	4.60%	4.60%	6/30/2105	6/30/2106	4.20%	4.20%
6/30/2063	6/30/2064	4.60%	4.50%	6/30/2106	6/30/2107	4.20%	4.20%
6/30/2064	6/30/2065	4.60%	4.50%	6/30/2107	6/30/2108	4.20%	4.20%
6/30/2065	6/30/2066	4.60%	4.50%	6/30/2108	6/30/2109	4.20%	4.20%
6/30/2066	6/30/2067	4.50%	4.50%	6/30/2109	6/30/2110	4.20%	4.20%

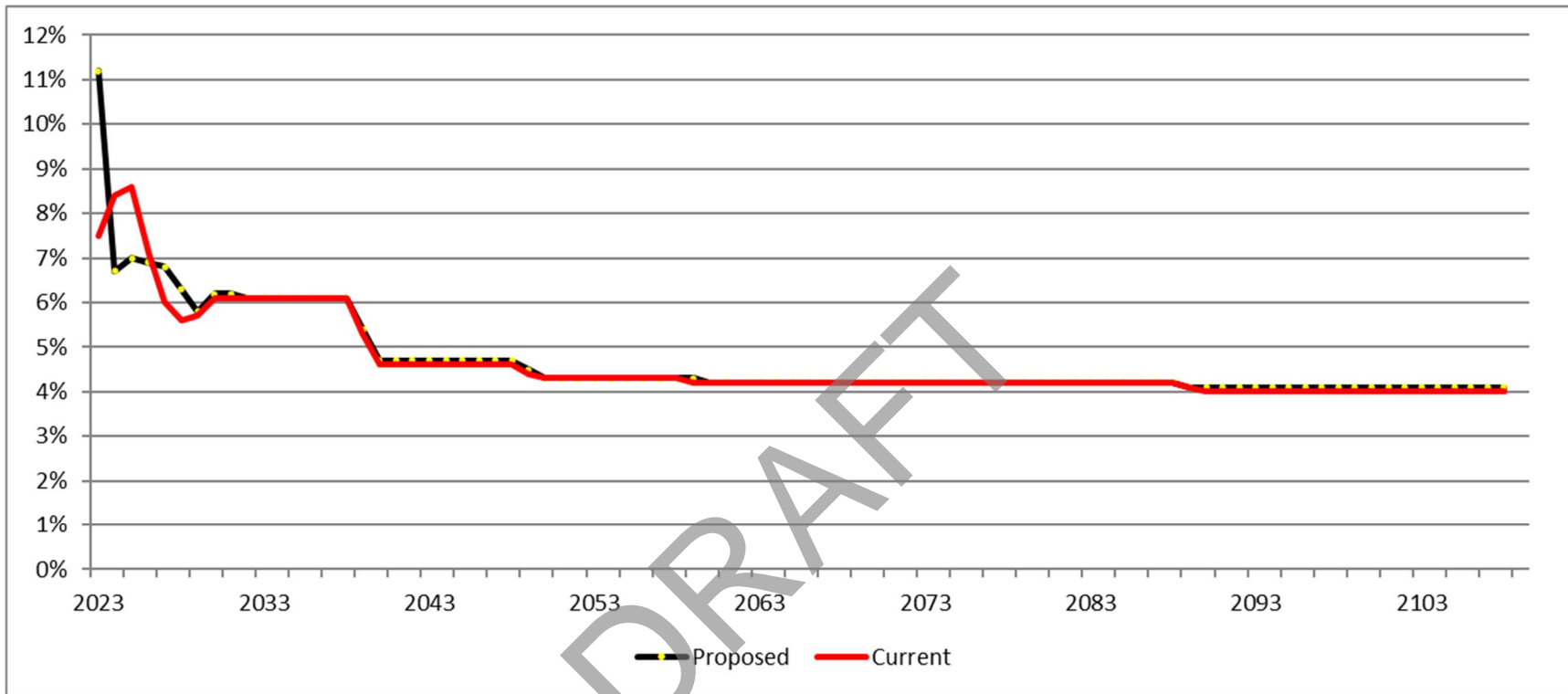
Exhibit 7-3
Medical Trend for Post-65 Members



**Exhibit 7-4
 Medical Trend for Post-65 Members – Percentage Table**

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2024	6/30/2025	6.50%	6.30%	6/30/2067	6/30/2068	4.50%	4.40%
6/30/2025	6/30/2026	6.50%	6.30%	6/30/2068	6/30/2069	4.40%	4.40%
6/30/2026	6/30/2027	6.00%	5.80%	6/30/2069	6/30/2070	4.40%	4.40%
6/30/2027	6/30/2028	5.50%	5.30%	6/30/2070	6/30/2071	4.30%	4.30%
6/30/2028	6/30/2029	5.10%	5.20%	6/30/2071	6/30/2072	4.30%	4.30%
6/30/2029	6/30/2030	5.00%	5.10%	6/30/2072	6/30/2073	4.30%	4.20%
6/30/2030	6/30/2031	4.90%	5.00%	6/30/2073	6/30/2074	4.20%	4.20%
6/30/2031	6/30/2032	4.80%	4.90%	6/30/2074	6/30/2075	4.20%	4.20%
6/30/2032	6/30/2033	4.60%	4.80%	6/30/2075	6/30/2076	4.20%	4.10%
6/30/2033	6/30/2034	4.60%	4.60%	6/30/2076	6/30/2077	4.20%	4.10%
6/30/2034	6/30/2035	4.60%	4.40%	6/30/2077	6/30/2078	4.20%	4.10%
6/30/2035	6/30/2036	4.50%	4.50%	6/30/2078	6/30/2079	4.20%	4.10%
6/30/2036	6/30/2037	4.50%	4.50%	6/30/2079	6/30/2080	4.20%	4.10%
6/30/2037	6/30/2038	4.50%	4.50%	6/30/2080	6/30/2081	4.20%	4.20%
6/30/2038	6/30/2039	4.50%	4.50%	6/30/2081	6/30/2082	4.20%	4.20%
6/30/2039	6/30/2040	4.50%	4.50%	6/30/2082	6/30/2083	4.20%	4.20%
6/30/2040	6/30/2041	4.50%	4.50%	6/30/2083	6/30/2084	4.20%	4.20%
6/30/2041	6/30/2042	4.50%	4.50%	6/30/2084	6/30/2085	4.20%	4.20%
6/30/2042	6/30/2043	4.50%	4.50%	6/30/2085	6/30/2086	4.20%	4.20%
6/30/2043	6/30/2044	4.50%	4.50%	6/30/2086	6/30/2087	4.20%	4.20%
6/30/2044	6/30/2045	4.50%	4.50%	6/30/2087	6/30/2088	4.20%	4.20%
6/30/2045	6/30/2046	4.60%	4.50%	6/30/2088	6/30/2089	4.20%	4.20%
6/30/2046	6/30/2047	4.60%	4.50%	6/30/2089	6/30/2090	4.20%	4.20%
6/30/2047	6/30/2048	4.60%	4.50%	6/30/2090	6/30/2091	4.20%	4.20%
6/30/2048	6/30/2049	4.60%	4.50%	6/30/2091	6/30/2092	4.20%	4.20%
6/30/2049	6/30/2050	4.60%	4.50%	6/30/2092	6/30/2093	4.20%	4.20%
6/30/2050	6/30/2051	4.60%	4.50%	6/30/2093	6/30/2094	4.20%	4.20%
6/30/2051	6/30/2052	4.60%	4.50%	6/30/2094	6/30/2095	4.20%	4.20%
6/30/2052	6/30/2053	4.60%	4.50%	6/30/2095	6/30/2096	4.20%	4.20%
6/30/2053	6/30/2054	4.60%	4.50%	6/30/2096	6/30/2097	4.20%	4.20%
6/30/2054	6/30/2055	4.60%	4.50%	6/30/2097	6/30/2098	4.20%	4.20%
6/30/2055	6/30/2056	4.60%	4.50%	6/30/2098	6/30/2099	4.20%	4.20%
6/30/2056	6/30/2057	4.60%	4.50%	6/30/2099	6/30/2100	4.20%	4.20%
6/30/2057	6/30/2058	4.60%	4.50%	6/30/2100	6/30/2101	4.20%	4.20%
6/30/2058	6/30/2059	4.60%	4.50%	6/30/2101	6/30/2102	4.20%	4.20%
6/30/2059	6/30/2060	4.60%	4.50%	6/30/2102	6/30/2103	4.20%	4.20%
6/30/2060	6/30/2061	4.60%	4.60%	6/30/2103	6/30/2104	4.20%	4.20%
6/30/2061	6/30/2062	4.60%	4.60%	6/30/2104	6/30/2105	4.20%	4.20%
6/30/2062	6/30/2063	4.60%	4.60%	6/30/2105	6/30/2106	4.20%	4.20%
6/30/2063	6/30/2064	4.60%	4.50%	6/30/2106	6/30/2107	4.20%	4.20%
6/30/2064	6/30/2065	4.60%	4.50%	6/30/2107	6/30/2108	4.20%	4.20%
6/30/2065	6/30/2066	4.60%	4.50%	6/30/2108	6/30/2109	4.20%	4.20%
6/30/2066	6/30/2067	4.50%	4.50%	6/30/2109	6/30/2110	4.20%	4.20%

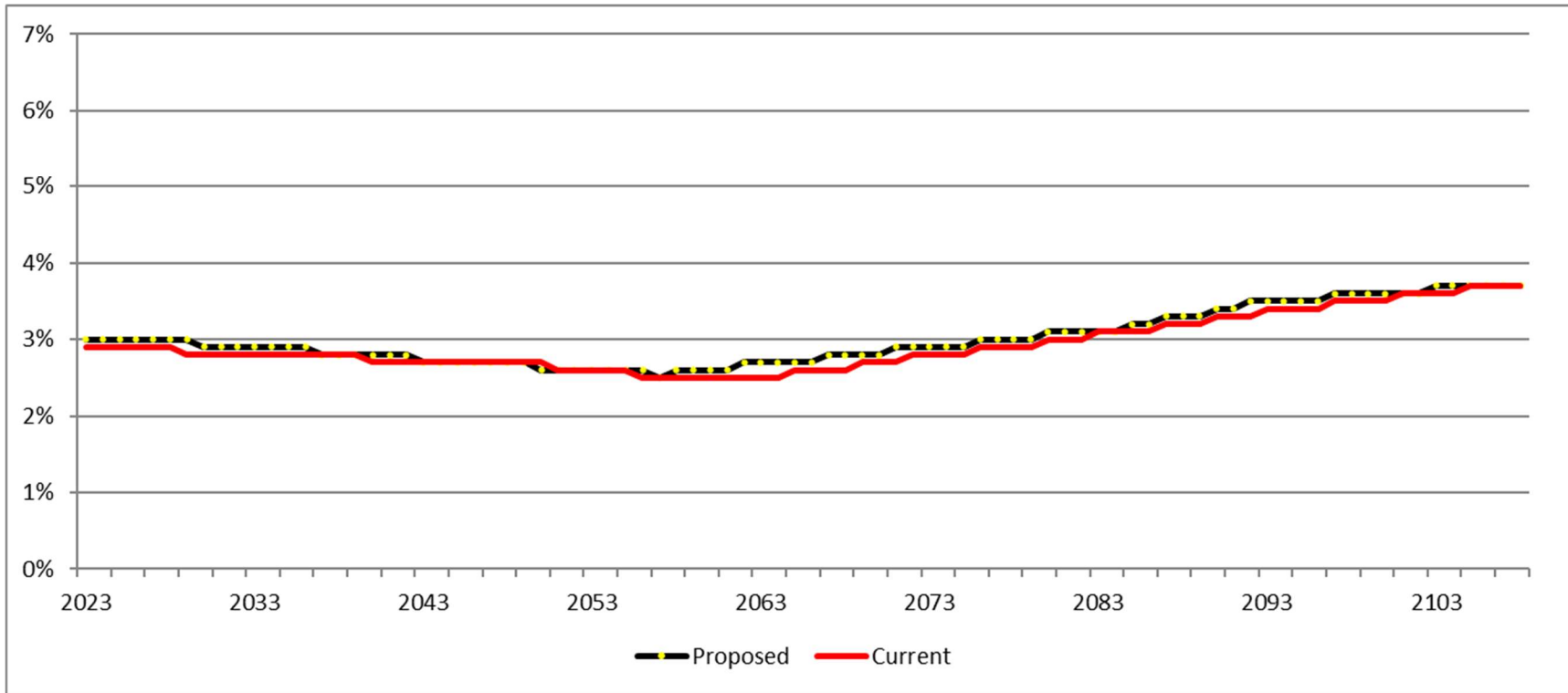
Exhibit 7-5
Medicare Part B Premium Trend



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

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2024	6/30/2025	7.50%	11.20%	6/30/2067	6/30/2068	4.20%	4.20%
6/30/2025	6/30/2026	8.40%	6.70%	6/30/2068	6/30/2069	4.20%	4.20%
6/30/2026	6/30/2027	8.60%	7.00%	6/30/2069	6/30/2070	4.20%	4.20%
6/30/2027	6/30/2028	7.10%	6.90%	6/30/2070	6/30/2071	4.20%	4.20%
6/30/2028	6/30/2029	6.00%	6.80%	6/30/2071	6/30/2072	4.20%	4.20%
6/30/2029	6/30/2030	5.60%	6.30%	6/30/2072	6/30/2073	4.20%	4.20%
6/30/2030	6/30/2031	5.70%	5.80%	6/30/2073	6/30/2074	4.20%	4.20%
6/30/2031	6/30/2032	6.10%	6.20%	6/30/2074	6/30/2075	4.20%	4.20%
6/30/2032	6/30/2033	6.10%	6.20%	6/30/2075	6/30/2076	4.20%	4.20%
6/30/2033	6/30/2034	6.10%	6.10%	6/30/2076	6/30/2077	4.20%	4.20%
6/30/2034	6/30/2035	6.10%	6.10%	6/30/2077	6/30/2078	4.20%	4.20%
6/30/2035	6/30/2036	6.10%	6.10%	6/30/2078	6/30/2079	4.20%	4.20%
6/30/2036	6/30/2037	6.10%	6.10%	6/30/2079	6/30/2080	4.20%	4.20%
6/30/2037	6/30/2038	6.10%	6.10%	6/30/2080	6/30/2081	4.20%	4.20%
6/30/2038	6/30/2039	6.10%	6.10%	6/30/2081	6/30/2082	4.20%	4.20%
6/30/2039	6/30/2040	6.10%	6.10%	6/30/2082	6/30/2083	4.20%	4.20%
6/30/2040	6/30/2041	5.30%	5.40%	6/30/2083	6/30/2084	4.20%	4.20%
6/30/2041	6/30/2042	4.60%	4.70%	6/30/2084	6/30/2085	4.20%	4.20%
6/30/2042	6/30/2043	4.60%	4.70%	6/30/2085	6/30/2086	4.20%	4.20%
6/30/2043	6/30/2044	4.60%	4.70%	6/30/2086	6/30/2087	4.20%	4.20%
6/30/2044	6/30/2045	4.60%	4.70%	6/30/2087	6/30/2088	4.20%	4.20%
6/30/2045	6/30/2046	4.60%	4.70%	6/30/2088	6/30/2089	4.20%	4.20%
6/30/2046	6/30/2047	4.60%	4.70%	6/30/2089	6/30/2090	4.20%	4.20%
6/30/2047	6/30/2048	4.60%	4.70%	6/30/2090	6/30/2091	4.10%	4.10%
6/30/2048	6/30/2049	4.60%	4.70%	6/30/2091	6/30/2092	4.00%	4.10%
6/30/2049	6/30/2050	4.60%	4.70%	6/30/2092	6/30/2093	4.00%	4.10%
6/30/2050	6/30/2051	4.40%	4.50%	6/30/2093	6/30/2094	4.00%	4.10%
6/30/2051	6/30/2052	4.30%	4.30%	6/30/2094	6/30/2095	4.00%	4.10%
6/30/2052	6/30/2053	4.30%	4.30%	6/30/2095	6/30/2096	4.00%	4.10%
6/30/2053	6/30/2054	4.30%	4.30%	6/30/2096	6/30/2097	4.00%	4.10%
6/30/2054	6/30/2055	4.30%	4.30%	6/30/2097	6/30/2098	4.00%	4.10%
6/30/2055	6/30/2056	4.30%	4.30%	6/30/2098	6/30/2099	4.00%	4.10%
6/30/2056	6/30/2057	4.30%	4.30%	6/30/2099	6/30/2100	4.00%	4.10%
6/30/2057	6/30/2058	4.30%	4.30%	6/30/2100	6/30/2101	4.00%	4.10%
6/30/2058	6/30/2059	4.30%	4.30%	6/30/2101	6/30/2102	4.00%	4.10%
6/30/2059	6/30/2060	4.30%	4.30%	6/30/2102	6/30/2103	4.00%	4.10%
6/30/2060	6/30/2061	4.20%	4.30%	6/30/2103	6/30/2104	4.00%	4.10%
6/30/2061	6/30/2062	4.20%	4.20%	6/30/2104	6/30/2105	4.00%	4.10%
6/30/2062	6/30/2063	4.20%	4.20%	6/30/2105	6/30/2106	4.00%	4.10%
6/30/2063	6/30/2064	4.20%	4.20%	6/30/2106	6/30/2107	4.00%	4.10%
6/30/2064	6/30/2065	4.20%	4.20%	6/30/2107	6/30/2108	4.00%	4.10%
6/30/2065	6/30/2066	4.20%	4.20%	6/30/2108	6/30/2109	4.00%	4.10%
6/30/2066	6/30/2067	4.20%	4.20%	6/30/2109	6/30/2110	4.00%	4.10%

Exhibit 7-7
Dental/Vision Trend



**Exhibit 7-8
 Dental/Vision Trend – Percentage Table**

Fiscal Year Ending		Current	Proposed	Fiscal Year Ending		Current	Proposed
From	To			From	To		
6/30/2024	6/30/2025	2.90%	3.00%	6/30/2067	6/30/2068	2.60%	2.70%
6/30/2025	6/30/2026	2.90%	3.00%	6/30/2068	6/30/2069	2.60%	2.80%
6/30/2026	6/30/2027	2.90%	3.00%	6/30/2069	6/30/2070	2.60%	2.80%
6/30/2027	6/30/2028	2.90%	3.00%	6/30/2070	6/30/2071	2.70%	2.80%
6/30/2028	6/30/2029	2.90%	3.00%	6/30/2071	6/30/2072	2.70%	2.80%
6/30/2029	6/30/2030	2.90%	3.00%	6/30/2072	6/30/2073	2.70%	2.90%
6/30/2030	6/30/2031	2.80%	3.00%	6/30/2073	6/30/2074	2.80%	2.90%
6/30/2031	6/30/2032	2.80%	2.90%	6/30/2074	6/30/2075	2.80%	2.90%
6/30/2032	6/30/2033	2.80%	2.90%	6/30/2075	6/30/2076	2.80%	2.90%
6/30/2033	6/30/2034	2.80%	2.90%	6/30/2076	6/30/2077	2.80%	2.90%
6/30/2034	6/30/2035	2.80%	2.90%	6/30/2077	6/30/2078	2.90%	3.00%
6/30/2035	6/30/2036	2.80%	2.90%	6/30/2078	6/30/2079	2.90%	3.00%
6/30/2036	6/30/2037	2.80%	2.90%	6/30/2079	6/30/2080	2.90%	3.00%
6/30/2037	6/30/2038	2.80%	2.90%	6/30/2080	6/30/2081	2.90%	3.00%
6/30/2038	6/30/2039	2.80%	2.80%	6/30/2081	6/30/2082	3.00%	3.10%
6/30/2039	6/30/2040	2.80%	2.80%	6/30/2082	6/30/2083	3.00%	3.10%
6/30/2040	6/30/2041	2.80%	2.80%	6/30/2083	6/30/2084	3.00%	3.10%
6/30/2041	6/30/2042	2.70%	2.80%	6/30/2084	6/30/2085	3.10%	3.10%
6/30/2042	6/30/2043	2.70%	2.80%	6/30/2085	6/30/2086	3.10%	3.10%
6/30/2043	6/30/2044	2.70%	2.80%	6/30/2086	6/30/2087	3.10%	3.20%
6/30/2044	6/30/2045	2.70%	2.70%	6/30/2087	6/30/2088	3.10%	3.20%
6/30/2045	6/30/2046	2.70%	2.70%	6/30/2088	6/30/2089	3.20%	3.30%
6/30/2046	6/30/2047	2.70%	2.70%	6/30/2089	6/30/2090	3.20%	3.30%
6/30/2047	6/30/2048	2.70%	2.70%	6/30/2090	6/30/2091	3.20%	3.30%
6/30/2048	6/30/2049	2.70%	2.70%	6/30/2091	6/30/2092	3.30%	3.40%
6/30/2049	6/30/2050	2.70%	2.70%	6/30/2092	6/30/2093	3.30%	3.40%
6/30/2050	6/30/2051	2.70%	2.70%	6/30/2093	6/30/2094	3.30%	3.50%
6/30/2051	6/30/2052	2.70%	2.60%	6/30/2094	6/30/2095	3.40%	3.50%
6/30/2052	6/30/2053	2.60%	2.60%	6/30/2095	6/30/2096	3.40%	3.50%
6/30/2053	6/30/2054	2.60%	2.60%	6/30/2096	6/30/2097	3.40%	3.50%
6/30/2054	6/30/2055	2.60%	2.60%	6/30/2097	6/30/2098	3.40%	3.50%
6/30/2055	6/30/2056	2.60%	2.60%	6/30/2098	6/30/2099	3.50%	3.60%
6/30/2056	6/30/2057	2.60%	2.60%	6/30/2099	6/30/2100	3.50%	3.60%
6/30/2057	6/30/2058	2.50%	2.60%	6/30/2100	6/30/2101	3.50%	3.60%
6/30/2058	6/30/2059	2.50%	2.50%	6/30/2101	6/30/2102	3.50%	3.60%
6/30/2059	6/30/2060	2.50%	2.60%	6/30/2102	6/30/2103	3.60%	3.60%
6/30/2060	6/30/2061	2.50%	2.60%	6/30/2103	6/30/2104	3.60%	3.60%
6/30/2061	6/30/2062	2.50%	2.60%	6/30/2104	6/30/2105	3.60%	3.70%
6/30/2062	6/30/2063	2.50%	2.60%	6/30/2105	6/30/2106	3.60%	3.70%
6/30/2063	6/30/2064	2.50%	2.70%	6/30/2106	6/30/2107	3.70%	3.70%
6/30/2064	6/30/2065	2.50%	2.70%	6/30/2107	6/30/2108	3.70%	3.70%
6/30/2065	6/30/2066	2.50%	2.70%	6/30/2108	6/30/2109	3.70%	3.70%
6/30/2066	6/30/2067	2.60%	2.70%	6/30/2109	6/30/2110	3.70%	3.70%

Note: The OPEB specific assumptions shown in this appendix are Milliman's proposed assumptions that have not yet been adopted by the Board of Retirement July 2024 meeting. Recommended OPEB related changes from the prior assumptions have been shaded in yellow.

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, 2022, as a result of the 2022 triennial Retirement Benefit Investigation of Experience Study, approved by the Board of Investments in December 2022. These assumptions are consistent with the June 30, 2023 retirement funding valuation. The investment earnings assumptions are OPEB-specific and will be reviewed and changed June 30, 2023 as a result of the 2023 OPEB Experience Study. For agents that are prefunding into LACERA's OPEB Trust, the expected return of the assets of the OPEB Trust will be based on the asset allocation to be approved in April 2023 by the Board of Investments meeting. This is a different asset allocation from the one used for the retirement benefits plan. The investment earnings assumption for agents that are not prefunding into LACERA's OPEB Trust is based on the expected return from the County's general assets in the 2023 OPEB Experience Study. The OPEB-specific assumptions other than premiums, claim costs, aging, and trend were changed as a result of the 2023 OPEB Investigation of Experience Study to be approved in the April 2023 Board of Retirement meeting. The premiums, claim costs, aging, and trend updated with the 2024-2025 annual medical and dental plan rate renewals will be 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 2022 retirement benefits experience study. Nearly all of the OPEB specific demographic and investment earnings assumptions were developed in the 2023 OPEB experience study report. The claim costs and health cost trend assumptions with the 2024-2025 annual medical and dental plan rate renewals will be updated in the July 1, 2023 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 2022 Retirement Benefit Investigation of Experience Study.

Table A-4 presents the probability of a refund of retirement benefit contributions upon termination of employment while vested. These were developed from the experience as measured by the 2022 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 2022 Retirement Benefit Investigation of Experience Study.

Tables A-6 to A-13 present the probabilities of separation of active service. These were developed from the experience as measured by the 2022 Retirement Benefit Investigation of Experience Study. These 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 2023 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, 2023 premium and claim information.

Table A-22 presents the health cost trend rates for the July 1, 2023 OPEB valuation. These rates will reflect the final July 1, 2024 annual medical and dental plan rate renewals.

Table A-23 presents the assumed retirement rates for vested terminated members developed from the 2023 OPEB Investigation of Experience study.

Actuarial Cost Method

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. We will consider reviewing and making a recommendation regarding the amortization method in the 2023 OPEB Investigation of Experience.

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 fair value.

Investment Earnings and Expenses

The investment earnings assumption is used to discount all the projected benefits that are expected to be received in the future for all current members. This OPEB program utilizes two investment earnings assumptions depending on whether the agent is prefunding into the OPEB Trust or not. For this funding valuation, we have chosen to utilize the same criteria for a qualified prefunding trust as GASB 74 and 75. The criteria include: (1) irrevocable trust contributions, (2) assets are dedicated to providing OPEB to plan members, and (3) assets are legally protected from creditors of employers and plan members.

The investment earnings assumption for agents that are prefunding through the OPEB Trust is the OPEB Trust expected return of 6.25% as of the July 1, 2023 OPEB valuation. The investment earnings assumption for agents that are not prefunding through the OPEB Trust is the County's general funds expected return of 3.50%. These rates were adopted from the 2023 OPEB Investigation of Experience Study.

The change from cost sharing to agent began 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 health cost trend is the projected increase in per person health costs from one year to the next. The trend assumptions vary by benefit type and by future fiscal year as illustrated in Table A-22. The first-year trends will reflect the final July 1, 2024 annual medical and dental plan rate renewals in the July 1, 2023 OPEB Valuation. See the discussion in Table A-22 for more details about the trend assumptions. These trend rates were adopted July 1, 2023.

Future Salaries

The rates of annual salary increase assumed for the purpose of the valuation are illustrated in Table A-5. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 3.25% per annum rate of increase in the general wage level of the membership. These rates were adopted June 30, 2022.

Increases are assumed to occur mid-year (i.e., January 1st) and only apply to base salary. The mid-year timing reflects that salary increases occur throughout the year, or on average mid-year.

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 probabilities for active members vary by age and service and are shown by plan in Tables A-6 through A-13.

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

The assumptions regarding termination of employment, early retirement, and unreduced service retirement are treated as a single set of decrements in regard 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, 2022. The terminated vested member's retirement probabilities were adopted July 1, 2023, for purposes of the OPEB program valuation.

Disability

The probabilities of disability used in the valuation are illustrated in Tables A-6 through A-13. These probabilities were adopted June 30, 2019.

Postretirement Mortality – Other Than Disabled Members

The same postretirement mortality probabilities are used in the valuation for members retired for service and beneficiaries. These probabilities are illustrated in Table A-2. Current beneficiary mortality is assumed to be the same assumption as healthy members of the same gender. Future beneficiaries are assumed to be of the opposite gender and have the same mortality as General members. The amount-weighted Pub-2010 mortality tables are used. These probabilities were adopted June 30, 2019.

Note that these assumptions include a projection for expected future mortality improvement. The new projection scale was adopted June 30, 2022.

Males	General members: PubG-2010 Healthy Retiree Mortality Table for Males, with MP-2021 Ultimate Projection Scale. Safety members: PubS-2010 Healthy Retiree Mortality Table for Males multiplied by 85%, with MP- 2021 Ultimate Projection Scale.
Females	General members: PubG-2010 Healthy Retiree Mortality Table for Females multiplied by 110%, with MP-2021 Ultimate Projection Scale. Safety members: PubS-2010 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale.

Postretirement Mortality – Disabled Members

For disabled members, the mortality probabilities used in the valuation are illustrated in Table A-3. Note that these assumptions directly reflect the expected future mortality improvement. The amount-weighted Pub-2010 mortality tables are used. These probabilities were adopted June 30, 2019.

Note that these assumptions include a projection for expected future mortality improvement. The new projection scale was adopted June 30, 2022.

Males	General members: Average of PubG-2010 Healthy Retiree Mortality Table for Males and PubG-2010 Disabled Retiree Mortality Table for Males, both projected with MP-2021 Ultimate Projection Scale.
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Safety members: PubS-2010 Healthy Retiree Mortality Table for Males, with MP-2021 Ultimate Projection Scale.

Females General members: Average of PubG-2010 Healthy Retiree Mortality Table for Females and PubG-2010 Disabled Retiree Mortality Table for Females, both projected with MP-2021 Ultimate Projection Scale.
 Safety members: PubS-2010 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale.

Mortality While in Active Status

For active members, the mortality probabilities used in the valuation are illustrated in Tables A-6 through A-13. The amount-weighted Pub-2010 mortality tables are used. These mortality tables were adopted June 30, 2019.

Class	Gender	Mortality Table
General	Male	PubG-2010 (120%) Employee Male ⁽¹⁾
General	Female	PubG-2010 (130%) Employee Female ⁽¹⁾
Safety	Male	PubS-2010 (100%) Employee Male ⁽¹⁾
Safety	Female	PubS-2010 (100%) Employee Female ⁽¹⁾

1. Projection using the MP-2021 Ultimate projection scale.

These assumptions include a projection for expected future mortality improvement, which was adopted June 30, 2022.

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

Other Employment Terminations

Tables A-6 to A-13 show, for all ages, the probabilities assumed in this valuation for future termination from active service other than for death, disability, or retirement. These probabilities do not apply to members eligible for service retirement. These probabilities were adopted June 30, 2022.

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 system. 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 in the future.

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 probabilities in Table A-4 were adopted June 30, 2022.

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 2023 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
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, 2023

- I. Economic Assumptions
 - A. General wage increases 3.25%
 - B1. Investment earnings (prefunding in OPEB Trust) 6.25%
 - B2. Investment earnings (no prefunding in OPEB Trust) 3.50%
 - C. Growth in membership 0.00%
 - D. CPI inflation assumption 2.75%
 - E. Medical cost trend Table A-22
 - F. Dental and vision cost trend Table A-22

- II. Demographic Assumptions
 - A. Salary increases due to Service Table A-5
 - B. Retirement Tables A-6 to A-13
 - C. Disability Tables A-6 to A-13
 - D. Mortality during active employment Tables A-6 to A-13
 - E. Mortality for active members after termination and service retired members⁽¹⁾. Table A-2

Class	Gender	
General	Male	PubG-2010 (100%) Healthy Retiree Male
General	Female	PubG-2010 (110%) Healthy Retiree Female
Safety	Male	PubS-2010 (85%) Healthy Retiree Male
Safety	Female	PubS-2010 (100%) Healthy Retiree Female

- F. Mortality among disabled members⁽¹⁾ Table A-3

Class	Gender	
General	Male	Avg of: PubG-2010 (100%) Healthy Retiree Male PubG-2010 (100%) Disabled Retiree Male
General	Female	Avg of: PubG-2010 (100%) Healthy Retiree Female PubG-2010 (100%) Disabled Retiree Female
Safety	Male	PubS-2010 (100%) Healthy Retiree Male
Safety	Female	PubS-2010 (100%) Healthy Retiree Female

- G. Mortality for Beneficiaries⁽¹⁾ Table A-2

Basis – Current beneficiary mortality is assumed to be the same as for healthy members of the same gender. Future beneficiaries are assumed to be of the opposite gender and have the same mortality as General members.

1. All mortality probabilities are projected using the MP-2021 Ultimate projection scale.

H.	Other Terminations of Employment	Tables A-6 to A-13
I.	Refund of Contributions on Vested Termination	Table A-4
J.	Future male retirees are assumed to be four years older than their female spouses. Assumption adopted July 1, 2008. Future female retirees are assumed to be one year younger than their male spouses. Assumption adopted July 1, 2020.	
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 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 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	0.0520%	0.0210%	0.0740%	0.0380%
25	0.0470%	0.0260%	0.0560%	0.0260%
30	0.0520%	0.0350%	0.0720%	0.0440%
35	0.0590%	0.0470%	0.0940%	0.0680%
40	0.0750%	0.0640%	0.1320%	0.1060%
45	0.1037%	0.0870%	0.1960%	0.1650%
50	0.1632%	0.1490%	0.2980%	0.2442%
55	0.2601%	0.2580%	0.4310%	0.3146%
60	0.4318%	0.4460%	0.6150%	0.4224%
65	0.7489%	0.7700%	0.9130%	0.6743%
70	1.3328%	1.3290%	1.5260%	1.1693%
75	2.4021%	2.2950%	2.6710%	2.0713%
80	4.3376%	3.9620%	4.7740%	3.6960%
85	7.7648%	6.8420%	8.5910%	6.8255%
90	13.4810%	11.8150%	14.6720%	12.6357%

Annual Projected Mortality Improvement

Age	All Groups
60 & Less	1.350%
61	1.350%
62	1.350%
63	1.340%
64	1.320%
65	1.310%
70	1.240%
75	1.170%
80	1.100%
85	0.870%
90	0.630%
95	0.400%
100	0.300%
105	0.200%
110	0.100%
115	0.000%

1. Mortality probabilities are those applicable for the fiscal year beginning in 2010. Annual projected improvements are assumed in the following years under the schedule shown. For example, the annual mortality probability for an 85-year old Safety male in fiscal year beginning in 2022 is 6.9918% calculated as follows:

$$\begin{aligned} \text{Age 85 probability in 2022} &= \text{Age 85 probability in 2010 with 12 years improvement} \\ &= 7.7648\% \times (100.0\% - 0.87\%)^{12} = 6.9918\% \end{aligned}$$

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

Age	Safety Male	Safety Female	General Male	General Female
20	0.0610%	0.0210%	0.2430%	0.1340%
25	0.0550%	0.0260%	0.1670%	0.0940%
30	0.0610%	0.0350%	0.2130%	0.1485%
35	0.0700%	0.0470%	0.2760%	0.2315%
40	0.0880%	0.0640%	0.3885%	0.3625%
45	0.1220%	0.0870%	0.6015%	0.5675%
50	0.1920%	0.1490%	0.9515%	0.8525%
55	0.3060%	0.2580%	1.2725%	1.0140%
60	0.5080%	0.4460%	1.5590%	1.1700%
65	0.8810%	0.7700%	1.9785%	1.4345%
70	1.5680%	1.3290%	2.7135%	1.9625%
75	2.8260%	2.2950%	3.9315%	2.9430%
80	5.1030%	3.9620%	6.0610%	4.6835%
85	9.1350%	6.8420%	9.7030%	7.7680%
90	15.8600%	11.8150%	15.4625%	12.5760%

1. Mortality probabilities are those applicable for the fiscal year beginning in 2010. Annual projected improvements are assumed in the following years under the schedule shown on the preceding page.

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

Years of Service	General	Safety
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	30%	30%
6	30%	30%
7	30%	30%
8	29%	28%
9	28%	26%
10	28%	24%
11	28%	22%
12	28%	20%
13	27%	18%
14	26%	16%
15	26%	14%
16	25%	12%
17	24%	10%
18	22%	9%
19	21%	8%
20	19%	7%
21	18%	6%
22	16%	5%
23	14%	4%
24	12%	3%
25	10%	2%
26	8%	2%
27	6%	2%
28	4%	2%
29	2%	2%
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%	9.00%
1	5.25%	8.50%
2	4.75%	7.50%
3	4.10%	5.75%
4	3.50%	4.25%
5	3.00%	3.00%
6	2.50%	2.50%
7	2.00%	2.10%
8	1.60%	1.70%
9	1.45%	1.45%
10	1.30%	1.30%
11	1.15%	1.20%
12	1.00%	1.10%
13	0.90%	1.00%
14	0.85%	0.90%
15	0.80%	0.90%
16	0.75%	0.90%
17	0.70%	0.90%
18	0.65%	0.90%
19	0.60%	2.25%
20	0.55%	0.90%
21	0.50%	0.90%
22	0.45%	0.90%
23	0.40%	0.90%
24	0.40%	3.00%
25	0.40%	0.90%
26	0.40%	0.90%
27	0.40%	0.90%
28	0.40%	0.90%
29	0.40%	3.00%
30 or More	0.40%	0.90%

**Appendix A: Probabilities 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 of these represents the probability that a member will separate from service at each age due to the particular cause. For example, a probability 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 probabilities 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
Probability 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	0.00000	0.00500	0.00010	0.00010	N/A	0.00043
19	0.00000	0.00500	0.00010	0.00010	N/A	0.00046
20	0.00000	0.00500	0.00010	0.00010	N/A	0.00044
21	0.00000	0.00500	0.00010	0.00010	N/A	0.00043
22	0.00000	0.00500	0.00010	0.00010	N/A	0.00040
23	0.00000	0.00500	0.00010	0.00010	N/A	0.00037
24	0.00000	0.00500	0.00010	0.00010	N/A	0.00035
25	0.00000	0.00500	0.00010	0.00010	N/A	0.00034
26	0.00000	0.00500	0.00010	0.00010	N/A	0.00036
27	0.00000	0.00500	0.00010	0.00010	N/A	0.00037
28	0.00000	0.00500	0.00010	0.00010	N/A	0.00040
29	0.00000	0.00500	0.00010	0.00010	N/A	0.00041
30	0.00000	0.00500	0.00010	0.00020	N/A	0.00043
31	0.00000	0.00500	0.00010	0.00020	N/A	0.00046
32	0.00000	0.00500	0.00010	0.00020	N/A	0.00048
33	0.00000	0.00500	0.00016	0.00020	N/A	0.00050
34	0.00000	0.00500	0.00022	0.00020	N/A	0.00053
35	0.00000	0.00500	0.00028	0.00020	N/A	0.00056
36	0.00000	0.00500	0.00034	0.00020	N/A	0.00060
37	0.00000	0.00500	0.00040	0.00020	N/A	0.00064
38	0.00000	0.00500	0.00048	0.00020	N/A	0.00068
39	0.00000	0.00500	0.00056	0.00020	N/A	0.00073
40	0.03000	0.00500	0.00064	0.00020	N/A	0.00079
41	0.03000	0.00500	0.00072	0.00020	N/A	0.00085
42	0.03000	0.00500	0.00080	0.00020	N/A	0.00092
43	0.03000	0.00500	0.00084	0.00024	N/A	0.00100
44	0.03000	0.00500	0.00088	0.00028	N/A	0.00108
45	0.03000	0.00500	0.00092	0.00032	N/A	0.00118
46	0.03000	0.00500	0.00096	0.00036	N/A	0.00128
47	0.03000	0.00500	0.00100	0.00040	N/A	0.00139
48	0.03000	0.00500	0.00104	0.00044	N/A	0.00152
49	0.03000	0.00500	0.00108	0.00048	N/A	0.00166
50	0.03000	0.00500	0.00112	0.00052	N/A	0.00179
51	0.03000	0.00500	0.00116	0.00056	N/A	0.00194
52	0.03000	0.00500	0.00120	0.00060	N/A	0.00210
53	0.03000	0.00500	0.00156	0.00064	N/A	0.00227
54	0.06000	0.00500	0.00192	0.00068	N/A	0.00244
55	0.10000	0.00500	0.00228	0.00072	N/A	0.00263
56	0.12000	0.00500	0.00264	0.00076	N/A	0.00283
57	0.17000	0.00500	0.00300	0.00080	N/A	0.00306
58	0.26000	0.00500	0.00330	0.00084	N/A	0.00330
59	0.26000	0.00500	0.00360	0.00088	N/A	0.00355
60	0.30000	0.00500	0.00390	0.00092	N/A	0.00383
61	0.30000	0.00500	0.00420	0.00096	N/A	0.00413
62	0.30000	0.00500	0.00450	0.00100	N/A	0.00445
63	0.30000	0.00500	0.00450	0.00104	N/A	0.00481
64	0.30000	0.00500	0.00450	0.00108	N/A	0.00520
65	0.30000	0.00500	0.00450	0.00112	N/A	0.00562
66	0.22000	0.00500	0.00450	0.00116	N/A	0.00607
67	0.22000	0.00500	0.00450	0.00120	N/A	0.00658
68	0.22000	0.00500	0.00450	0.00124	N/A	0.00713
69	0.22000	0.00500	0.00450	0.00128	N/A	0.00775
70	0.22000	0.00500	0.00450	0.00132	N/A	0.00844
71	0.22000	0.00500	0.00450	0.00136	N/A	0.00920
72	0.22000	0.00500	0.00450	0.00140	N/A	0.01004
73	0.22000	0.00500	0.00450	0.00144	N/A	0.01098
74	0.22000	0.00500	0.00450	0.00148	N/A	0.01201
75	1.00000	0.00000	0.00000	0.00000	N/A	0.01315

Table A-7
Probability 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	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
19	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
20	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
21	0.00000	0.00500	0.00015	0.00010	N/A	0.00016
22	0.00000	0.00500	0.00015	0.00010	N/A	0.00014
23	0.00000	0.00500	0.00015	0.00010	N/A	0.00013
24	0.00000	0.00500	0.00015	0.00010	N/A	0.00012
25	0.00000	0.00500	0.00015	0.00010	N/A	0.00012
26	0.00000	0.00500	0.00015	0.00010	N/A	0.00013
27	0.00000	0.00500	0.00015	0.00010	N/A	0.00014
28	0.00000	0.00500	0.00015	0.00010	N/A	0.00016
29	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
30	0.00000	0.00500	0.00015	0.00010	N/A	0.00020
31	0.00000	0.00500	0.00015	0.00010	N/A	0.00021
32	0.00000	0.00500	0.00015	0.00010	N/A	0.00023
33	0.00000	0.00500	0.00020	0.00010	N/A	0.00025
34	0.00000	0.00500	0.00025	0.00010	N/A	0.00027
35	0.00000	0.00500	0.00030	0.00010	N/A	0.00030
36	0.00000	0.00500	0.00035	0.00010	N/A	0.00033
37	0.00000	0.00500	0.00040	0.00010	N/A	0.00036
38	0.00000	0.00500	0.00042	0.00014	N/A	0.00039
39	0.00000	0.00500	0.00044	0.00018	N/A	0.00043
40	0.03000	0.00500	0.00046	0.00022	N/A	0.00047
41	0.03000	0.00500	0.00048	0.00026	N/A	0.00052
42	0.03000	0.00500	0.00050	0.00030	N/A	0.00056
43	0.03000	0.00500	0.00060	0.00032	N/A	0.00061
44	0.03000	0.00500	0.00070	0.00034	N/A	0.00066
45	0.03000	0.00500	0.00080	0.00036	N/A	0.00073
46	0.03000	0.00500	0.00090	0.00038	N/A	0.00079
47	0.03000	0.00500	0.00100	0.00040	N/A	0.00086
48	0.03000	0.00500	0.00110	0.00042	N/A	0.00092
49	0.03000	0.00500	0.00120	0.00044	N/A	0.00100
50	0.03000	0.00500	0.00130	0.00046	N/A	0.00108
51	0.03000	0.00500	0.00140	0.00048	N/A	0.00117
52	0.03000	0.00500	0.00150	0.00050	N/A	0.00126
53	0.03000	0.00500	0.00156	0.00052	N/A	0.00137
54	0.06000	0.00500	0.00162	0.00054	N/A	0.00147
55	0.10000	0.00500	0.00168	0.00056	N/A	0.00160
56	0.12000	0.00500	0.00174	0.00058	N/A	0.00173
57	0.17000	0.00500	0.00180	0.00060	N/A	0.00187
58	0.26000	0.00500	0.00194	0.00064	N/A	0.00203
59	0.26000	0.00500	0.00208	0.00068	N/A	0.00221
60	0.30000	0.00500	0.00222	0.00072	N/A	0.00242
61	0.30000	0.00500	0.00236	0.00076	N/A	0.00264
62	0.30000	0.00500	0.00250	0.00080	N/A	0.00289
63	0.30000	0.00500	0.00250	0.00084	N/A	0.00317
64	0.30000	0.00500	0.00250	0.00088	N/A	0.00350
65	0.30000	0.00500	0.00250	0.00092	N/A	0.00385
66	0.22000	0.00500	0.00250	0.00096	N/A	0.00425
67	0.22000	0.00500	0.00250	0.00100	N/A	0.00471
68	0.22000	0.00500	0.00250	0.00104	N/A	0.00520
69	0.22000	0.00500	0.00250	0.00108	N/A	0.00575
70	0.22000	0.00500	0.00250	0.00112	N/A	0.00636
71	0.22000	0.00500	0.00250	0.00116	N/A	0.00703
72	0.22000	0.00500	0.00250	0.00120	N/A	0.00777
73	0.22000	0.00500	0.00250	0.00124	N/A	0.00859
74	0.22000	0.00500	0.00250	0.00128	N/A	0.00950
75	1.00000	0.00000	0.00000	0.00000	N/A	0.01050

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

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

Age	Service Retirement ⁽¹⁾		Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
	Plan D	Plan G							
18	0.00000	0.00000	0.00010	0.00010	N/A	0.00043	0	0.08000	80%
19	0.00000	0.00000	0.00010	0.00010	N/A	0.00046	1	0.06500	80%
20	0.00000	0.00000	0.00010	0.00010	N/A	0.00044	2	0.05000	80%
21	0.00000	0.00000	0.00010	0.00010	N/A	0.00043	3	0.04250	80%
22	0.00000	0.00000	0.00010	0.00010	N/A	0.00040	4	0.03500	80%
23	0.00000	0.00000	0.00010	0.00010	N/A	0.00037	5	0.03100	80%
24	0.00000	0.00000	0.00010	0.00010	N/A	0.00035	6	0.02900	80%
25	0.00000	0.00000	0.00010	0.00010	N/A	0.00034	7	0.02700	80%
26	0.00000	0.00000	0.00010	0.00010	N/A	0.00036	8	0.02500	80%
27	0.00000	0.00000	0.00010	0.00010	N/A	0.00037	9	0.02000	80%
28	0.00000	0.00000	0.00010	0.00010	N/A	0.00040	10	0.01700	80%
29	0.00000	0.00000	0.00010	0.00010	N/A	0.00041	11	0.01500	80%
30	0.00000	0.00000	0.00010	0.00020	N/A	0.00043	12	0.01350	80%
31	0.00000	0.00000	0.00010	0.00020	N/A	0.00046	13	0.01200	80%
32	0.00000	0.00000	0.00010	0.00020	N/A	0.00048	14	0.01100	80%
33	0.00000	0.00000	0.00016	0.00020	N/A	0.00050	15	0.01000	80%
34	0.00000	0.00000	0.00022	0.00020	N/A	0.00053	16	0.00950	80%
35	0.00000	0.00000	0.00028	0.00020	N/A	0.00056	17	0.00900	80%
36	0.00000	0.00000	0.00034	0.00020	N/A	0.00060	18	0.00850	80%
37	0.00000	0.00000	0.00040	0.00020	N/A	0.00064	19	0.00800	80%
38	0.00000	0.00000	0.00048	0.00020	N/A	0.00068	20	0.00750	90%
39	0.00000	0.00000	0.00056	0.00020	N/A	0.00073	21	0.00700	90%
40	0.01500	0.00000	0.00064	0.00020	N/A	0.00079	22	0.00650	90%
41	0.01500	0.00000	0.00072	0.00020	N/A	0.00085	23	0.00600	90%
42	0.01500	0.00000	0.00080	0.00020	N/A	0.00092	24	0.00550	90%
43	0.01500	0.00000	0.00084	0.00024	N/A	0.00100	25	0.00500	110%
44	0.01500	0.00000	0.00088	0.00028	N/A	0.00108	26	0.00450	110%
45	0.01500	0.00000	0.00092	0.00032	N/A	0.00118	27	0.00400	110%
46	0.01500	0.00000	0.00096	0.00036	N/A	0.00128	28	0.00400	110%
47	0.01500	0.00000	0.00100	0.00040	N/A	0.00139	29	0.00400	110%
48	0.01500	0.00000	0.00104	0.00044	N/A	0.00152	30 & Above	0.00000	160%
49	0.01500	0.00000	0.00108	0.00048	N/A	0.00166			
50	0.01500	0.01200	0.00112	0.00052	N/A	0.00179			
51	0.01200	0.00960	0.00116	0.00056	N/A	0.00194			
52	0.01200	0.00960	0.00120	0.00060	N/A	0.00210			
53	0.01500	0.01200	0.00156	0.00064	N/A	0.00227			
54	0.02000	0.01600	0.00192	0.00068	N/A	0.00244			
55	0.03000	0.02400	0.00228	0.00072	N/A	0.00263			
56	0.03000	0.02400	0.00264	0.00076	N/A	0.00283			
57	0.03000	0.02400	0.00300	0.00080	N/A	0.00306			
58	0.04000	0.03200	0.00330	0.00084	N/A	0.00330			
59	0.05000	0.04000	0.00360	0.00088	N/A	0.00355			
60	0.07000	0.05600	0.00390	0.00092	N/A	0.00383			
61	0.07000	0.05600	0.00420	0.00096	N/A	0.00413			
62	0.10000	0.10000	0.00450	0.00100	N/A	0.00445			
63	0.12000	0.12000	0.00450	0.00104	N/A	0.00481			
64	0.17000	0.17000	0.00450	0.00108	N/A	0.00520			
65	0.23000	0.18400	0.00450	0.00112	N/A	0.00562			
66	0.19000	0.15200	0.00450	0.00116	N/A	0.00607			
67	0.19000	0.30000	0.00450	0.00120	N/A	0.00658			
68	0.19000	0.19000	0.00450	0.00124	N/A	0.00713			
69	0.19000	0.19000	0.00450	0.00128	N/A	0.00775			
70	0.24000	0.24000	0.00450	0.00132	N/A	0.00844			
71	0.19000	0.19000	0.00450	0.00136	N/A	0.00920			
72	0.19000	0.19000	0.00450	0.00140	N/A	0.01004			
73	0.19000	0.19000	0.00450	0.00144	N/A	0.01098			
74	0.19000	0.19000	0.00450	0.00148	N/A	0.01201			
75	1.00000	1.00000	0.00000	0.00000	N/A	0.01315			

1. Service retirement probabilities vary by years of service. The applicable retirement probability loading that varies by years of service is shown on this page in a separate column.
2. The retirement probability loading is applied to the service retirement probability at each member's applicable age and years of service.

Table A-9
Probability of Separation from Active Service for General Members
Plan D & G – Female

Age	Service Retirement ⁽¹⁾		Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
	Plan D	Plan G							
18	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	0	0.08000	80%
19	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	1	0.06500	80%
20	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	2	0.05000	80%
21	0.00000	0.00000	0.00015	0.00010	N/A	0.00016	3	0.04250	80%
22	0.00000	0.00000	0.00015	0.00010	N/A	0.00014	4	0.03500	80%
23	0.00000	0.00000	0.00015	0.00010	N/A	0.00013	5	0.03100	80%
24	0.00000	0.00000	0.00015	0.00010	N/A	0.00012	6	0.02900	80%
25	0.00000	0.00000	0.00015	0.00010	N/A	0.00012	7	0.02700	80%
26	0.00000	0.00000	0.00015	0.00010	N/A	0.00013	8	0.02500	80%
27	0.00000	0.00000	0.00015	0.00010	N/A	0.00014	9	0.02000	80%
28	0.00000	0.00000	0.00015	0.00010	N/A	0.00016	10	0.01700	80%
29	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	11	0.01500	80%
30	0.00000	0.00000	0.00015	0.00010	N/A	0.00020	12	0.01350	80%
31	0.00000	0.00000	0.00015	0.00010	N/A	0.00021	13	0.01200	80%
32	0.00000	0.00000	0.00015	0.00010	N/A	0.00023	14	0.01100	80%
33	0.00000	0.00000	0.00020	0.00010	N/A	0.00025	15	0.01000	80%
34	0.00000	0.00000	0.00025	0.00010	N/A	0.00027	16	0.00950	80%
35	0.00000	0.00000	0.00030	0.00010	N/A	0.00030	17	0.00900	80%
36	0.00000	0.00000	0.00035	0.00010	N/A	0.00033	18	0.00850	80%
37	0.00000	0.00000	0.00040	0.00010	N/A	0.00036	19	0.00800	80%
38	0.00000	0.00000	0.00042	0.00014	N/A	0.00039	20	0.00750	90%
39	0.00000	0.00000	0.00044	0.00018	N/A	0.00043	21	0.00700	90%
40	0.01500	0.00000	0.00046	0.00022	N/A	0.00047	22	0.00650	90%
41	0.01500	0.00000	0.00048	0.00026	N/A	0.00052	23	0.00600	90%
42	0.01500	0.00000	0.00050	0.00030	N/A	0.00056	24	0.00550	90%
43	0.01500	0.00000	0.00060	0.00032	N/A	0.00061	25	0.00500	110%
44	0.01500	0.00000	0.00070	0.00034	N/A	0.00066	26	0.00450	110%
45	0.01500	0.00000	0.00080	0.00036	N/A	0.00073	27	0.00400	110%
46	0.01500	0.00000	0.00090	0.00038	N/A	0.00079	28	0.00400	110%
47	0.01500	0.00000	0.00100	0.00040	N/A	0.00086	29	0.00400	110%
48	0.01500	0.00000	0.00110	0.00042	N/A	0.00092	30 & Above	0.00000	160%
49	0.01500	0.00000	0.00120	0.00044	N/A	0.00100			
50	0.01500	0.01200	0.00130	0.00046	N/A	0.00108			
51	0.01200	0.00960	0.00140	0.00048	N/A	0.00117			
52	0.01200	0.00960	0.00150	0.00050	N/A	0.00126			
53	0.01500	0.01200	0.00156	0.00052	N/A	0.00137			
54	0.02000	0.01600	0.00162	0.00054	N/A	0.00147			
55	0.03000	0.02400	0.00168	0.00056	N/A	0.00160			
56	0.03000	0.02400	0.00174	0.00058	N/A	0.00173			
57	0.03000	0.02400	0.00180	0.00060	N/A	0.00187			
58	0.04000	0.03200	0.00194	0.00064	N/A	0.00203			
59	0.05000	0.04000	0.00208	0.00068	N/A	0.00221			
60	0.07000	0.05600	0.00222	0.00072	N/A	0.00242			
61	0.07000	0.05600	0.00236	0.00076	N/A	0.00264			
62	0.10000	0.10000	0.00250	0.00080	N/A	0.00289			
63	0.12000	0.12000	0.00250	0.00084	N/A	0.00317			
64	0.17000	0.17000	0.00250	0.00088	N/A	0.00350			
65	0.23000	0.18400	0.00250	0.00092	N/A	0.00385			
66	0.19000	0.15200	0.00250	0.00096	N/A	0.00425			
67	0.19000	0.30000	0.00250	0.00100	N/A	0.00471			
68	0.19000	0.19000	0.00250	0.00104	N/A	0.00520			
69	0.19000	0.19000	0.00250	0.00108	N/A	0.00575			
70	0.24000	0.24000	0.00250	0.00112	N/A	0.00636			
71	0.19000	0.19000	0.00250	0.00116	N/A	0.00703			
72	0.19000	0.19000	0.00250	0.00120	N/A	0.00777			
73	0.19000	0.19000	0.00250	0.00124	N/A	0.00859			
74	0.19000	0.19000	0.00250	0.00128	N/A	0.00950			
75	1.00000	1.00000	0.00000	0.00000	N/A	0.01050			

1. Service retirement probabilities vary by years of service. The applicable retirement probability loading that varies by years of service is shown on this page in a separate column.
2. The retirement probability loading is applied to the service retirement probability at each member's applicable age and years of service.

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

Age	Service Retirement ⁽¹⁾	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
18	0.00000	N/A	N/A	N/A	0.00043	0	0.08000	70%
19	0.00000	N/A	N/A	N/A	0.00046	1	0.06500	70%
20	0.00000	N/A	N/A	N/A	0.00044	2	0.05000	70%
21	0.00000	N/A	N/A	N/A	0.00043	3	0.04250	70%
22	0.00000	N/A	N/A	N/A	0.00040	4	0.03500	70%
23	0.00000	N/A	N/A	N/A	0.00037	5	0.03100	70%
24	0.00000	N/A	N/A	N/A	0.00035	6	0.02700	70%
25	0.00000	N/A	N/A	N/A	0.00034	7	0.02300	70%
26	0.00000	N/A	N/A	N/A	0.00036	8	0.02300	70%
27	0.00000	N/A	N/A	N/A	0.00037	9	0.02300	70%
28	0.00000	N/A	N/A	N/A	0.00040	10	0.02300	70%
29	0.00000	N/A	N/A	N/A	0.00041	11	0.01900	70%
30	0.00000	N/A	N/A	N/A	0.00043	12	0.01800	70%
31	0.00000	N/A	N/A	N/A	0.00046	13	0.01680	70%
32	0.00000	N/A	N/A	N/A	0.00048	14	0.01560	70%
33	0.00000	N/A	N/A	N/A	0.00050	15	0.01440	70%
34	0.00000	N/A	N/A	N/A	0.00053	16	0.01320	70%
35	0.00000	N/A	N/A	N/A	0.00056	17	0.01200	70%
36	0.00000	N/A	N/A	N/A	0.00060	18	0.01160	70%
37	0.00000	N/A	N/A	N/A	0.00064	19	0.01120	70%
38	0.00000	N/A	N/A	N/A	0.00068	20	0.01080	70%
39	0.00000	N/A	N/A	N/A	0.00073	21	0.01040	70%
40	0.00000	N/A	N/A	N/A	0.00079	22	0.01000	70%
41	0.00000	N/A	N/A	N/A	0.00085	23	0.01000	70%
42	0.00000	N/A	N/A	N/A	0.00092	24	0.01000	70%
43	0.00000	N/A	N/A	N/A	0.00100	25	0.01000	100%
44	0.00000	N/A	N/A	N/A	0.00108	26	0.01000	100%
45	0.00000	N/A	N/A	N/A	0.00118	27	0.01000	100%
46	0.00000	N/A	N/A	N/A	0.00128	28	0.01000	100%
47	0.00000	N/A	N/A	N/A	0.00139	29	0.01000	100%
48	0.00000	N/A	N/A	N/A	0.00152	30 & Above	0.01000	130%
49	0.00000	N/A	N/A	N/A	0.00166			
50	0.00000	N/A	N/A	N/A	0.00179			
51	0.00000	N/A	N/A	N/A	0.00194			
52	0.00000	N/A	N/A	N/A	0.00210			
53	0.00000	N/A	N/A	N/A	0.00227			
54	0.00000	N/A	N/A	N/A	0.00244			
55	0.02000	N/A	N/A	N/A	0.00263			
56	0.02000	N/A	N/A	N/A	0.00283			
57	0.02500	N/A	N/A	N/A	0.00306			
58	0.02500	N/A	N/A	N/A	0.00330			
59	0.03000	N/A	N/A	N/A	0.00355			
60	0.04000	N/A	N/A	N/A	0.00383			
61	0.06000	N/A	N/A	N/A	0.00413			
62	0.09000	N/A	N/A	N/A	0.00445			
63	0.09000	N/A	N/A	N/A	0.00481			
64	0.19000	N/A	N/A	N/A	0.00520			
65	0.27000	N/A	N/A	N/A	0.00562			
66	0.20000	N/A	N/A	N/A	0.00607			
67	0.20000	N/A	N/A	N/A	0.00658			
68	0.20000	N/A	N/A	N/A	0.00713			
69	0.20000	N/A	N/A	N/A	0.00775			
70	0.20000	N/A	N/A	N/A	0.00844			
71	0.20000	N/A	N/A	N/A	0.00920			
72	0.20000	N/A	N/A	N/A	0.01004			
73	0.20000	N/A	N/A	N/A	0.01098			
74	0.20000	N/A	N/A	N/A	0.01201			
75	1.00000	N/A	N/A	N/A	0.01315			

1. Service retirement probabilities vary by years of service. The applicable retirement probability loading that varies by years of service is shown on this page in a separate column.
2. The retirement probability loading is applied to the service retirement probability at each member's applicable age and years of service.

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

Age	Service Retirement ⁽¹⁾	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
18	0.00000	N/A	N/A	N/A	0.00017	0	0.08000	70%
19	0.00000	N/A	N/A	N/A	0.00017	1	0.06500	70%
20	0.00000	N/A	N/A	N/A	0.00017	2	0.05000	70%
21	0.00000	N/A	N/A	N/A	0.00016	3	0.04250	70%
22	0.00000	N/A	N/A	N/A	0.00014	4	0.03500	70%
23	0.00000	N/A	N/A	N/A	0.00013	5	0.03100	70%
24	0.00000	N/A	N/A	N/A	0.00012	6	0.02700	70%
25	0.00000	N/A	N/A	N/A	0.00012	7	0.02300	70%
26	0.00000	N/A	N/A	N/A	0.00013	8	0.02300	70%
27	0.00000	N/A	N/A	N/A	0.00014	9	0.02300	70%
28	0.00000	N/A	N/A	N/A	0.00016	10	0.02300	70%
29	0.00000	N/A	N/A	N/A	0.00017	11	0.01900	70%
30	0.00000	N/A	N/A	N/A	0.00020	12	0.01800	70%
31	0.00000	N/A	N/A	N/A	0.00021	13	0.01680	70%
32	0.00000	N/A	N/A	N/A	0.00023	14	0.01560	70%
33	0.00000	N/A	N/A	N/A	0.00025	15	0.01440	70%
34	0.00000	N/A	N/A	N/A	0.00027	16	0.01320	70%
35	0.00000	N/A	N/A	N/A	0.00030	17	0.01200	70%
36	0.00000	N/A	N/A	N/A	0.00033	18	0.01160	70%
37	0.00000	N/A	N/A	N/A	0.00036	19	0.01120	70%
38	0.00000	N/A	N/A	N/A	0.00039	20	0.01080	70%
39	0.00000	N/A	N/A	N/A	0.00043	21	0.01040	70%
40	0.00000	N/A	N/A	N/A	0.00047	22	0.01000	70%
41	0.00000	N/A	N/A	N/A	0.00052	23	0.01000	70%
42	0.00000	N/A	N/A	N/A	0.00056	24	0.01000	70%
43	0.00000	N/A	N/A	N/A	0.00061	25	0.01000	100%
44	0.00000	N/A	N/A	N/A	0.00066	26	0.01000	100%
45	0.00000	N/A	N/A	N/A	0.00073	27	0.01000	100%
46	0.00000	N/A	N/A	N/A	0.00079	28	0.01000	100%
47	0.00000	N/A	N/A	N/A	0.00086	29	0.01000	100%
48	0.00000	N/A	N/A	N/A	0.00092	30 & Above	0.01000	130%
49	0.00000	N/A	N/A	N/A	0.00100			
50	0.00000	N/A	N/A	N/A	0.00108			
51	0.00000	N/A	N/A	N/A	0.00117			
52	0.00000	N/A	N/A	N/A	0.00126			
53	0.00000	N/A	N/A	N/A	0.00137			
54	0.00000	N/A	N/A	N/A	0.00147			
55	0.02000	N/A	N/A	N/A	0.00160			
56	0.02000	N/A	N/A	N/A	0.00173			
57	0.02500	N/A	N/A	N/A	0.00187			
58	0.02500	N/A	N/A	N/A	0.00203			
59	0.03000	N/A	N/A	N/A	0.00221			
60	0.04000	N/A	N/A	N/A	0.00242			
61	0.06000	N/A	N/A	N/A	0.00264			
62	0.09000	N/A	N/A	N/A	0.00289			
63	0.09000	N/A	N/A	N/A	0.00317			
64	0.19000	N/A	N/A	N/A	0.00350			
65	0.27000	N/A	N/A	N/A	0.00385			
66	0.20000	N/A	N/A	N/A	0.00425			
67	0.20000	N/A	N/A	N/A	0.00471			
68	0.20000	N/A	N/A	N/A	0.00520			
69	0.20000	N/A	N/A	N/A	0.00575			
70	0.20000	N/A	N/A	N/A	0.00636			
71	0.20000	N/A	N/A	N/A	0.00703			
72	0.20000	N/A	N/A	N/A	0.00777			
73	0.20000	N/A	N/A	N/A	0.00859			
74	0.20000	N/A	N/A	N/A	0.00950			
75	1.00000	N/A	N/A	N/A	0.01050			

1. Service retirement probabilities vary by years of service. The applicable retirement probability loading that varies by years of service is shown on this page in a separate column.
2. The retirement probability loading is applied to the service retirement probability at each member's applicable age and years of service.

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

Age	Service Retirement ⁽¹⁾		Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
	Plans A & B	Plan C							
18	0.00000	0.00000	0.00200	0.00000	0.00010	0.00037	0	0.05000	30%
19	0.00000	0.00000	0.00200	0.00000	0.00010	0.00040	1	0.03750	30%
20	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	2	0.02000	30%
21	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	3	0.01500	30%
22	0.00000	0.00000	0.00200	0.00000	0.00010	0.00040	4	0.01200	30%
23	0.00000	0.00000	0.00200	0.00000	0.00010	0.00039	5	0.01130	30%
24	0.00000	0.00000	0.00200	0.00000	0.00010	0.00038	6	0.01070	30%
25	0.00000	0.00000	0.00200	0.00000	0.00010	0.00037	7	0.01000	30%
26	0.00000	0.00000	0.00200	0.00000	0.00010	0.00038	8	0.00920	30%
27	0.00000	0.00000	0.00200	0.00000	0.00010	0.00039	9	0.00840	30%
28	0.00000	0.00000	0.00200	0.00000	0.00010	0.00040	10	0.00760	30%
29	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	11	0.00680	30%
30	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	12	0.00600	30%
31	0.00000	0.00000	0.00200	0.00000	0.00010	0.00042	13	0.00560	30%
32	0.00000	0.00000	0.00200	0.00000	0.00010	0.00043	14	0.00520	30%
33	0.00000	0.00000	0.00210	0.00000	0.00010	0.00044	15	0.00480	40%
34	0.00000	0.00000	0.00220	0.00000	0.00010	0.00045	16	0.00440	40%
35	0.00000	0.00000	0.00230	0.00000	0.00010	0.00047	17	0.00400	40%
36	0.00000	0.00000	0.00240	0.00000	0.00010	0.00049	18	0.00360	40%
37	0.00000	0.00000	0.00250	0.00000	0.00010	0.00050	19	0.00320	40%
38	0.00000	0.00000	0.00260	0.00000	0.00010	0.00053	20	0.00280	70%
39	0.00000	0.00000	0.00270	0.00000	0.00010	0.00056	21	0.00240	70%
40	0.00750	0.00000	0.00280	0.00000	0.00010	0.00059	22	0.00200	70%
41	0.00750	0.00000	0.00290	0.00000	0.00010	0.00062	23	0.00200	70%
42	0.00750	0.00000	0.00300	0.00000	0.00010	0.00067	24	0.00200	70%
43	0.00750	0.00000	0.00310	0.00000	0.00010	0.00071	25	0.00200	110%
44	0.00750	0.00000	0.00320	0.00000	0.00010	0.00076	26	0.00200	110%
45	0.00750	0.00000	0.00330	0.00000	0.00010	0.00082	27	0.00200	110%
46	0.00750	0.00000	0.00340	0.00000	0.00010	0.00088	28	0.00200	110%
47	0.00750	0.00000	0.00350	0.00000	0.00010	0.00095	29	0.00200	110%
48	0.00750	0.00000	0.00400	0.00000	0.00010	0.00102	30 & Above	0.00000	170%
49	0.00750	0.00000	0.00500	0.00000	0.00010	0.00111			
50	0.02000	0.02000	0.00750	0.00000	0.00010	0.00120			
51	0.02000	0.02000	0.00750	0.00000	0.00010	0.00129			
52	0.02000	0.02000	0.00750	0.00000	0.00010	0.00140			
53	0.03000	0.03000	0.02000	0.00000	0.00010	0.00151			
54	0.12000	0.08000	0.02000	0.00000	0.00010	0.00162			
55	0.22000	0.15000	0.07500	0.00000	0.00010	0.00175			
56	0.18000	0.15000	0.07500	0.00000	0.00010	0.00190			
57	0.14000	0.23000	0.10000	0.00000	0.00010	0.00205			
58	0.15000	0.15000	0.10000	0.00000	0.00010	0.00223			
59	0.22000	0.22000	0.10000	0.00000	0.00010	0.00243			
60	0.21000	0.21000	0.10000	0.00000	0.00010	0.00264			
61	0.20000	0.20000	0.05000	0.00000	0.00010	0.00288			
62	0.20000	0.20000	0.05000	0.00000	0.00010	0.00315			
63	0.20000	0.20000	0.05000	0.00000	0.00010	0.00344			
64	0.23000	0.23000	0.05000	0.00000	0.00010	0.00375			
65	1.00000	1.00000	0.00000	0.00000	0.00000	0.00410			

1. Service retirement probabilities vary by years of service. The applicable retirement probability loading that varies by years of service is shown on this page in a separate column.
2. The retirement probability loading is applied to the service retirement probability at each member's applicable age and years of service.

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

Age	Service Retirement ⁽¹⁾		Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
	Plans A & B	Plan C							
18	0.00000	0.00000	0.00300	0.00000	0.00010	0.00014	0	0.05000	30%
19	0.00000	0.00000	0.00300	0.00000	0.00010	0.00015	1	0.03750	30%
20	0.00000	0.00000	0.00300	0.00000	0.00010	0.00016	2	0.02000	30%
21	0.00000	0.00000	0.00300	0.00000	0.00010	0.00017	3	0.01500	30%
22	0.00000	0.00000	0.00300	0.00000	0.00010	0.00017	4	0.01200	30%
23	0.00000	0.00000	0.00300	0.00000	0.00010	0.00018	5	0.01130	30%
24	0.00000	0.00000	0.00300	0.00000	0.00010	0.00019	6	0.01070	30%
25	0.00000	0.00000	0.00300	0.00000	0.00010	0.00020	7	0.01000	30%
26	0.00000	0.00000	0.00300	0.00000	0.00010	0.00021	8	0.00920	30%
27	0.00000	0.00000	0.00300	0.00000	0.00010	0.00022	9	0.00840	30%
28	0.00000	0.00000	0.00340	0.00000	0.00010	0.00024	10	0.00760	30%
29	0.00000	0.00000	0.00380	0.00000	0.00010	0.00025	11	0.00680	30%
30	0.00000	0.00000	0.00420	0.00000	0.00010	0.00027	12	0.00600	30%
31	0.00000	0.00000	0.00460	0.00000	0.00010	0.00028	13	0.00560	30%
32	0.00000	0.00000	0.00500	0.00000	0.00010	0.00030	14	0.00520	30%
33	0.00000	0.00000	0.00560	0.00000	0.00010	0.00032	15	0.00480	40%
34	0.00000	0.00000	0.00620	0.00000	0.00010	0.00034	16	0.00440	40%
35	0.00000	0.00000	0.00680	0.00000	0.00010	0.00036	17	0.00400	40%
36	0.00000	0.00000	0.00740	0.00000	0.00010	0.00038	18	0.00360	40%
37	0.00000	0.00000	0.00800	0.00000	0.00010	0.00041	19	0.00320	40%
38	0.00000	0.00000	0.00840	0.00000	0.00010	0.00043	20	0.00280	70%
39	0.00000	0.00000	0.00880	0.00000	0.00010	0.00046	21	0.00240	70%
40	0.00750	0.00000	0.00920	0.00000	0.00010	0.00049	22	0.00200	70%
41	0.00750	0.00000	0.00960	0.00000	0.00010	0.00052	23	0.00200	70%
42	0.00750	0.00000	0.01000	0.00000	0.00010	0.00056	24	0.00200	70%
43	0.00750	0.00000	0.01040	0.00000	0.00010	0.00059	25	0.00200	110%
44	0.00750	0.00000	0.01080	0.00000	0.00010	0.00063	26	0.00200	110%
45	0.00750	0.00000	0.01120	0.00000	0.00010	0.00067	27	0.00200	110%
46	0.00750	0.00000	0.01160	0.00000	0.00010	0.00071	28	0.00200	110%
47	0.00750	0.00000	0.01200	0.00000	0.00010	0.00076	29	0.00200	110%
48	0.00750	0.00000	0.01300	0.00000	0.00010	0.00080	30 & Above	0.00000	170%
49	0.00750	0.00000	0.01500	0.00000	0.00010	0.00085			
50	0.02000	0.02000	0.01800	0.00000	0.00010	0.00091			
51	0.02000	0.02000	0.02000	0.00000	0.00010	0.00097			
52	0.02000	0.02000	0.02400	0.00000	0.00010	0.00103			
53	0.03000	0.03000	0.02800	0.00000	0.00010	0.00109			
54	0.12000	0.08000	0.03200	0.00000	0.00010	0.00116			
55	0.22000	0.15000	0.11000	0.00000	0.00010	0.00123			
56	0.18000	0.15000	0.06000	0.00000	0.00010	0.00131			
57	0.14000	0.23000	0.06000	0.00000	0.00010	0.00140			
58	0.15000	0.15000	0.06000	0.00000	0.00010	0.00148			
59	0.22000	0.22000	0.06000	0.00000	0.00010	0.00158			
60	0.21000	0.21000	0.06000	0.00000	0.00010	0.00168			
61	0.20000	0.20000	0.06000	0.00000	0.00010	0.00178			
62	0.20000	0.20000	0.06000	0.00000	0.00010	0.00190			
63	0.20000	0.20000	0.06000	0.00000	0.00010	0.00202			
64	0.23000	0.23000	0.06000	0.00000	0.00010	0.00215			
65	1.00000	1.00000	0.00000	0.00000	0.00000	0.00228			

1. Service retirement probabilities vary by years of service. The applicable retirement probability loading that varies by years of service is shown on this page in a separate column.
2. The retirement probability loading is applied to the service retirement probability at each member's applicable age and years of service.

Table A-14
Probability of Initial Medical Enrollment

Males and Females:

<u>Years of Service</u>	<u>Assumed Enrollment %</u>
< 10	7%
10-14	43%
15-19	64%
20-24	77%
25+	94%
Disabled	95%

This applies to the medical and Medicare Part B premium reimbursement benefits.

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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	0.6%	0.6%	0.2%	0.1%
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	0.6%	0.3%	0.2%	0.1%
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	1.2%	0.3%		
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children	0.1%	0.1%		
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor				
211	Anthem Blue Cross I	Retiree Only	0.6%	0.7%	0.3%	0.5%
212	Anthem Blue Cross I	Retiree and Spouse	0.5%	0.5%	0.3%	0.1%
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.9%	0.2%		
214	Anthem Blue Cross I	Retiree and Children		0.2%		
215	Anthem Blue Cross I	Minor Survivor				
221	Anthem Blue Cross II	Retiree Only	4.8%	8.1%	1.1%	1.5%
222	Anthem Blue Cross II	Retiree and Spouse	11.4%	6.1%	2.3%	0.7%
223	Anthem Blue Cross II	Retiree, Spouse and Children	17.2%	2.8%	0.9%	
224	Anthem Blue Cross II	Retiree and Children	1.3%	1.5%	0.2%	0.1%
225	Anthem Blue Cross II	Minor Survivor				
240	Anthem Blue Cross III	One Medicare		0.2%	7.3%	11.3%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare		0.1%	0.4%	0.1%
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			4.5%	1.2%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare		0.1%	7.9%	5.4%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare				0.1%
245	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.3%	0.2%
246	Anthem Blue Cross III	Retiree and Family 1 Medicare				
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	0.1%	0.4%	1.3%	0.2%
248	Anthem Blue Cross III	Retiree and Family 2 Medicare				
249	Anthem Blue Cross III	Retiree and Family 2 Medicare			0.3%	0.2%
250	Anthem Blue Cross III	Retiree and Family 3 Medicare			0.2%	
301	Cigna Network Model Plan	Retiree Only	0.1%		0.2%	0.1%
302	Cigna Network Model Plan	Retiree and Spouse				
303	Cigna Network Model Plan	Retiree and Family	0.1%		0.1%	
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)				
393	Kaiser (WA)	Retiree and Family				
394	Kaiser (WA)	Retiree and Family				
395	Kaiser (WA)	Retiree and Family				
396	Kaiser (WA)	Retiree and Family				
397	Kaiser (WA)	Retiree and Family				
398	Kaiser (WA)	Retiree and Family				
399	Kaiser (WA)	Retiree and Family				
400	Kaiser (WA)	Retiree and Family				
401	Kaiser (CA)	Retiree Basic (Under 65)	10.2%	26.3%		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)		0.6%	17.4%	36.0%
404	Kaiser (CA)	Retiree Excess I			0.2%	0.8%
405	Kaiser (CA)	Retiree Excess II - Part B			1.4%	3.4%
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)				
411	Kaiser (CA)	Family Basic	30.8%	31.1%		
413	Kaiser (CA)	One Advantage, Others Basic			19.5%	4.8%
414	Kaiser (CA)	One Excess I, Others Basic			0.3%	
418	Kaiser (CA)	Two+ Advantage			16.2%	15.9%
419	Kaiser (CA)	One Excess I, One Advantage			0.1%	
420	Kaiser (CA)	Two+ Excess I				
421	Kaiser (CA)	Survivor				
422	Kaiser (CA)	One Excess II - Part B, One Basic			1.3%	0.5%
423	Kaiser (CA)	One Excess III (MNP), One Basic				
426	Kaiser (CA)	One Risk, One Excess II - Part B			0.1%	0.4%
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			0.2%	0.1%
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 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				
453	Kaiser - Colorado	Retiree Basic (Two Party)				
454	Kaiser - Colorado	Retiree Basic Family				
455	Kaiser - Colorado	One Risk, One Basic				
457	Kaiser - Colorado	Two Retiree Risk				
458	Kaiser - Colorado	One Risk, Two or More Dependents				
459	Kaiser - Colorado	Two Risk, Two or More Dependents				
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				
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			0.4%	0.8%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)			0.5%	0.4%
620	SCAN Health Plan (AZ)	Arizona - Retiree Only				
621	SCAN Health Plan (AZ)	Arizona - Retiree & 1 Dependent (2 Medicare)				
622	SCAN Health Plan (NV)	Nevada - Retiree Only				
623	SCAN Health Plan (NV)	Nevada - Retiree & 1 Dependent (2 Medicare)				
701	United Healthcare Medicare Advantage	Retiree Only		0.2%	4.2%	9.0%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	0.5%	2.3%	3.9%	1.1%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			4.4%	4.4%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.5%	1.6%	0.3%
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)			0.3%	0.2%
706	United Healthcare Medicare Advantage	Minor Survivor				
707	United Healthcare	Single	3.8%	8.5%		
708	United Healthcare	Two-Party	6.7%	5.5%		
709	United Healthcare	Family	8.3%	2.8%		
Total			100.0%	100.0%	100.0%	100.0%

Probability of enrolling at least one dependent 79.9% 54.8% 67.3% 36.5%

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	7.2%	7.2%		
802	Firefighters Local 1014	Med-Member +1 under 65	30.8%	30.8%		
803	Firefighters Local 1014	Med-Member +2 under 65	62.0%	62.0%		
804	Firefighters Local 1014	Med-Member with Medicare			6.0%	6.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC				
806	Firefighters Local 1014	Med-Member +1; 2 MDC			44.0%	44.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC				
808	Firefighters Local 1014	Med-Member +2; 2 MDC			50.0%	50.0%
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			92.8%	92.8%	94.0%	94.0%

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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	0.6%	0.6%		
202	Anthem Blue Cross Prudent Buyer Plan	Retiree and Spouse	0.6%	0.3%		
203	Anthem Blue Cross Prudent Buyer Plan	Retiree and Family	1.2%	0.3%		
204	Anthem Blue Cross Prudent Buyer Plan	Retiree and Children	0.1%	0.1%		
205	Anthem Blue Cross Prudent Buyer Plan	Minor Survivor				
211	Anthem Blue Cross I	Retiree Only	0.6%	0.7%		
212	Anthem Blue Cross I	Retiree and Spouse	0.5%	0.5%		
213	Anthem Blue Cross I	Retiree, Spouse and Children	0.9%	0.2%		
214	Anthem Blue Cross I	Retiree and Children		0.2%		
215	Anthem Blue Cross I	Minor Survivor				
221	Anthem Blue Cross II	Retiree Only	4.8%	8.1%		
222	Anthem Blue Cross II	Retiree and Spouse	11.4%	6.1%		
223	Anthem Blue Cross II	Retiree, Spouse and Children	17.2%	2.8%		
224	Anthem Blue Cross II	Retiree and Children	1.3%	1.5%		
225	Anthem Blue Cross II	Minor Survivor				
240	Anthem Blue Cross III	One Medicare		0.2%	8.9%	13.5%
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare		0.1%	0.4%	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare			7.3%	2.1%
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare		0.1%	7.9%	5.4%
244	Anthem Blue Cross III	Retiree and Children 1 Medicare				0.2%
245	Anthem Blue Cross III	Retiree and Children 1 Medicare			0.5%	0.2%
246	Anthem Blue Cross III	Retiree and Family 1 Medicare				
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	0.1%	0.4%	2.2%	0.2%
248	Anthem Blue Cross III	Retiree and Family 2 Medicare				
249	Anthem Blue Cross III	Retiree and Family 2 Medicare			0.3%	0.2%
250	Anthem Blue Cross III	Retiree and Family 3 Medicare			0.2%	
301	Cigna Network Model Plan	Retiree Only	0.1%		0.2%	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	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)				
393	Kaiser (WA)	Retiree and Family				
394	Kaiser (WA)	Retiree and Family				
395	Kaiser (WA)	Retiree and Family				
396	Kaiser (WA)	Retiree and Family				
397	Kaiser (WA)	Retiree and Family				
398	Kaiser (WA)	Retiree and Family				
399	Kaiser (WA)	Retiree and Family				
400	Kaiser (WA)	Retiree and Family				
401	Kaiser (CA)	Retiree Basic (Under 65)	10.2%	26.3%		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)		0.6%	19.0%	40.2%
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	30.8%	31.1%		
413	Kaiser (CA)	One Advantage, Others Basic			21.1%	5.3%
414	Kaiser (CA)	One Excess I, Others Basic				
418	Kaiser (CA)	Two+ Advantage			16.6%	16.4%
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				
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				
453	Kaiser - Colorado	Retiree Basic (Two Party)				
454	Kaiser - Colorado	Retiree Basic Family				
455	Kaiser - Colorado	One Risk, One Basic				
457	Kaiser - Colorado	Two Retiree Risk				
458	Kaiser - Colorado	One Risk, Two or More Dependents				
459	Kaiser - Colorado	Two Risk, Two or More Dependents				
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				
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			0.4%	0.8%
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)			0.5%	0.4%
620	SCAN Health Plan (AZ)	Arizona - Retiree Only				
621	SCAN Health Plan (AZ)	Arizona - Retiree & 1 Dependent (2 Medicare)				
622	SCAN Health Plan (NV)	Nevada - Retiree Only				
623	SCAN Health Plan (NV)	Nevada - Retiree & 1 Dependent (2 Medicare)				
701	United Healthcare Medicare Advantage	Retiree Only		0.2%	4.2%	9.0%
702	United Healthcare Medicare Advantage	Retiree & 1 Dependent (1 Medicare)	0.5%	2.3%	3.9%	1.1%
703	United Healthcare Medicare Advantage	Retiree & 1 Dependent (2 Medicare)			4.4%	4.4%
704	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (1 Medicare)		0.5%	1.6%	0.3%
705	United Healthcare Medicare Advantage	Retiree & 2 + Deps. (2 Medicare)			0.3%	0.2%
706	United Healthcare Medicare Advantage	Minor Survivor				
707	United Healthcare	Single	3.8%	8.5%		
708	United Healthcare	Two-Party	6.7%	5.5%		
709	United Healthcare	Family	8.3%	2.8%		
Total			100.0%	100.0%	100.0%	100.0%
Probability of enrolling at least one dependent			79.9%	54.8%	67.3%	36.4%

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	7.2%	7.2%		
802	Firefighters Local 1014	Med-Member +1 under 65	30.8%	30.8%		
803	Firefighters Local 1014	Med-Member +2 under 65	62.0%	62.0%		
804	Firefighters Local 1014	Med-Member with Medicare			6.0%	6.0%
805	Firefighters Local 1014	Med-Member +1; 1 MDC				
806	Firefighters Local 1014	Med-Member +1; 2 MDC			44.0%	44.0%
807	Firefighters Local 1014	Med-Member +2; 1 MDC				
808	Firefighters Local 1014	Med-Member +2; 2 MDC			50.0%	50.0%
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			92.8%	92.8%	94.0%	94.0%

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**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	49.00%	0.00%
	Anthem Blue Cross III	51.00%	100.00%
Anthem Blue Cross II	Anthem Blue Cross II	45.00%	0.00%
	Anthem Blue Cross III	55.00%	100.00%
Anthem Blue Cross Prudent Buyer	Anthem Blue Cross Prudent Buyer	46.00%	0.00%
	Anthem Blue Cross II	4.00%	0.00%
	Anthem Blue Cross III	50.00%	100.00%
Cigna Network Model	Cigna Network Model Plan	55.00%	0.00%
	Cigna Healthcare for Seniors	3.00%	0.00%
	Anthem Blue Cross II	1.00%	0.00%
	Anthem Blue Cross III	15.00%	25.00%
	UnitedHealthcare Medicare Advantage Senior Advantage	14.00%	75.00%
	Senior Advantage	4.00%	0.00%
	SCAN Health Plan	8.00%	0.00%
UnitedHealthcare	UnitedHealthcare Medicare Advantage	80.00%	81.00%
	Cigna Network Model Plan	1.00%	0.00%
	Anthem Blue Cross II	3.00%	0.00%
	Anthem Blue Cross III	9.00%	12.00%
	SCAN Health Plan	1.00%	1.00%
	Senior Advantage	2.00%	6.00%
	Excess II	3.00%	0.00%
	One Excess II, One Basic	1.00%	0.00%
Kaiser Retiree Basic	Senior Advantage	76.00%	98.00%
	Retiree Excess I	2.00%	0.00%
	Retiree Excess II	20.00%	0.00%
	Anthem Blue Cross III	2.00%	2.00%
Kaiser Family Basic	2+ Advantage	85.00%	98.00%
	One Excess I, One Advantage	2.00%	0.00%
	One Excess II, One Advantage	11.00%	0.00%
	One Excess III (MNP), One Advantage	0.00%	0.00%
	Two+ Excess II - Part B	0.00%	0.00%
	Anthem Blue Cross III	2.00%	2.00%
	UnitedHealthcare Medicare Advantage	0.00%	0.00%
	Senior Advantage	0.00%	0.00%
Firefighters Local 1014	Firefighters Local 1014	100.00%	100.00%

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 retirees 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., \$164.90 for calendar year 2023 and \$174.70 for calendar year 2024).

For purposes of this valuation, we assume the average Medicare Part B premium reimbursement from July 1, 2023 through July 1, 2024 is \$162.47 per member per month. This is based on our average of 2023 calendar year Medicare Part B premium rates provided in the census from LACERA of \$150.24 per member per month and the 2024 calendar year Medicare Part B standard premium rate of \$174.70.

Table A-17
Survivor and New Dependent Enrollment

Beginning with this July 1, 2023 valuation, we apply the following loads to the valuation results rather than use our remarriage assumptions from the 2020 experience study below. This approach is more commensurate with the impact of results.

Active and Vested Terminated Members increase of 0.38%
Retired Members increase of 0.52%

2020 experience study remarriage assumptions

Scenario I

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

- We assume 1.0% will enroll a new spouse/domestic partner.
- We assume 2.5% 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 2.2% of the surviving spouse/domestic partners with a continuance option will enroll a new spouse.
- Therefore, we assume 2.0% (or 90% of the 2.2%) of the surviving spouses' new spouses will enroll and receive the County subsidy.
- We assume 2.5% 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	48%
15-19	70%
20-24	77%
25+	94%
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	17.3%	64.9%	0%	4.9%	12.9%	0%
Female	41.6%	39.8%	0%	11.0%	7.6%	0%

**Table A-20
 Premium Information**

This section is from the July 1, 2022 OPEB valuation. The July 1, 2024 information will be displayed with the July 1, 2023 OPEB valuation.

The following premium information is for retirees living in California who have less than 10 years of service and must pay the full amount. Members who have more than 10 years of service receive a subsidy from the County. Details can be found in the 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 \$10.00 effective July 1, 2022 and \$8.00 effective July 1, 2023 and is included in the premium rates.

**Pre and Post Age 65 Monthly Rates Effective July 1, 2022
 Cigna and UnitedHealthcare are 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	\$ 1,275.39	\$ 1,275.39	\$ 902.57	\$ 1,657.81	
Retiree & Spouse	\$ 2,297.06	\$ 2,297.06	\$ 1,772.82	\$ 2,991.10	
Retiree & Family	\$ 2,709.06	\$ 2,709.06	\$ 2,000.33	\$ 3,531.49	
Retiree & Children	\$ 1,686.53	\$ 1,686.53	\$ 1,159.16	\$ 2,198.42	
Minor Survivor	\$ 424.51	\$ 432.89	\$ 248.48	\$ 525.62	\$ 372.13
UnitedHealthcare Single					\$ 1,295.66
UnitedHealthcare Two-Party					\$ 2,364.24
UnitedHealthcare Family					\$ 2,802.79

**Pre and Post Age 65 Monthly Rates Effective July 1, 2023
 Cigna and UnitedHealthcare are 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	\$ 1,374.62	\$ 1,374.62	\$ 951.76	\$ 1,787.58	
Retiree & Spouse	\$ 2,478.02	\$ 2,478.02	\$ 1,871.92	\$ 3,227.48	
Retiree & Family	\$ 2,922.98	\$ 2,922.98	\$ 2,112.48	\$ 3,810.99	
Retiree & Children	\$ 1,818.65	\$ 1,818.65	\$ 1,223.07	\$ 2,371.89	
Minor Survivor	\$ 455.67	\$ 464.72	\$ 260.15	\$ 564.82	\$ 394.87
UnitedHealthcare Single					\$ 1,381.50
UnitedHealthcare Two-Party					\$ 2,523.09
UnitedHealthcare Family					\$ 2,991.61

Post Age 65 Monthly Rates Effective July 1, 2022

Tier	Anthem Blue Cross - Plan III	SCAN	Cigna	United Healthcare Medicare Advantage
One Medicare	\$ 521.08		\$ 386.49	
Retiree & Spouse- 1 Medicare	\$ 1,659.63		\$ 1,719.78	
Retiree & Spouse- 2 Medicare	\$ 1,034.26		\$ 762.98	
Retiree & Children- 1 Medicare	\$ 930.76		\$ 928.28	
Retiree & Family- 1 Medicare	\$ 2,069.18		\$ 2,260.85	
Retiree & Family- 2 Medicare	\$ 1,443.73		\$ 1,344.91	
Retiree & Family- 3 Medicare	\$ 1,617.64			
Retiree Only		\$ 285.60		\$ 338.45
Retiree & 1 Dependent (1 Medicare)				\$ 1,624.11
Retiree & 1 Dependent (2 Medicare)		\$ 561.20		\$ 666.90
Retiree & 2 + Deps. (1 Medicare)				\$ 1,845.58
Retiree & 2 + Deps. (2 Medicare)				\$ 888.37

Post Age 65 Monthly Rates Effective July 1, 2023

Tier	Anthem Blue Cross - Plan III	SCAN	Cigna	United Healthcare Medicare Advantage
One Medicare	\$ 559.97		\$ 346.86	
Retiree & Spouse- 1 Medicare	\$ 1,789.60		\$ 1,786.76	
Retiree & Spouse- 2 Medicare	\$ 1,114.20		\$ 685.72	
Retiree & Children- 1 Medicare	\$ 1,002.42		\$ 931.85	
Retiree & Family- 1 Medicare	\$ 2,231.91		\$ 2,730.95	
Retiree & Family- 2 Medicare	\$ 1,556.43		\$ 1,325.84	
Retiree & Family- 3 Medicare	\$ 1,744.25			
Retiree Only		\$ 248.59		\$ 323.31
Retiree & 1 Dependent (1 Medicare)				\$ 1,696.81
Retiree & 1 Dependent (2 Medicare)		\$ 489.18		\$ 638.62
Retiree & 2 + Deps. (1 Medicare)				\$ 1,933.42
Retiree & 2 + Deps. (2 Medicare)				\$ 875.23

Kaiser California Monthly Rates

Effective Date	July 1, 2022	July 1, 2023
Retiree Basic (Under 65)	\$ 1,143.57	\$ 1,265.81
Retiree Risk (Senior Advantage)	\$ 263.09	\$ 250.28
Retiree Excess I	\$ 1,178.97	\$ 1,186.60
Retiree Excess II - Part B	\$ 1,148.18	\$ 1,268.44
Excess III - Medicare Not Provided (MNP)	\$ 1,178.97	N/A
Family Basic	\$ 2,277.14	\$ 2,523.62
One Advantage, One Basic	\$ 1,396.66	\$ 1,508.09
One Excess I, One Basic	\$ 2,312.54	\$ 2,444.41
One Excess II - Part B, One Basic	\$ 2,281.75	\$ 2,526.25
One Excess III (MNP), One Basic	\$ 2,312.54	N/A
Two+ Advantage	\$ 516.18	\$ 492.56
One Excess I, One Advantage	\$ 1,432.06	\$ 1,428.88
One Advantage, One Excess II - Part B	\$ 1,401.27	\$ 1,510.72
One Advantage, One Excess III (MNP)	\$ 1,432.06	N/A
Two+ Excess I	\$ 2,347.94	\$ 2,365.20
One Excess I, One Excess II - Part B	\$ 2,317.15	\$ 2,447.04
One Excess I, One Excess III (MNP)	\$ 2,347.94	N/A
Two Excess II - Part B	\$ 2,286.36	\$ 2,528.88
One Excess II - Part B, One Excess III (MNP)	\$ 2,317.15	N/A
Two Excess III - Both (MNP)	\$ 2,347.94	N/A
Survivor	\$ 1,143.57	\$ 1,265.81

Firefighters Local 1014 Monthly Rates

Effective Date	July 1, 2022
Medical Member Under 65	\$ 1,259.51
Medical Member + 1 Under 65	\$ 2,270.98
Medical Member + 2 Under 65	\$ 2,678.84
Medical Member with Medicare	\$ 1,259.51
Medical Member + 1: 1 Medicare (MDC)	\$ 2,270.98
Medical Member + 1; 2 MDC	\$ 2,270.98
Medical Member + 2; 1 MDC	\$ 2,678.84
Medical Member + 2; 2 MDC	\$ 2,678.84
Medical Surviving Spouse Under 65	\$ 1,259.51
Medical Surviving Spouse + 1 Under 65	\$ 2,270.98
Medical Surviving Spouse + 2 Under 65	\$ 2,678.84
Medical Surviving Spouse with MDC	\$ 1,259.51
Medical Surviving Spouse + 1; 1 MDC	\$ 2,270.98
Medical Surviving Spouse + 2; 1 MDC	\$ 2,678.84
Medical Surviving Spouse + 1; 2 MDC	\$ 2,270.98

July 1, 2023 Firefighter Local 1014 rates were not available in time to include in the valuation.

Dental/Vision Monthly Rates

Effective Date	July 1, 2022		July 1, 2023	
	Cigna Dental HMO/Vision	Cigna Indemnity Dental/Vision	Cigna Dental HMO/Vision	Cigna Indemnity Dental/Vision
Tier				
Retiree Only	\$ 48.43	\$ 51.42	\$ 46.52	\$ 52.68
Retiree & Dependents	\$ 97.09	\$ 104.33	\$ 95.28	\$ 109.81
Minor Survivor	\$ 48.99	\$ 62.67	\$ 47.11	\$ 64.82

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 on or 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 8% of the spouse's portion. This assumption grades linearly to 20% of the spouse's portion for a retiree with 25+ years of service. These assumptions are from the July 1, 2022 OPEB valuation and will be reviewed with the July 1, 2023 OPEB valuation.

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. These assumptions are from the July 1, 2022 OPEB valuation and will be reviewed with the July 1, 2023 OPEB valuation.

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.

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Table A-21
Claim Cost Analysis

This section is from the July 1, 2022 OPEB valuation. The July 1, 2023 information will be updated with the July 1, 2023 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 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, 2022. The monthly 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. Current vested terminated members post 65 claim costs are based on their earliest retirement eligibility age.

The claim cost assumptions were age and gender adjusted based on the Milliman Health Cost Guidelines™.

In the following tables, when shown, child costs are at age 65. The costs for children are assumed to be 28% of the age 65 child costs for males and 22% 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	\$ 398.84	\$ 644.16	\$ 433.01	\$ 331.33
30	\$ 491.37	\$ 788.48	\$ 397.38	\$ 741.90
35	\$ 609.59	\$ 848.45	\$ 492.99	\$ 737.83
40	\$ 747.48	\$ 1,077.18	\$ 590.78	\$ 803.55
45	\$ 852.21	\$ 1,299.15	\$ 689.06	\$ 913.73
50	\$ 969.54	\$ 1,236.27	\$ 831.96	\$ 1,032.09
55	\$ 1,103.00	\$ 1,196.29	\$ 1,006.74	\$ 1,142.73
60	\$ 1,147.67	\$ 1,174.14	\$ 1,254.51	\$ 1,296.64
65 (Pre 65)	\$ 1,284.25	\$ 1,260.08	\$ 1,555.93	\$ 1,512.01
65 (Post 65)	\$ 473.27	\$ 402.05	\$ 368.48	\$ 444.13
70	\$ 573.87	\$ 467.46	\$ 446.81	\$ 516.38
75	\$ 658.03	\$ 514.03	\$ 512.33	\$ 567.83
80	\$ 706.55	\$ 538.82	\$ 550.11	\$ 595.20
85	\$ 725.40	\$ 547.67	\$ 564.78	\$ 604.96
90	\$ 730.69	\$ 547.91	\$ 568.90	\$ 605.20
95	\$ 730.69	\$ 547.91	\$ 568.90	\$ 605.20

B. Future Retirees Retiring After Age 65

Age	Retiree		Spouse/Surv Spouse + Dependents	
	Male	Female	Male	Female
25	N/A	N/A	\$ 434.00	\$ 332.80
30	N/A	N/A	\$ 398.30	\$ 745.19
35	N/A	N/A	\$ 494.12	\$ 741.12
40	N/A	N/A	\$ 592.13	\$ 807.13
45	N/A	N/A	\$ 690.65	\$ 917.80
50	N/A	N/A	\$ 833.89	\$ 1,036.68
55	N/A	N/A	\$ 1,009.06	\$ 1,147.81
60	N/A	N/A	\$ 1,257.38	\$ 1,302.41
65 (Pre 65)	N/A	N/A	\$ 1,559.50	\$ 1,518.73
65 (Post 65)	\$ 335.53	\$ 301.46	\$ 291.81	\$ 322.80
70	\$ 406.86	\$ 350.50	\$ 353.85	\$ 375.30
75	\$ 466.53	\$ 385.42	\$ 405.74	\$ 412.69
80	\$ 500.93	\$ 403.99	\$ 435.66	\$ 432.58
85	\$ 514.29	\$ 410.61	\$ 447.28	\$ 439.70
90	\$ 518.04	\$ 410.77	\$ 450.54	\$ 439.90
95	\$ 518.04	\$ 410.77	\$ 450.54	\$ 439.90

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	\$ 639.73	\$ 1,023.04	\$ 653.93	\$ 500.26
30	\$ 788.12	\$ 1,252.24	\$ 600.13	\$ 1,120.16
35	\$ 977.74	\$ 1,347.49	\$ 744.52	\$ 1,114.02
40	\$ 1,198.90	\$ 1,710.75	\$ 892.20	\$ 1,213.24
45	\$ 1,366.90	\$ 2,063.25	\$ 1,040.64	\$ 1,379.57
50	\$ 1,555.12	\$ 1,963.40	\$ 1,256.48	\$ 1,558.28
55	\$ 1,769.19	\$ 1,899.89	\$ 1,520.44	\$ 1,725.31
60	\$ 1,840.84	\$ 1,864.72	\$ 1,894.61	\$ 1,957.68
65 (Pre 65)	\$ 2,059.92	\$ 2,001.20	\$ 2,349.83	\$ 2,282.85
65 (Post 65)	\$ 554.50	\$ 538.70	\$ 554.50	\$ 538.70
70	\$ 672.39	\$ 626.33	\$ 672.39	\$ 626.33
75	\$ 771.00	\$ 688.71	\$ 771.00	\$ 688.71
80	\$ 827.85	\$ 721.91	\$ 827.85	\$ 721.91
85	\$ 849.94	\$ 733.77	\$ 849.94	\$ 733.77
90	\$ 856.13	\$ 734.09	\$ 856.13	\$ 734.09
95	\$ 856.13	\$ 734.09	\$ 856.13	\$ 734.09

Future Retirees Monthly Dental/Vision Claim Costs

Age	Retiree		Spouse/Surv Spouse + Dependents	
	Male	Female	Male	Female
25	\$ 22.04	\$ 27.43	\$ 24.79	\$ 25.04
30	\$ 25.13	\$ 29.65	\$ 27.63	\$ 32.63
35	\$ 27.20	\$ 31.55	\$ 29.91	\$ 34.72
40	\$ 28.74	\$ 33.51	\$ 31.61	\$ 36.88
45	\$ 30.67	\$ 35.59	\$ 33.73	\$ 39.16
50	\$ 33.38	\$ 38.19	\$ 36.71	\$ 42.03
55	\$ 37.59	\$ 41.73	\$ 41.33	\$ 45.92
60	\$ 43.51	\$ 46.38	\$ 47.85	\$ 51.04
65	\$ 50.46	\$ 50.08	\$ 55.49	\$ 55.10
70	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
75	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
80	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
85	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
90	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
95	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54

For current retired members, spouses, and dependents, the claim costs are based on the actual premiums by deduction code, adjusted for age and gender. The tables that follow show the age 65 adjusted monthly 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	\$ 772.14				\$ 772.14			\$ 615.41		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 772.14	\$ 772.14	\$ 595.39		\$ 772.14	\$ 772.14		\$ 615.41	\$ 615.41	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 772.14	\$ 772.14	\$ 595.39		\$ 772.14	\$ 772.14		\$ 615.41	\$ 615.41	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 772.14	\$ 772.14	\$ 595.39		\$ 772.14			\$ 615.41		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 595.39			\$ 595.39			
211	Anthem Blue Cross I	Retiree Only	\$ 634.59				\$ 634.59			\$ 514.36		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 634.59	\$ 634.59	\$ 489.32		\$ 634.59	\$ 634.59		\$ 514.36	\$ 514.36	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 634.59	\$ 634.59	\$ 489.32		\$ 634.59	\$ 634.59		\$ 514.36	\$ 514.36	
214	Anthem Blue Cross I	Retiree and Children	\$ 634.59	\$ 634.59	\$ 489.32		\$ 634.59			\$ 514.36		
215	Anthem Blue Cross I	Minor Survivor				\$ 489.32			\$ 489.32			\$ 489.32
221	Anthem Blue Cross II	Retiree Only	\$ 1,216.88				\$ 1,216.88			\$ 768.38		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,216.88	\$ 1,216.88	\$ 938.32		\$ 1,216.88	\$ 1,216.88		\$ 768.38	\$ 768.38	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,216.88	\$ 1,216.88	\$ 938.32		\$ 1,216.88	\$ 1,216.88		\$ 768.38	\$ 768.38	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,216.88	\$ 1,216.88	\$ 938.32		\$ 1,216.88			\$ 768.38		
225	Anthem Blue Cross II	Minor Survivor				\$ 938.32			\$ 938.32			\$ 938.32
240	Anthem Blue Cross III	One Medicare					\$ 415.98			\$ 415.98		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98			\$ 415.98	\$ 415.98	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98			\$ 415.98	\$ 415.98	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
301	Cigna Network Model Plan	Retiree Only	\$ 1,266.98				\$ 1,266.98			\$ 693.78		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,266.98	\$ 1,266.98	\$ 976.95		\$ 1,266.98	\$ 1,266.98		\$ 693.78	\$ 693.60	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,266.98	\$ 1,266.98	\$ 976.95		\$ 1,266.98	\$ 1,266.98		\$ 693.78	\$ 693.60	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,266.98	\$ 1,266.98	\$ 976.95		\$ 1,266.98			\$ 693.78		
305	Cigna Network Model Plan	Minor Survivor				\$ 976.95			\$ 976.95			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 323.37					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 323.37	\$ 323.37				
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 323.37	\$ 323.37				
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,300.67							\$ 359.45		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 209.42					
404	Kaiser (CA)	Retiree Excess I					\$ 938.47					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 913.96					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 938.47					
411	Kaiser (CA)	Family Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93					\$ 274.35	\$ 262.41	

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	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 209.42	\$ 200.59		\$ 209.42	\$ 262.41	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 938.47	\$ 926.49		\$ 938.47	\$ 262.41	
418	Kaiser (CA)	Two+ Advantage					\$ 209.42	\$ 200.59				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 573.95	\$ 563.54				
420	Kaiser (CA)	Two+ Excess I					\$ 938.47	\$ 926.49				
421	Kaiser (CA)	Survivor				\$ 1,002.93			\$ 1,002.93			\$ 1,002.93
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 913.96	\$ 902.09		\$ 913.96	\$ 262.41	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 938.47	\$ 926.49		\$ 938.47	\$ 262.41	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 561.69	\$ 551.34				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 573.95	\$ 563.54				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 926.22	\$ 914.29				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 938.47	\$ 926.49				
430	Kaiser (CA)	Two Excess II - Part B					\$ 913.96	\$ 902.09				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 926.22	\$ 914.29				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 938.47	\$ 926.49				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,178.87							\$ 232.54		
451	Kaiser - Colorado	Retiree Risk					\$ 232.54					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,178.87	\$ 1,550.61						\$ 232.54	\$ 230.03	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,178.87	\$ 1,550.61	\$ 2,946.68					\$ 232.54	\$ 230.03	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,178.87	\$ 1,270.89			\$ 232.54	\$ 230.03		\$ 232.54	\$ 230.03	
457	Kaiser - Colorado	Two Retiree Risk					\$ 232.54	\$ 230.03				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,178.87	\$ 1,270.89	\$ 3,558.09		\$ 232.54	\$ 230.03		\$ 232.54	\$ 230.03	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 3,777.83		\$ 232.54	\$ 230.03		\$ 232.54	\$ 230.03	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 903.53					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 903.53					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 903.53					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 903.53	\$ 329.67				
461	Kaiser - Georgia Basic	Basic	\$ 1,294.28							\$ 329.91		
462	Kaiser - Georgia	Retiree Risk					\$ 329.91					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,294.28	\$ 1,396.51	\$ 4,151.25		\$ 329.91	\$ 329.67		\$ 329.91	\$ 329.67	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,294.28	\$ 1,396.51	\$ 4,151.22					\$ 329.91	\$ 329.67	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 472.59	\$ 1,396.50	\$ 4,151.22		\$ 329.91	\$ 329.67		\$ 329.91	\$ 329.67	
466	Kaiser - Georgia	Two Retiree Risk					\$ 329.91	\$ 329.67				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,023.58							\$ 348.49		
472	Kaiser - Hawaii	Retiree Risk					\$ 348.49					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,436.65					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,023.58	\$ 1,101.88						\$ 348.49	\$ 348.69	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,023.58	\$ 1,101.88	\$ 3,275.47					\$ 348.49	\$ 348.69	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,023.58	\$ 1,101.89	\$ 3,275.47		\$ 348.49	\$ 348.69		\$ 348.49	\$ 348.69	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,023.58	\$ 1,101.88	\$ 3,275.47		\$ 1,436.65	\$ 1,462.24		\$ 1,436.65	\$ 1,462.24	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 348.49	\$ 348.69				

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)	\$ 1,256.45								\$ 373.68		
482	Kaiser - Oregon	Retiree Risk					\$ 373.68						
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 1,072.47						
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,256.45	\$ 1,355.32							\$ 373.68	\$ 374.47	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,256.45	\$ 1,355.32	\$ 4,028.82						\$ 373.68	\$ 374.47	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,256.45	\$ 1,355.32	\$ 4,028.82		\$ 373.68	\$ 374.47			\$ 373.68	\$ 374.47	
488	Kaiser - Oregon	Two Retiree Risk					\$ 373.68	\$ 374.47					
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 878.24						
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 878.24	\$ 374.47					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,536.29	\$ 570.47			\$ 1,072.47	\$ 374.47			\$ 373.68	\$ 374.47	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,256.45	\$ 1,355.32			\$ 373.68	\$ 374.47			\$ 373.68	\$ 374.47	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,256.45	\$ 1,355.32	\$ 4,028.82		\$ 373.68	\$ 374.47			\$ 373.68	\$ 374.47	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 1,072.47	\$ 1,089.56					
496	Kaiser - Oregon	Two Medicare Part A only					\$ 878.24	\$ 890.79					
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,256.45	\$ 1,355.32			\$ 878.24	\$ 890.79			\$ 878.24	\$ 890.79	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,256.45	\$ 1,355.32			\$ 1,072.47	\$ 1,089.56			\$ 1,072.47	\$ 1,089.56	
393	Kaiser - Washington	Retiree Basic	\$ 1,587.80			\$ 1,587.80					\$ 348.51		\$ 348.51
394	Kaiser - Washington	Retiree Risk (Senior Advantage)					\$ 348.51		\$ 348.51				
395	Kaiser - Washington	Retiree Basic (Two Party)	\$ 1,587.80	\$ 1,488.39							\$ 348.51	\$ 348.71	
396	Kaiser - Washington	Retiree Basic Family	\$ 1,587.80	\$ 1,488.39	\$ 6,424.42						\$ 348.51	\$ 348.71	
397	Kaiser - Washington	One Risk, One Basic	\$ 1,587.80	\$ 1,488.39	\$ 4,424.38		\$ 348.51	\$ 348.71			\$ 348.51	\$ 348.71	
398	Kaiser - Washington	Two Retiree Risk					\$ 348.51	\$ 348.71					
399	Kaiser - Washington	One Risk, Two or More Dependents	\$ 1,587.80	\$ 1,488.39	\$ 5,748.04		\$ 348.51	\$ 348.71			\$ 348.51	\$ 348.71	
400	Kaiser - Washington	Two Risk, Two or More Dependents			\$ 6,424.42		\$ 348.51	\$ 348.71			\$ 348.51	\$ 348.71	
611	SCAN Health Plan	Retiree Only					\$ 219.57						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 219.57	\$ 219.57					
620	SCAN Health Plan AZ	Retiree Only					\$ 219.57						
621	SCAN Health Plan AZ	Retiree & 1 Dependent (2 Medicare)					\$ 219.57	\$ 219.57					
622	SCAN Health Plan NV	Retiree Only					\$ 219.57						
623	SCAN Health Plan NV	Retiree & 1 Dependent (2 Medicare)					\$ 219.57	\$ 219.57					
701	United Healthcare	Retiree Only	\$ 1,439.64				\$ 285.35				\$ 285.35		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09		\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09		\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09		\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
706	United Healthcare	Minor Survivor				\$ 1,110.09			\$ 1,110.09				
707	United Healthcare	Single	\$ 1,439.64								\$ 347.86		
708	United Healthcare	Two-Party	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09						\$ 347.86	\$ 347.21	
709	United Healthcare	Family	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09						\$ 347.86	\$ 347.21	

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	\$ 2,059.92				\$ 554.50			\$ 554.50		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 2,059.92	\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 2,059.92	\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 554.50		\$ 554.50	\$ 554.50		\$ 554.50
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50

Dental/Vision Male Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 50.77		
502	Cigna Indemnity Dental/Vision	Family	\$ 50.77	\$ 55.35	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 52.54
901	Cigna Dental HMO/Vision	Retiree Only	\$ 47.98		
902	Cigna Dental HMO/Vision	Family	\$ 47.98	\$ 56.74	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 49.65

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	\$ 750.13				\$ 750.13			\$ 597.87		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 750.13	\$ 750.13	\$ 756.11		\$ 750.13	\$ 750.13		\$ 597.87	\$ 597.87	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 750.13	\$ 750.13	\$ 756.11		\$ 750.13	\$ 750.13		\$ 597.87	\$ 597.87	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 750.13	\$ 750.13	\$ 756.11		\$ 750.13			\$ 597.87		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 756.11			\$ 756.11			
211	Anthem Blue Cross I	Retiree Only	\$ 616.50				\$ 616.50			\$ 499.69		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 616.50	\$ 616.50	\$ 621.41		\$ 616.50	\$ 616.50		\$ 499.69	\$ 499.69	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 616.50	\$ 616.50	\$ 621.41		\$ 616.50	\$ 616.50		\$ 499.69	\$ 499.69	
214	Anthem Blue Cross I	Retiree and Children	\$ 616.50	\$ 616.50	\$ 621.41		\$ 616.50			\$ 499.69		
215	Anthem Blue Cross I	Minor Survivor				\$ 621.41			\$ 621.41			\$ 621.41
221	Anthem Blue Cross II	Retiree Only	\$ 1,182.19				\$ 1,182.19			\$ 746.47		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,182.19	\$ 1,182.19	\$ 1,191.61		\$ 1,182.19	\$ 1,182.19		\$ 746.47	\$ 746.47	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,182.19	\$ 1,182.19	\$ 1,191.61		\$ 1,182.19	\$ 1,182.19		\$ 746.47	\$ 746.47	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,182.19	\$ 1,182.19	\$ 1,191.61		\$ 1,182.19			\$ 746.47		
225	Anthem Blue Cross II	Minor Survivor				\$ 1,191.61			\$ 1,191.61			\$ 1,191.61
240	Anthem Blue Cross III	One Medicare					\$ 404.12			\$ 404.12		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12			\$ 404.12	\$ 404.12	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12			\$ 404.12	\$ 404.12	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare		\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare		\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
301	Cigna Network Model Plan	Retiree Only	\$ 1,230.86				\$ 1,230.86			\$ 674.00		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,230.86	\$ 1,230.86	\$ 1,240.67		\$ 1,230.86	\$ 1,230.86		\$ 674.00	\$ 673.83	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,230.86	\$ 1,230.86	\$ 1,240.67		\$ 1,230.86	\$ 1,230.86		\$ 674.00	\$ 673.83	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,230.86	\$ 1,230.86	\$ 1,240.67		\$ 1,230.86			\$ 674.00		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,240.67			\$ 1,240.67			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 314.15					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,263.60							\$ 349.21		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 203.45					
404	Kaiser (CA)	Retiree Excess I					\$ 911.72					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 887.91					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 911.72					
411	Kaiser (CA)	Family Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67					\$ 266.53	\$ 254.93	

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	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 203.45	\$ 194.87		\$ 203.45	\$ 254.93		
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 911.72	\$ 900.08		\$ 911.72	\$ 254.93		
418	Kaiser (CA)	Two+ Advantage				\$ 203.45	\$ 194.87					
419	Kaiser (CA)	One Excess I, One Advantage				\$ 557.58	\$ 547.48					
420	Kaiser (CA)	Two+ Excess I				\$ 911.72	\$ 900.08					
421	Kaiser (CA)	Survivor			\$ 1,273.67			\$ 1,273.67			\$ 1,273.67	
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 887.91	\$ 876.37		\$ 887.91	\$ 254.93		
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 911.72	\$ 900.08		\$ 911.72	\$ 254.93		
426	Kaiser (CA)	One Advantage, One Excess II - Part B				\$ 545.68	\$ 535.62					
427	Kaiser (CA)	One Advantage, One Excess III (MNP)				\$ 557.58	\$ 547.48					
428	Kaiser (CA)	One Excess, One Excess II - Part B				\$ 899.81	\$ 888.22					
429	Kaiser (CA)	One Excess, One Excess III (MNP)				\$ 911.72	\$ 900.08					
430	Kaiser (CA)	Two Excess II - Part B				\$ 887.91	\$ 876.37					
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)				\$ 899.81	\$ 888.22					
432	Kaiser (CA)	Two Excess III - Both (MNP)				\$ 911.72	\$ 900.08					
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,145.26						\$ 225.91			
451	Kaiser - Colorado	Retiree Risk						\$ 225.91				
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,145.26	\$ 1,506.40					\$ 225.91	\$ 223.48		
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,145.26	\$ 1,506.40	\$ 3,742.11				\$ 225.91	\$ 223.48		
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,145.26	\$ 1,234.65				\$ 225.91	\$ 223.48	\$ 225.91	\$ 223.48	
457	Kaiser - Colorado	Two Retiree Risk						\$ 225.91	\$ 223.48			
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,145.26	\$ 1,234.65	\$ 4,518.57			\$ 225.91	\$ 223.48	\$ 225.91	\$ 223.48	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 4,797.62			\$ 225.91	\$ 223.48	\$ 225.91	\$ 223.48	
440	Kaiser - Georgia	One Medicare Member with Part B only				\$ 877.77						
441	Kaiser - Georgia	One Medicare Member with Part A only				\$ 877.77						
442	Kaiser - Georgia	One Member without Medicare Part A&B				\$ 877.77						
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only				\$ 877.77	\$ 320.28					
461	Kaiser - Georgia Basic	Basic	\$ 1,257.39						\$ 320.51			
462	Kaiser - Georgia	Retiree Risk						\$ 320.51				
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,257.39	\$ 1,356.70	\$ 5,271.85			\$ 320.51	\$ 320.28	\$ 320.51	\$ 320.28	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,257.39	\$ 1,356.70	\$ 5,271.81			\$ 320.51	\$ 320.28	\$ 320.51	\$ 320.28	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 459.12	\$ 1,356.68	\$ 5,271.81			\$ 320.51	\$ 320.28	\$ 320.51	\$ 320.28	
466	Kaiser - Georgia	Two Retiree Risk						\$ 320.51	\$ 320.28			
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 994.40						\$ 338.55			
472	Kaiser - Hawaii	Retiree Risk						\$ 338.55				
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B						\$ 1,395.69				
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 994.40	\$ 1,070.47					\$ 338.55	\$ 338.75		
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 994.40	\$ 1,070.47	\$ 4,159.66				\$ 338.55	\$ 338.75		
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 994.40	\$ 1,070.48	\$ 4,159.66			\$ 338.55	\$ 338.75	\$ 338.55	\$ 338.75	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 994.40	\$ 1,070.47	\$ 4,159.66			\$ 1,395.69	\$ 1,420.55	\$ 1,395.69	\$ 1,420.55	
478	Kaiser - Hawaii	Two Retiree Risk						\$ 338.55	\$ 338.75			

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)	\$ 1,220.63								\$ 363.03		
482	Kaiser - Oregon	Retiree Risk					\$ 363.03						
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 1,041.90						
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,220.63	\$ 1,316.68							\$ 363.03	\$ 363.79	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,220.63	\$ 1,316.68	\$ 5,116.38						\$ 363.03	\$ 363.79	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,220.63	\$ 1,316.68	\$ 5,116.38		\$ 363.03	\$ 363.79			\$ 363.03	\$ 363.79	
488	Kaiser - Oregon	Two Retiree Risk					\$ 363.03	\$ 363.79					
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 853.20						
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 853.20	\$ 363.79					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,492.50	\$ 554.21			\$ 1,041.90	\$ 363.79			\$ 363.03	\$ 363.79	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,220.63	\$ 1,316.68			\$ 363.03	\$ 363.79			\$ 363.03	\$ 363.79	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,220.63	\$ 1,316.68	\$ 5,116.38		\$ 363.03	\$ 363.79			\$ 363.03	\$ 363.79	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 1,041.90	\$ 1,058.50					
496	Kaiser - Oregon	Two Medicare Part A only					\$ 853.20	\$ 865.40					
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,220.63	\$ 1,316.68			\$ 853.20	\$ 865.40			\$ 853.20	\$ 865.40	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,220.63	\$ 1,316.68			\$ 1,041.90	\$ 1,058.50			\$ 1,041.90	\$ 1,058.50	
393	Kaiser - Washington	Retiree Basic	\$ 1,542.53			\$ 1,542.53					\$ 338.58		\$ 338.58
394	Kaiser - Washington	Retiree Risk (Senior Advantage)					\$ 338.58		\$ 338.58				
395	Kaiser - Washington	Retiree Basic (Two Party)	\$ 1,542.53	\$ 1,445.96							\$ 338.58	\$ 338.77	
396	Kaiser - Washington	Retiree Basic Family	\$ 1,542.53	\$ 1,445.96	\$ 8,158.65						\$ 338.58	\$ 338.77	
397	Kaiser - Washington	One Risk, One Basic	\$ 1,542.53	\$ 1,445.96	\$ 5,618.71		\$ 338.58	\$ 338.77			\$ 338.58	\$ 338.77	
398	Kaiser - Washington	Two Retiree Risk					\$ 338.58	\$ 338.77					
399	Kaiser - Washington	One Risk, Two or More Dependents	\$ 1,542.53	\$ 1,445.96	\$ 7,299.68		\$ 338.58	\$ 338.77			\$ 338.58	\$ 338.77	
400	Kaiser - Washington	Two Risk, Two or More Dependents			\$ 8,158.65		\$ 338.58	\$ 338.77			\$ 338.58	\$ 338.77	
611	SCAN Health Plan	Retiree Only					\$ 213.31						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 213.31	\$ 213.31					
620	SCAN Health Plan AZ	Retiree Only					\$ 213.31						
621	SCAN Health Plan AZ	Retiree & 1 Dependent (2 Medicare)					\$ 213.31	\$ 213.31					
622	SCAN Health Plan NV	Retiree Only					\$ 213.31						
623	SCAN Health Plan NV	Retiree & 1 Dependent (2 Medicare)					\$ 213.31	\$ 213.31					
701	United Healthcare	Retiree Only	\$ 1,398.60				\$ 277.21				\$ 277.21		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75		\$ 277.21	\$ 277.21			\$ 277.21	\$ 277.21	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 277.21	\$ 277.21			\$ 277.21	\$ 277.21	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75		\$ 277.21	\$ 277.21			\$ 277.21	\$ 277.21	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75		\$ 277.21	\$ 277.21			\$ 277.21	\$ 277.21	
706	United Healthcare	Minor Survivor					\$ 1,409.75		\$ 1,409.75				
707	United Healthcare	Single	\$ 1,398.60								\$ 337.95		
708	United Healthcare	Two-Party	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75						\$ 337.95	\$ 337.31	
709	United Healthcare	Family	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75						\$ 337.95	\$ 337.31	

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	\$ 2,001.20				\$ 538.70			\$ 538.70		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 2,001.20	\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 2,001.20	\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 538.70		\$ 538.70	\$ 538.70		\$ 538.70
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70

Dental/Vision Female Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 50.42		
502	Cigna Indemnity Dental/Vision	Family	\$ 50.42	\$ 54.96	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 51.65
901	Cigna Dental HMO/Vision	Retiree Only	\$ 47.64		
902	Cigna Dental HMO/Vision	Family	\$ 47.64	\$ 56.35	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 48.81

Tier 2

A. Future Retirees Retiring Before Age 65

Age	Retiree		Spouse/Surv Spouse + Dependents	
	Male	Female	Male	Female
25	\$ 398.84	\$ 644.16	\$ 433.01	\$ 331.33
30	\$ 491.37	\$ 788.48	\$ 397.38	\$ 741.90
35	\$ 609.59	\$ 848.45	\$ 492.99	\$ 737.83
40	\$ 747.48	\$ 1,077.18	\$ 590.78	\$ 803.55
45	\$ 852.21	\$ 1,299.15	\$ 689.06	\$ 913.73
50	\$ 969.54	\$ 1,236.27	\$ 831.96	\$ 1,032.09
55	\$ 1,103.00	\$ 1,196.29	\$ 1,006.74	\$ 1,142.73
60	\$ 1,147.67	\$ 1,174.14	\$ 1,254.51	\$ 1,296.64
65 (Pre 65)	\$ 1,284.25	\$ 1,260.08	\$ 1,555.93	\$ 1,512.01
65 (Post 65)	\$ 301.83	\$ 263.17	\$ 254.66	\$ 286.77
70	\$ 366.00	\$ 305.99	\$ 308.80	\$ 333.41
75	\$ 419.67	\$ 336.47	\$ 354.08	\$ 366.62
80	\$ 450.61	\$ 352.68	\$ 380.19	\$ 384.29
85	\$ 462.64	\$ 358.48	\$ 390.34	\$ 390.60
90	\$ 466.01	\$ 358.64	\$ 393.18	\$ 390.76
95	\$ 466.01	\$ 358.64	\$ 393.18	\$ 390.76

B. Future Retirees Retiring After Age 65

Age	Retiree		Spouse/Surv Spouse + Dependents	
	Male	Female	Male	Female
25	N/A	N/A	\$ 434.01	\$ 332.81
30	N/A	N/A	\$ 398.32	\$ 745.21
35	N/A	N/A	\$ 494.15	\$ 741.14
40	N/A	N/A	\$ 592.16	\$ 807.15
45	N/A	N/A	\$ 690.68	\$ 917.82
50	N/A	N/A	\$ 833.92	\$ 1,036.70
55	N/A	N/A	\$ 1,009.11	\$ 1,147.84
60	N/A	N/A	\$ 1,257.47	\$ 1,302.44
65 (Pre 65)	N/A	N/A	\$ 1,559.60	\$ 1,518.77
65 (Post 65)	\$ 275.62	\$ 254.93	\$ 257.38	\$ 263.48
70	\$ 334.21	\$ 296.40	\$ 312.10	\$ 306.34
75	\$ 383.22	\$ 325.93	\$ 357.87	\$ 336.86
80	\$ 411.48	\$ 341.64	\$ 384.26	\$ 353.10
85	\$ 422.45	\$ 347.26	\$ 394.51	\$ 358.90
90	\$ 425.53	\$ 347.42	\$ 397.39	\$ 359.06
95	\$ 425.53	\$ 347.42	\$ 397.39	\$ 359.06

The Firefighters Local 1014 and dental/vision monthly 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	Male	Female
25	\$ 639.73	\$ 1,023.04	\$ 653.93	\$ 500.26
30	\$ 788.12	\$ 1,252.24	\$ 600.13	\$ 1,120.16
35	\$ 977.74	\$ 1,347.49	\$ 744.52	\$ 1,114.02
40	\$ 1,198.90	\$ 1,710.75	\$ 892.20	\$ 1,213.24
45	\$ 1,366.90	\$ 2,063.25	\$ 1,040.64	\$ 1,379.57
50	\$ 1,555.12	\$ 1,963.40	\$ 1,256.48	\$ 1,558.28
55	\$ 1,769.19	\$ 1,899.89	\$ 1,520.44	\$ 1,725.31
60	\$ 1,840.84	\$ 1,864.72	\$ 1,894.61	\$ 1,957.68
65 (Pre 65)	\$ 2,059.92	\$ 2,001.20	\$ 2,349.83	\$ 2,282.85
65 (Post 65)	\$ 554.50	\$ 538.70	\$ 554.50	\$ 538.70
70	\$ 672.39	\$ 626.33	\$ 672.39	\$ 626.33
75	\$ 771.00	\$ 688.71	\$ 771.00	\$ 688.71
80	\$ 827.85	\$ 721.91	\$ 827.85	\$ 721.91
85	\$ 849.94	\$ 733.77	\$ 849.94	\$ 733.77
90	\$ 856.13	\$ 734.09	\$ 856.13	\$ 734.09
95	\$ 856.13	\$ 734.09	\$ 856.13	\$ 734.09

Future Retirees Monthly Dental/Vision Claim Costs

Age	Retiree		Spouse/Surv Spouse + Dependents	
	Male	Female	Male	Female
25	\$ 22.04	\$ 27.43	\$ 24.79	\$ 25.04
30	\$ 25.13	\$ 29.65	\$ 27.63	\$ 32.63
35	\$ 27.20	\$ 31.55	\$ 29.91	\$ 34.72
40	\$ 28.74	\$ 33.51	\$ 31.61	\$ 36.88
45	\$ 30.67	\$ 35.59	\$ 33.73	\$ 39.16
50	\$ 33.38	\$ 38.19	\$ 36.71	\$ 42.03
55	\$ 37.59	\$ 41.73	\$ 41.33	\$ 45.92
60	\$ 43.51	\$ 46.38	\$ 47.85	\$ 51.04
65	\$ 50.46	\$ 50.08	\$ 55.49	\$ 55.10
70	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
75	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
80	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
85	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
90	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54
95	\$ 56.66	\$ 52.29	\$ 62.30	\$ 57.54

For current retired members, spouses, and dependents, the claim costs are based on the actual premiums by deduction code, adjusted for age and gender. The tables that follow show the age 65 adjusted monthly 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	\$ 772.14				\$ 772.14			\$ 415.98		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 772.14	\$ 772.14	\$ 595.39		\$ 772.14	\$ 772.14		\$ 415.98	\$ 415.98	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 772.14	\$ 772.14	\$ 595.39		\$ 772.14	\$ 772.14		\$ 415.98	\$ 415.98	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 772.14	\$ 772.14	\$ 595.39		\$ 772.14			\$ 415.98		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 595.39			\$ 595.39			
211	Anthem Blue Cross I	Retiree Only	\$ 634.59				\$ 634.59			\$ 415.98		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 634.59	\$ 634.59	\$ 489.32		\$ 634.59	\$ 634.59		\$ 415.98	\$ 415.98	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 634.59	\$ 634.59	\$ 489.32		\$ 634.59	\$ 634.59		\$ 415.98	\$ 415.98	
214	Anthem Blue Cross I	Retiree and Children	\$ 634.59	\$ 634.59	\$ 489.32		\$ 634.59			\$ 415.98		
215	Anthem Blue Cross I	Minor Survivor				\$ 489.32			\$ 489.32			\$ 489.32
221	Anthem Blue Cross II	Retiree Only	\$ 1,216.88				\$ 1,216.88			\$ 415.98		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,216.88	\$ 1,216.88	\$ 938.32		\$ 1,216.88	\$ 1,216.88		\$ 415.98	\$ 415.98	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,216.88	\$ 1,216.88	\$ 938.32		\$ 1,216.88	\$ 1,216.88		\$ 415.98	\$ 415.98	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,216.88	\$ 1,216.88	\$ 938.32		\$ 1,216.88			\$ 415.98		
225	Anthem Blue Cross II	Minor Survivor				\$ 938.32			\$ 938.32			\$ 938.32
240	Anthem Blue Cross III	One Medicare					\$ 415.98			\$ 415.98		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,292.50	\$ 1,292.50	\$ 996.63		\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,292.50	\$ 996.63			\$ 415.98			\$ 415.98	\$ 415.98	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,292.50	\$ 996.63			\$ 415.98			\$ 415.98	\$ 415.98	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,292.50	\$ 996.63			\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,292.50	\$ 996.63			\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare	\$ 1,292.50	\$ 996.63			\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare	\$ 1,292.50	\$ 996.63			\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare	\$ 1,292.50	\$ 996.63			\$ 415.98	\$ 415.98		\$ 415.98	\$ 415.98	
301	Cigna Network Model Plan	Retiree Only	\$ 1,266.98				\$ 1,266.98			\$ 318.01		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,266.98	\$ 1,266.98	\$ 976.95		\$ 1,266.98	\$ 1,266.98		\$ 318.01	\$ 318.01	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,266.98	\$ 1,266.98	\$ 976.95		\$ 1,266.98	\$ 1,266.98		\$ 318.01	\$ 318.01	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,266.98	\$ 1,266.98	\$ 976.95		\$ 1,266.98			\$ 318.01		
305	Cigna Network Model Plan	Minor Survivor				\$ 976.95			\$ 976.95			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 323.37					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 323.37	\$ 323.37		\$ 323.37	\$ 323.37	
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,300.67							\$ 213.55		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 209.42					
404	Kaiser (CA)	Retiree Excess I					\$ 938.47					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 913.96					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 938.47					
411	Kaiser (CA)	Family Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93					\$ 211.49	\$ 202.75	

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	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 209.42	\$ 200.59		\$ 209.42	\$ 202.75	
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 938.47	\$ 926.49		\$ 938.47	\$ 202.75	
418	Kaiser (CA)	Two+ Advantage					\$ 209.42	\$ 200.59				
419	Kaiser (CA)	One Excess I, One Advantage					\$ 573.95	\$ 563.54				
420	Kaiser (CA)	Two+ Excess I					\$ 938.47	\$ 926.49				
421	Kaiser (CA)	Survivor				\$ 1,002.93			\$ 1,002.93			\$ 1,002.93
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 913.96	\$ 902.09		\$ 913.96	\$ 202.75	
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,300.67	\$ 1,300.67	\$ 1,002.93		\$ 938.47	\$ 926.49		\$ 938.47	\$ 202.75	
426	Kaiser (CA)	One Advantage, One Excess II - Part B					\$ 561.69	\$ 551.34				
427	Kaiser (CA)	One Advantage, One Excess III (MNP)					\$ 573.95	\$ 563.54				
428	Kaiser (CA)	One Excess, One Excess II - Part B					\$ 926.22	\$ 914.29				
429	Kaiser (CA)	One Excess, One Excess III (MNP)					\$ 938.47	\$ 926.49				
430	Kaiser (CA)	Two Excess II - Part B					\$ 913.96	\$ 902.09				
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)					\$ 926.22	\$ 914.29				
432	Kaiser (CA)	Two Excess III - Both (MNP)					\$ 938.47	\$ 926.49				
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,178.87							\$ 232.54		
451	Kaiser - Colorado	Retiree Risk					\$ 232.54					
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,178.87	\$ 1,550.61						\$ 232.54	\$ 230.03	
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,178.87	\$ 1,550.61	\$ 2,946.68					\$ 232.54	\$ 230.03	
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,178.87	\$ 1,270.89			\$ 232.54	\$ 230.03		\$ 232.54	\$ 230.03	
457	Kaiser - Colorado	Two Retiree Risk					\$ 232.54	\$ 230.03				
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,178.87	\$ 1,270.89	\$ 3,558.09		\$ 232.54	\$ 230.03		\$ 232.54	\$ 230.03	
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 3,777.83		\$ 232.54	\$ 230.03		\$ 232.54	\$ 230.03	
440	Kaiser - Georgia	One Medicare Member with Part B only					\$ 903.53					
441	Kaiser - Georgia	One Medicare Member with Part A only					\$ 903.53					
442	Kaiser - Georgia	One Member without Medicare Part A&B					\$ 903.53					
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only					\$ 903.53	\$ 329.67				
461	Kaiser - Georgia Basic	Basic	\$ 1,294.28							\$ 329.91		
462	Kaiser - Georgia	Retiree Risk					\$ 329.91					
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,294.28	\$ 1,396.51	\$ 4,151.25		\$ 329.91	\$ 329.67		\$ 329.91	\$ 329.67	
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,294.28	\$ 1,396.51	\$ 4,151.22					\$ 329.91	\$ 329.67	
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 472.59	\$ 1,396.50	\$ 4,151.22		\$ 329.91	\$ 329.67		\$ 329.91	\$ 329.67	
466	Kaiser - Georgia	Two Retiree Risk					\$ 329.91	\$ 329.67				
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 1,023.58							\$ 348.49		
472	Kaiser - Hawaii	Retiree Risk					\$ 348.49					
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B					\$ 1,436.65					
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 1,023.58	\$ 1,101.88						\$ 348.49	\$ 348.69	
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 1,023.58	\$ 1,101.88	\$ 3,275.47					\$ 348.49	\$ 348.69	
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 1,023.58	\$ 1,101.89	\$ 3,275.47		\$ 348.49	\$ 348.69		\$ 348.49	\$ 348.69	
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 1,023.58	\$ 1,101.88	\$ 3,275.47		\$ 1,436.65	\$ 1,462.24		\$ 1,436.65	\$ 1,462.24	
478	Kaiser - Hawaii	Two Retiree Risk					\$ 348.49	\$ 348.69				

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)	\$ 1,256.45									\$ 373.68		
482	Kaiser - Oregon	Retiree Risk						\$ 373.68						
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B						\$ 1,072.47						
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,256.45	\$ 1,355.32								\$ 373.68	\$ 374.47	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,256.45	\$ 1,355.32	\$ 4,028.82							\$ 373.68	\$ 374.47	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,256.45	\$ 1,355.32	\$ 4,028.82			\$ 373.68	\$ 374.47			\$ 373.68	\$ 374.47	
488	Kaiser - Oregon	Two Retiree Risk						\$ 373.68	\$ 374.47					
489	Kaiser - Oregon	Retiree w/ Part A only						\$ 878.24						
491	Kaiser - Oregon	One Risk, One Medicare Part A only						\$ 878.24	\$ 374.47					
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,536.29	\$ 570.47				\$ 1,072.47	\$ 374.47			\$ 373.68	\$ 374.47	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,256.45	\$ 1,355.32				\$ 373.68	\$ 374.47			\$ 373.68	\$ 374.47	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,256.45	\$ 1,355.32	\$ 4,028.82			\$ 373.68	\$ 374.47			\$ 373.68	\$ 374.47	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare						\$ 1,072.47	\$ 1,089.56					
496	Kaiser - Oregon	Two Medicare Part A only						\$ 878.24	\$ 890.79					
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,256.45	\$ 1,355.32				\$ 878.24	\$ 890.79			\$ 878.24	\$ 890.79	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,256.45	\$ 1,355.32				\$ 1,072.47	\$ 1,089.56			\$ 1,072.47	\$ 1,089.56	
393	Kaiser - Washington	Retiree Basic	\$ 1,587.80			\$ 1,587.80						\$ 348.51		\$ 348.51
394	Kaiser - Washington	Retiree Risk (Senior Advantage)						\$ 348.51		\$ 348.51				
395	Kaiser - Washington	Retiree Basic (Two Party)	\$ 1,587.80	\$ 1,488.39								\$ 348.51	\$ 348.71	
396	Kaiser - Washington	Retiree Basic Family	\$ 1,587.80	\$ 1,488.39	\$ 6,424.42							\$ 348.51	\$ 348.71	
397	Kaiser - Washington	One Risk, One Basic	\$ 1,587.80	\$ 1,488.39	\$ 4,424.38			\$ 348.51	\$ 348.71			\$ 348.51	\$ 348.71	
398	Kaiser - Washington	Two Retiree Risk						\$ 348.51	\$ 348.71					
399	Kaiser - Washington	One Risk, Two or More Dependents	\$ 1,587.80	\$ 1,488.39	\$ 5,748.04			\$ 348.51	\$ 348.71			\$ 348.51	\$ 348.71	
400	Kaiser - Washington	Two Risk, Two or More Dependents			\$ 6,424.42			\$ 348.51	\$ 348.71			\$ 348.51	\$ 348.71	
611	SCAN Health Plan	Retiree Only						\$ 219.57						
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)						\$ 219.57	\$ 219.57					
620	SCAN Health Plan AZ	Retiree Only						\$ 219.57						
621	SCAN Health Plan AZ	Retiree & 1 Dependent (2 Medicare)						\$ 219.57	\$ 219.57					
622	SCAN Health Plan NV	Retiree Only						\$ 219.57						
623	SCAN Health Plan NV	Retiree & 1 Dependent (2 Medicare)						\$ 219.57	\$ 219.57					
701	United Healthcare	Retiree Only	\$ 1,439.64					\$ 285.35				\$ 285.35		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09			\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)						\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09			\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09			\$ 285.35	\$ 285.35			\$ 285.35	\$ 285.35	
706	United Healthcare	Minor Survivor				\$ 1,110.09				\$ 1,110.09				
707	United Healthcare	Single	\$ 1,439.64									\$ 293.85		
708	United Healthcare	Two-Party	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09							\$ 293.85	\$ 293.32	
709	United Healthcare	Family	\$ 1,439.64	\$ 1,439.64	\$ 1,110.09							\$ 293.85	\$ 293.32	

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	\$ 2,059.92				\$ 554.50			\$ 554.50		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 2,059.92	\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 2,059.92	\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 554.50		\$ 554.50	\$ 554.50		\$ 554.50
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 2,059.92	\$ 1,588.38		\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50	\$ 554.50
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 2,059.92	\$ 1,588.38	\$ 2,059.92		\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 554.50	\$ 554.50		\$ 554.50	\$ 554.50

Dental/Vision Male Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 50.77		
502	Cigna Indemnity Dental/Vision	Family	\$ 50.77	\$ 55.35	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 52.54
901	Cigna Dental HMO/Vision	Retiree Only	\$ 47.98		
902	Cigna Dental HMO/Vision	Family	\$ 47.98	\$ 56.74	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 49.65

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	\$ 750.13				\$ 750.13			\$ 404.12		
202	Anthem Blue Cross Prudent Buyer	Retiree and Spouse	\$ 750.13	\$ 750.13	\$ 756.11		\$ 750.13	\$ 750.13		\$ 404.12	\$ 404.12	
203	Anthem Blue Cross Prudent Buyer	Retiree and Family	\$ 750.13	\$ 750.13	\$ 756.11		\$ 750.13	\$ 750.13		\$ 404.12	\$ 404.12	
204	Anthem Blue Cross Prudent Buyer	Retiree and Children	\$ 750.13	\$ 750.13	\$ 756.11		\$ 750.13			\$ 404.12		
205	Anthem Blue Cross Prudent Buyer	Minor Survivor				\$ 756.11			\$ 756.11			
211	Anthem Blue Cross I	Retiree Only	\$ 616.50				\$ 616.50			\$ 404.12		
212	Anthem Blue Cross I	Retiree and Spouse	\$ 616.50	\$ 616.50	\$ 621.41		\$ 616.50	\$ 616.50		\$ 404.12	\$ 404.12	
213	Anthem Blue Cross I	Retiree, Spouse and Children	\$ 616.50	\$ 616.50	\$ 621.41		\$ 616.50	\$ 616.50		\$ 404.12	\$ 404.12	
214	Anthem Blue Cross I	Retiree and Children	\$ 616.50	\$ 616.50	\$ 621.41		\$ 616.50			\$ 404.12		
215	Anthem Blue Cross I	Minor Survivor				\$ 621.41			\$ 621.41			\$ 621.41
221	Anthem Blue Cross II	Retiree Only	\$ 1,182.19				\$ 1,182.19			\$ 404.12		
222	Anthem Blue Cross II	Retiree and Spouse	\$ 1,182.19	\$ 1,182.19	\$ 1,191.61		\$ 1,182.19	\$ 1,182.19		\$ 404.12	\$ 404.12	
223	Anthem Blue Cross II	Retiree, Spouse and Children	\$ 1,182.19	\$ 1,182.19	\$ 1,191.61		\$ 1,182.19	\$ 1,182.19		\$ 404.12	\$ 404.12	
224	Anthem Blue Cross II	Retiree and Children	\$ 1,182.19	\$ 1,182.19	\$ 1,191.61		\$ 1,182.19			\$ 404.12		
225	Anthem Blue Cross II	Minor Survivor				\$ 1,191.61			\$ 1,191.61			\$ 1,191.61
240	Anthem Blue Cross III	One Medicare					\$ 404.12			\$ 404.12		
241	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
242	Anthem Blue Cross III	Retiree and Spouse 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
243	Anthem Blue Cross III	Retiree and Spouse 2 Medicare					\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
244	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12			\$ 404.12	\$ 404.12	
245	Anthem Blue Cross III	Retiree and Children 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12			\$ 404.12	\$ 404.12	
246	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
247	Anthem Blue Cross III	Retiree and Family 1 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
248	Anthem Blue Cross III	Retiree and Family 2 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
249	Anthem Blue Cross III	Retiree and Family 2 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
250	Anthem Blue Cross III	Retiree and Family 3 Medicare	\$ 1,255.66	\$ 1,255.66	\$ 1,265.66		\$ 404.12	\$ 404.12		\$ 404.12	\$ 404.12	
301	Cigna Network Model Plan	Retiree Only	\$ 1,230.86				\$ 1,230.86			\$ 308.94		
302	Cigna Network Model Plan	Retiree and Spouse	\$ 1,230.86	\$ 1,230.86	\$ 1,240.67		\$ 1,230.86	\$ 1,230.86		\$ 308.94	\$ 308.94	
303	Cigna Network Model Plan	Retiree and Family	\$ 1,230.86	\$ 1,230.86	\$ 1,240.67		\$ 1,230.86	\$ 1,230.86		\$ 308.94	\$ 308.94	
304	Cigna Network Model Plan	Retiree and Children	\$ 1,230.86	\$ 1,230.86	\$ 1,240.67		\$ 1,230.86			\$ 308.94		
305	Cigna Network Model Plan	Minor Survivor				\$ 1,240.67			\$ 1,240.67			
321	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree Only					\$ 314.15					
322	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
324	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Spouse (Both Risk)					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
325	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Children					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
327	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (1 Medicare)					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
329	Cigna Medicare Select Plus Rx (AZ)	Risk-Retiree & Family (2 Medicare)					\$ 314.15	\$ 314.15		\$ 314.15	\$ 314.15	
401	Kaiser (CA)	Retiree Basic (Under 65)	\$ 1,263.60							\$ 207.47		
403	Kaiser (CA)	Retiree Risk (Senior Advantage)					\$ 203.45					
404	Kaiser (CA)	Retiree Excess I					\$ 911.72					
405	Kaiser (CA)	Retiree Excess II - Part B					\$ 887.91					
406	Kaiser (CA)	Excess III - Medicare Not Provided (MNP)					\$ 911.72					
411	Kaiser (CA)	Family Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67					\$ 205.46	\$ 196.97	

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	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 203.45	\$ 194.87		\$ 203.45	\$ 196.97		
414	Kaiser (CA)	One Excess I, One Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 911.72	\$ 900.08		\$ 911.72	\$ 196.97		
418	Kaiser (CA)	Two+ Advantage				\$ 203.45	\$ 194.87					
419	Kaiser (CA)	One Excess I, One Advantage				\$ 557.58	\$ 547.48					
420	Kaiser (CA)	Two+ Excess I				\$ 911.72	\$ 900.08					
421	Kaiser (CA)	Survivor			\$ 1,273.67			\$ 1,273.67			\$ 1,273.67	
422	Kaiser (CA)	One Excess II - Part B, One Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 887.91	\$ 876.37		\$ 887.91	\$ 196.97		
423	Kaiser (CA)	One Excess III (MNP), One Basic	\$ 1,263.60	\$ 1,263.60	\$ 1,273.67	\$ 911.72	\$ 900.08		\$ 911.72	\$ 196.97		
426	Kaiser (CA)	One Advantage, One Excess II - Part B				\$ 545.68	\$ 535.62					
427	Kaiser (CA)	One Advantage, One Excess III (MNP)				\$ 557.58	\$ 547.48					
428	Kaiser (CA)	One Excess, One Excess II - Part B				\$ 899.81	\$ 888.22					
429	Kaiser (CA)	One Excess, One Excess III (MNP)				\$ 911.72	\$ 900.08					
430	Kaiser (CA)	Two Excess II - Part B				\$ 887.91	\$ 876.37					
431	Kaiser (CA)	One Excess II - Part B, One Excess III (MNP)				\$ 899.81	\$ 888.22					
432	Kaiser (CA)	Two Excess III - Both (MNP)				\$ 911.72	\$ 900.08					
450	Kaiser - Colorado Basic	Retiree Basic	\$ 1,145.26						\$ 225.91			
451	Kaiser - Colorado	Retiree Risk							\$ 225.91			
453	Kaiser - Colorado	Retiree Basic (Two Party)	\$ 1,145.26	\$ 1,506.40					\$ 225.91	\$ 223.48		
454	Kaiser - Colorado	Retiree Basic Family	\$ 1,145.26	\$ 1,506.40	\$ 3,742.11				\$ 225.91	\$ 223.48		
455	Kaiser - Colorado	One Risk, One Basic	\$ 1,145.26	\$ 1,234.65		\$ 225.91	\$ 223.48		\$ 225.91	\$ 223.48		
457	Kaiser - Colorado	Two Retiree Risk				\$ 225.91	\$ 223.48		\$ 225.91	\$ 223.48		
458	Kaiser - Colorado	One Risk, Two or More Dependents	\$ 1,145.26	\$ 1,234.65	\$ 4,518.57	\$ 225.91	\$ 223.48		\$ 225.91	\$ 223.48		
459	Kaiser - Colorado	Two Risk, Two or More Dependents			\$ 4,797.62	\$ 225.91	\$ 223.48		\$ 225.91	\$ 223.48		
440	Kaiser - Georgia	One Medicare Member with Part B only				\$ 877.77						
441	Kaiser - Georgia	One Medicare Member with Part A only				\$ 877.77						
442	Kaiser - Georgia	One Member without Medicare Part A&B				\$ 877.77						
445	Kaiser - Georgia	One Medicare Member + One Medicare with Part A only				\$ 877.77	\$ 320.28					
461	Kaiser - Georgia Basic	Basic	\$ 1,257.39						\$ 320.51			
462	Kaiser - Georgia	Retiree Risk				\$ 320.51						
463	Kaiser - Georgia	Retiree (Two Party)	\$ 1,257.39	\$ 1,356.70	\$ 5,271.85	\$ 320.51	\$ 320.28		\$ 320.51	\$ 320.28		
464	Kaiser - Georgia	Retiree Basic Family	\$ 1,257.39	\$ 1,356.70	\$ 5,271.81				\$ 320.51	\$ 320.28		
465	Kaiser - Georgia	One Retiree Risk, One Basic	\$ 459.12	\$ 1,356.68	\$ 5,271.81	\$ 320.51	\$ 320.28		\$ 320.51	\$ 320.28		
466	Kaiser - Georgia	Two Retiree Risk				\$ 320.51	\$ 320.28					
471	Kaiser - Hawaii	Retiree Basic (Under 65)	\$ 994.40						\$ 338.55			
472	Kaiser - Hawaii	Retiree Risk				\$ 338.55						
473	Kaiser - Hawaii	Retiree Over 65 without Medicare A&B				\$ 1,395.69						
474	Kaiser - Hawaii Basic	Retiree Basic (Two Party)	\$ 994.40	\$ 1,070.47					\$ 338.55	\$ 338.75		
475	Kaiser - Hawaii	Retiree Basic Family (Under 65)	\$ 994.40	\$ 1,070.47	\$ 4,159.66				\$ 338.55	\$ 338.75		
476	Kaiser - Hawaii	One Retiree Risk, One Basic	\$ 994.40	\$ 1,070.48	\$ 4,159.66	\$ 338.55	\$ 338.75		\$ 338.55	\$ 338.75		
477	Kaiser - Hawaii	Over 65 without Medicare A&B, One Basic	\$ 994.40	\$ 1,070.47	\$ 4,159.66	\$ 1,395.69	\$ 1,420.55		\$ 1,395.69	\$ 1,420.55		
478	Kaiser - Hawaii	Two Retiree Risk				\$ 338.55	\$ 338.75					

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)	\$ 1,220.63									\$ 363.03		
482	Kaiser - Oregon	Retiree Risk					\$ 363.03							
483	Kaiser - Oregon	Retiree Over 65 unassigned Medicare A&B					\$ 1,041.90							
484	Kaiser - Oregon	Retiree Basic (Two Party)	\$ 1,220.63	\$ 1,316.68								\$ 363.03	\$ 363.79	
485	Kaiser - Oregon Basic	Retiree Basic Family (Under 65)	\$ 1,220.63	\$ 1,316.68	\$ 5,116.38							\$ 363.03	\$ 363.79	
486	Kaiser - Oregon	One Retiree Risk, One Basic	\$ 1,220.63	\$ 1,316.68	\$ 5,116.38		\$ 363.03	\$ 363.79				\$ 363.03	\$ 363.79	
488	Kaiser - Oregon	Two Retiree Risk					\$ 363.03	\$ 363.79						
489	Kaiser - Oregon	Retiree w/ Part A only					\$ 853.20							
491	Kaiser - Oregon	One Risk, One Medicare Part A only					\$ 853.20	\$ 363.79						
492	Kaiser - Oregon	One Risk, One Over 65 No Medicare	\$ 1,492.50	\$ 554.21			\$ 1,041.90	\$ 363.79				\$ 363.03	\$ 363.79	
493	Kaiser - Oregon	One Risk, Two Basic	\$ 1,220.63	\$ 1,316.68			\$ 363.03	\$ 363.79				\$ 363.03	\$ 363.79	
494	Kaiser - Oregon	Two Risk, One Basic	\$ 1,220.63	\$ 1,316.68	\$ 5,116.38		\$ 363.03	\$ 363.79				\$ 363.03	\$ 363.79	
495	Kaiser - Oregon	Two Over 65 unassigned Medicare					\$ 1,041.90	\$ 1,058.50						
496	Kaiser - Oregon	Two Medicare Part A only					\$ 853.20	\$ 865.40						
497	Kaiser - Oregon	One Basic, One Medicare Part A only	\$ 1,220.63	\$ 1,316.68			\$ 853.20	\$ 865.40				\$ 853.20	\$ 865.40	
498	Kaiser - Oregon	One Basic, One over 65 unassigned Medicare A&B	\$ 1,220.63	\$ 1,316.68			\$ 1,041.90	\$ 1,058.50				\$ 1,041.90	\$ 1,058.50	
393	Kaiser - Washington	Retiree Basic	\$ 1,542.53			\$ 1,542.53						\$ 338.58		\$ 338.58
394	Kaiser - Washington	Retiree Risk (Senior Advantage)					\$ 338.58		\$ 338.58					
395	Kaiser - Washington	Retiree Basic (Two Party)	\$ 1,542.53	\$ 1,445.96								\$ 338.58	\$ 338.77	
396	Kaiser - Washington	Retiree Basic Family	\$ 1,542.53	\$ 1,445.96	\$ 8,158.65							\$ 338.58	\$ 338.77	
397	Kaiser - Washington	One Risk, One Basic	\$ 1,542.53	\$ 1,445.96	\$ 5,618.71		\$ 338.58	\$ 338.77				\$ 338.58	\$ 338.77	
398	Kaiser - Washington	Two Retiree Risk					\$ 338.58	\$ 338.77						
399	Kaiser - Washington	One Risk, Two or More Dependents	\$ 1,542.53	\$ 1,445.96	\$ 7,299.68		\$ 338.58	\$ 338.77				\$ 338.58	\$ 338.77	
400	Kaiser - Washington	Two Risk, Two or More Dependents			\$ 8,158.65		\$ 338.58	\$ 338.77				\$ 338.58	\$ 338.77	
611	SCAN Health Plan	Retiree Only					\$ 213.31							
613	SCAN Health Plan	Retiree & 1 Dependent (2 Medicare)					\$ 213.31	\$ 213.31						
620	SCAN Health Plan AZ	Retiree Only					\$ 213.31							
621	SCAN Health Plan AZ	Retiree & 1 Dependent (2 Medicare)					\$ 213.31	\$ 213.31						
622	SCAN Health Plan NV	Retiree Only					\$ 213.31							
623	SCAN Health Plan NV	Retiree & 1 Dependent (2 Medicare)					\$ 213.31	\$ 213.31						
701	United Healthcare	Retiree Only	\$ 1,398.60				\$ 277.21					\$ 277.21		
702	United Healthcare	Retiree & 1 Dependent (1 Medicare)	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75		\$ 277.21	\$ 277.21				\$ 277.21	\$ 277.21	
703	United Healthcare	Retiree & 1 Dependent (2 Medicare)					\$ 277.21	\$ 277.21				\$ 277.21	\$ 277.21	
704	United Healthcare	Retiree & 2 + Deps. (1 Medicare)	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75		\$ 277.21	\$ 277.21				\$ 277.21	\$ 277.21	
705	United Healthcare	Retiree & 2 + Deps. (2 Medicare)	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75		\$ 277.21	\$ 277.21				\$ 277.21	\$ 277.21	
706	United Healthcare	Minor Survivor				\$ 1,409.75			\$ 1,409.75					
707	United Healthcare	Single	\$ 1,398.60									\$ 285.47		
708	United Healthcare	Two-Party	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75							\$ 285.47	\$ 284.96	
709	United Healthcare	Family	\$ 1,398.60	\$ 1,398.60	\$ 1,409.75							\$ 285.47	\$ 284.96	

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	\$ 2,001.20				\$ 538.70			\$ 538.70		
802	Firefighters' Local 1014	Med-Member +1 under 65	\$ 2,001.20	\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
803	Firefighters' Local 1014	Med-Member +2 under 65	\$ 2,001.20	\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
804	Firefighters' Local 1014	Med-Member or Surviving Sp with Medicare					\$ 538.70		\$ 538.70	\$ 538.70		\$ 538.70
805	Firefighters' Local 1014	Med-Member +1; 1 MDC		\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
806	Firefighters' Local 1014	Med-Member +1; 2 MDC					\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
807	Firefighters' Local 1014	Med-Member +2; 1 MDC		\$ 2,001.20	\$ 2,017.15		\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
808	Firefighters' Local 1014	Med-Member +2; 2 MDC					\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70	\$ 538.70
809	Firefighters' Local 1014	Med-Surv. Sp. Under 65				\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
810	Firefighters' Local 1014	Med-Surv. Sp. +1 Under 65		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
811	Firefighters' Local 1014	Med-Surv. Sp. +2 Under 65		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
812	Firefighters' Local 1014	Med-Surv. Sp. With MDC						\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
813	Firefighters' Local 1014	Med-Surv. Sp. +1; 1 MDC		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
814	Firefighters' Local 1014	Med-Surv. Sp. +2; 1 MDC		\$ 2,001.20	\$ 2,017.15	\$ 2,001.20		\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70
815	Firefighters' Local 1014	Med-Surv. Sp. +1; 2 MDC						\$ 538.70	\$ 538.70		\$ 538.70	\$ 538.70

Dental/Vision Female Retirees

Deduction Code	Plan	Tier	Age 65 Adjusted Claim Costs		
			Retiree	Sp/Dep	Surv
501	Cigna Indemnity Dental/Vision	Retiree Only	\$ 50.42		
502	Cigna Indemnity Dental/Vision	Family	\$ 50.42	\$ 54.96	
503	Cigna Indemnity Dental/Vision	Minor Survivor			\$ 51.65
901	Cigna Dental HMO/Vision	Retiree Only	\$ 47.64		
902	Cigna Dental HMO/Vision	Family	\$ 47.64	\$ 56.35	
903	Cigna Dental HMO/Vision	Minor Survivor			\$ 48.81

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, 2022 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 2023. The following website provides more information: <https://www.soa.org/resources/research-reports/2023/2024-getzen-model-update/>. 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-Local 1014 firefighters' medical and dental/vision plans will be adjusted with the July 1, 2023 valuation to reflect the final July 1, 2024 annual medical and dental plan rate renewals. 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 the long-term projected Medicare Part B costs from the 2023 Medicare Trustees Report from the Centers for Medicare and Medicaid Service (CMS) dated March 31, 2023. The dental trend assumption was updated based on the same methodology we used in our 2023 OPEB Investigation of Experience Study.

The following table presents the trend assumptions. The weighted average trends will be based on the expected payouts from each of the coverages (medical under 65, medical over 65, Part B, and Dental) for the July 1, 2023 valuation.

After fiscal year ending June 30, 2034, selected years are shown in the table. The trend rates for the years not shown generally grade ratably into the next value shown in the table. The medical trend for both under and over 65 remains at 4.2% beginning with the medical trend from fiscal year ending June 30, 2072 to fiscal year ending June 30, 2073.

Fiscal Year Ending		LACERA Medical		Part B	Dental Under	Weighted Average Trend
From	To	Under 65	Over 65	Premiums	and Over 65	
6/30/2024	6/30/2025	6.60%	6.30%	11.20%	3.00%	TBD
6/30/2025	6/30/2026	6.50%	6.30%	6.70%	3.00%	TBD
6/30/2026	6/30/2027	5.80%	5.80%	7.00%	3.00%	TBD
6/30/2027	6/30/2028	5.30%	5.30%	6.90%	3.00%	TBD
6/30/2028	6/30/2029	5.20%	5.20%	6.80%	3.00%	TBD
6/30/2029	6/30/2030	5.10%	5.10%	6.30%	3.00%	TBD
6/30/2030	6/30/2031	5.00%	5.00%	5.80%	3.00%	TBD
6/30/2031	6/30/2032	4.90%	4.90%	6.20%	2.90%	TBD
6/30/2032	6/30/2033	4.80%	4.80%	6.20%	2.90%	TBD
6/30/2033	6/30/2034	4.60%	4.60%	6.10%	2.90%	TBD
6/30/2043	6/30/2044	4.50%	4.50%	4.70%	2.80%	TBD
6/30/2053	6/30/2054	4.50%	4.50%	4.30%	2.60%	TBD
6/30/2063	6/30/2064	4.50%	4.50%	4.20%	2.70%	TBD
6/30/2073	6/30/2074	4.20%	4.20%	4.20%	2.90%	TBD
6/30/2083	6/30/2084	4.20%	4.20%	4.20%	3.10%	TBD
6/30/2093	6/30/2094	4.20%	4.20%	4.10%	3.50%	TBD
6/30/2103	6/30/2104	4.20%	4.20%	4.10%	3.60%	TBD
6/30/2104	6/30/2105	4.20%	4.20%	4.10%	3.70%	TBD

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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%	10.00%	
41	0.00%	0.00%	10.00%	
42	0.00%	0.00%	10.00%	
43	0.00%	0.00%	10.00%	
44	0.00%	0.00%	10.00%	
45	0.00%	0.00%	10.00%	
46	0.00%	0.00%	10.00%	
47	0.00%	0.00%	10.00%	
48	0.00%	0.00%	10.00%	
49	0.00%	0.00%	10.00%	
50	12.00%	0.00%	19.00%	
51	5.00%	0.00%	12.00%	
52	4.00%	0.00%	12.00%	
53	4.00%	0.00%	12.00%	
54	6.00%	0.00%	12.00%	
55	8.00%	23.00%	16.00%	
56	7.00%	6.00%	20.00%	
57	7.00%	5.00%	15.00%	
58	8.00%	7.00%	15.00%	
59	10.00%	5.00%	15.00%	
60	11.00%	6.00%	29.00%	
61	12.00%	6.00%	29.00%	
62	12.00%	9.00%	29.00%	
63	16.00%	7.00%	29.00%	
64	18.00%	27.00%	29.00%	
65	33.00%	38.00%	100.00%	
66	22.00%	12.00%	100.00%	
67	22.00%	8.00%	100.00%	
68	18.00%	8.00%	100.00%	
69	28.00%	8.00%	100.00%	
70	35.00%	10.00%	100.00%	
71	35.00%	20.00%	100.00%	
72	35.00%	20.00%	100.00%	
73	35.00%	20.00%	100.00%	
74	35.00%	20.00%	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.



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**ACTUARIAL REVIEW REPORT FOR THE
LOS ANGELES COUNTY
OTHER POSTEMPLOYMENT BENEFITS PROGRAM
2023 INVESTIGATION OF EXPERIENCE FOR OTHER
POST EMPLOYMENT BENEFITS ASSUMPTIONS**

DRAFT

Prepared: June 20, 2024





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June 20, 2024

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 2023 Investigation of OPEB Program Experience for the Los Angeles County Other Postemployment Benefits Program

Dear Mr. Bendall:

Cavanaugh Macdonald Consulting, LLC (CMC) has performed an independent review of the 2023 Investigation of Experience for Other Postemployment Benefits (OPEB) Assumptions prepared by Milliman, Inc. for LACERA. As an independent reviewing, or auditing actuary, we have been asked to express an opinion regarding the reasonableness and accuracy of this work product.

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 OPEB Program immediately follows each Retirement Plan Experience Study. LACERA typically has the Experience Studies reviewed by an independent actuarial services firm, and we are performing this work in accordance with our contract with LACERA. As requested, this report presents the results of the Actuarial Review of the 2023 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 6 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 generally find the Investigation of Experience results to be reasonable and accurate. The study was performed by qualified actuaries and conducted in accordance with the principles and practices prescribed by the Actuarial Standards Board.** This report documents the detailed results of our review.



Mr. Richard Bendall
June 20, 2024
Page 2

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, 2023 and following years. 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.

In preparing this review, we have relied on the following information provided by LACERA and/or Milliman:

- A report produced by Milliman on July 8, 2021 titled, "Los Angeles County Other Postemployment Benefits Program 2020 Investigation of Experience for Other Postemployment Benefits Assumptions" (2020 Investigation of OPEB Program Experience Report);
- A draft report dated June 18, 2024 prepared by Milliman titled, "Los Angeles County Other Postemployment Benefits Program 2023 Investigation of Experience for Other Postemployment Benefits Assumptions" (2023 Investigation of OPEB Program Experience Report);
- Retirement Plan actuarial valuation census data and OPEB Program Experience Study data as of June 30, 2021, June 30, 2022, and June 30, 2023; and,
- OPEB Program actuarial valuation census data as of June 30, 2020, June 30, 2021 and June 30, 2022, and preliminary actuarial valuation census data as of June 30, 2023.

While we cannot verify the accuracy of all this information, the supplied information was reviewed for reasonableness and consistency. 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 20, 2024
Page 3

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.

Please let us know if you have any questions or need any additional information.

Respectfully submitted,

A handwritten signature in blue 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 "Alisa Bennett".

Alisa Bennett, FSA, MAAA, FCA, EA
President

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SECTION 1 – EXECUTIVE SUMMARY

LACERA engaged Cavanaugh Macdonald Consulting, LLC (CMC) to prepare an independent review of the OPEB Experience Study for Los Angeles County’s OPEB Program prepared by Milliman for the period ending on June 30, 2023. This study used the three years of data accumulated since the last experience study. The scope of the actuarial review requested by LACERA includes an independent verification of the results and evaluation of any recommendations in the 2023 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 the study. While our review included confirming certain data tabulations supporting the results in Milliman’s report, we wish to stress that we have also examined the bigger picture to determine if an assumption, or recommended change, 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 have observed 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 ways in which to appropriately model a dynamic post-retirement benefit 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 Data Used in the 2023 OPEB Investigation of Experience

The actuarial review of the 2023 Investigation of Experience for OPEB Assumptions Report is based on the experience study data that Milliman provided. We requested and received from Milliman the full valuation data files for the 2021, 2022, and 2023 (preliminary) OPEB and pension valuations. These files allowed us to replicate certain portions of Milliman’s work with regards to the analysis of demographic assumptions. In our opinion, the data used is sufficient for the purposes of the experience study, appears consistent with previous experience investigations and, therefore, appropriately reflects the active and inactive membership of LACERA during the three-year period ending on June 30, 2023.

2. Review the Proposed Economic and Demographic Assumptions Contained in the 2023 OPEB Investigation of 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 LACERA’s 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 2 through 5.



SECTION 1 – EXECUTIVE SUMMARY

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 OPEB actuarial valuation for LACERA. We have no findings of material discrepancies with generally accepted actuarial principles or professional standards. In Section 6, we provide some minor considerations and recommendations for future studies.

Milliman proposes several changes in assumptions in its experience study. Generally, these are fine-tuning of the current assumptions to better reflect recent behavior of the plan members. These changes involve initial election rates, plan election rates, 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 economic assumptions, including the investment return assumptions and the health cost trend rates proposed by Milliman to be appropriate.

CONCLUSIONS

Because of the complexity of actuarial work, we would not expect our opinions regarding the selection of assumptions and methods to be the same as the opinions of Milliman. We do expect, however, that there would be sufficient explanation of their choices such that we can acknowledge that they are reasonable based upon the relevant factors. In our opinion, the assumptions and methods proposed by Milliman are reflective of sound professional judgement and are appropriate for the systematic funding of the OPEB obligations of LACERA.

We have determined that the actuarial methods, assumptions, processes, and the report are consistent with the applicable Actuarial Standards of Practice. Throughout this report, we have noted a few minor items for consideration that we believe may present opportunities for improvement, but none that we believe would have a material impact on the proposed assumptions and the resulting OPEB liabilities.

The remainder of this report provides the basis for our findings and recommendations for each assumption that appears in the 2023 Investigation of Experience for Other Post-Employment Benefits Assumptions 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 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 2 – REVIEW OF INITIAL ELECTION ASSUMPTIONS

The provisions and plan 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 with service at retirement as well. Milliman has used a service-based assumption for both medical and dental/vision initial election and is proposing some minor refinements. For members who retire on account of disability, by contrast, the assumption is uniform regardless of service. Milliman recommends the same rates for both males and females but does conduct the analysis separately as well as in total to test their assertion.

CMC independently developed exposures and initial medical election experience for members during the three-year period from July 1, 2020 to June 30, 2023. 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 be in analyzing the experience results. By analyzing in a different manner, we do not expect to match their results exactly. However, to the extent 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 methodology. We believe that we match to a sufficient level to be confident that Milliman is using an appropriate approach. As a note, our results at low service levels (where election is rare) do not match as well, but we anticipate that our results may be distorted by situations where there was some sort of additional or contingent service involved or by disability determinations that were slow to be awarded. For the purpose of assessing Milliman's work, further analysis would not be expected to change our assessment.

It should be noted that we 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, there is a challenge in assigning disabilities to a specific year. 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 elect coverage, as assumed.

We find the proposed election rates to be reasonable. During the process of preparing results, we discussed with Milliman the issue of being cautious about reducing the probability of election assumption based solely on the last three years and they reflected that discussion in their proposed assumptions. We would be comfortable with additional increases in the 15-24 years of service rates to provide some margin for conservatism.

We note that with the very high election rates observed among those members who retire with more than 25 years of service, it would also be appropriate to simplify the assumption and assume 100% elect coverage. However, there are indeed some members who do not elect coverage, and the proposed assumptions reasonably reflect that reality. We would often round up the election assumption to the nearest 5% to provide a slight degree of conservatism, but because of the size of the LACERA population, we are not opposed to Milliman developing an assumption with slightly more precision.



SECTION 2 – REVIEW OF INITIAL ELECTION ASSUMPTIONS

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 2023 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	214	314	339	482	2,533	3,882
Milliman	184	308	343	487	2,542	3,864
<i>Pct. Difference</i>	<i>16.30%</i>	<i>1.95%</i>	<i>-1.17%</i>	<i>-1.03%</i>	<i>-0.35%</i>	<i>0.47%</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	14	97	183	352	2,395	3,041
Milliman	8	114	212	372	2,334	3,040
<i>Pct. Difference</i>	<i>75.00%</i>	<i>-14.91%</i>	<i>-13.68%</i>	<i>-5.38%</i>	<i>2.61%</i>	<i>0.03%</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	6.54%	30.89%	53.98%	73.03%	94.55%	78.34%
Milliman	4.35%	37.01%	61.81%	76.39%	91.82%	78.67%
<i>Recommended</i>	<i>7%</i>	<i>43%</i>	<i>64%</i>	<i>77%</i>	<i>94%</i>	



SECTION 2 – REVIEW OF INITIAL ELECTION ASSUMPTIONS

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 2023 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	249	543	628	769	3,646	5,835
Milliman	206	530	630	773	3,668	5,807
<i>Pct. Difference</i>	20.87%	2.45%	-0.32%	-0.52%	-0.60%	0.48%

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	14	176	356	592	3,410	4,548
Milliman	5	203	397	628	3,376	4,609
<i>Pct. Difference</i>	180.00%	-13.30%	-10.33%	-5.73%	1.01%	-1.32%

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	5.62%	32.41%	56.69%	76.98%	93.53%	77.94%
Milliman	2.43%	38.30%	63.02%	81.24%	92.04%	79.37%
<i>Recommended</i>	7%	43%	64%	77%	94%	



SECTION 2 – REVIEW OF INITIAL ELECTION ASSUMPTIONS

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 2023 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	463	857	967	1,251	6,179	9,717
Milliman	390	838	973	1,260	6,210	9,671
<i>Pct. Difference</i>	18.72%	2.27%	-0.62%	-0.71%	-0.50%	0.48%

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	28	273	539	944	5,805	7,589
Milliman	13	317	609	1,000	5,710	7,649
<i>Pct. Difference</i>	115.38%	-13.88%	-11.49%	-5.60%	1.66%	-0.78%

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	6.05%	31.86%	55.74%	75.46%	93.95%	78.10%
Milliman	3.33%	37.83%	62.59%	79.37%	91.95%	79.09%
<i>Recommended</i>	7%	43%	64%	77%	94%	



SECTION 2 – REVIEW OF INITIAL ELECTION ASSUMPTIONS

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 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 2023 Investigation of OPEB Program Experience Report.

Total Number of Members Exposed—Males						
Years of Service Credit Earned by Healthy Members						
	Under 10	10 – 14	15 – 19	20 – 24	Over 24	Total
CMC	214	314	339	482	2,533	3,882
Milliman	184	308	343	487	2,542	3,864
<i>Pct. Difference</i>	16.30%	1.95%	-1.17%	-1.03%	-0.35%	0.47%

Total Number of Member Initial Dental / Vision Elections—Males						
Years of Service Credit Earned by Healthy Members						
	Under 10	10 – 14	15 – 19	20 – 24	Over 24	Total
CMC	21	108	193	363	2,391	3,076
Milliman	11	116	223	378	2,326	3,054
<i>Pct. Difference</i>	90.91%	-6.90%	-13.45%	-3.97%	2.79%	0.72%

Member Initial Dental / Vision Election Percentages—Males						
Years of Service Credit Earned by Healthy Members						
	Under 10	10 – 14	15 – 19	20 – 24	Over 24	Total
CMC	9.81%	34.39%	56.93%	75.31%	94.39%	79.24%
Milliman	5.98%	37.66%	65.01%	77.62%	91.50%	79.04%
<i>Recommended</i>	7%	44%	68%	77%	93%	



SECTION 2 – REVIEW OF INITIAL ELECTION ASSUMPTIONS

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 2023 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	249	543	628	769	3,646	5,835
Milliman	206	530	630	773	3,668	5,807
<i>Pct. Difference</i>	20.87%	2.45%	-0.32%	-0.52%	-0.60%	0.48%

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	25	209	388	607	3,453	4,682
Milliman	11	228	424	638	3,409	4,710
<i>Pct. Difference</i>	127.27%	-8.33%	-8.49%	-4.86%	1.29%	-0.59%

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	10.04%	38.49%	61.78%	78.93%	94.71%	80.24%
Milliman	5.34%	43.02%	67.30%	82.54%	92.94%	81.11%
<i>Recommended</i>	7%	44%	68%	77%	93%	



SECTION 2 – REVIEW OF INITIAL ELECTION ASSUMPTIONS

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 2023 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	463	857	967	1,251	6,179	9,717
Milliman	390	838	973	1,260	6,210	9,671
<i>Pct. Difference</i>	18.72%	2.27%	-0.62%	-0.71%	-0.50%	0.48%

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	46	317	581	970	5,844	7,758
Milliman	22	344	647	1,016	5,735	7,764
<i>Pct. Difference</i>	109.09%	-7.85%	-10.20%	-4.53%	1.90%	-0.08%

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	9.94%	36.99%	60.08%	77.54%	94.58%	79.84%
Milliman	5.64%	41.05%	66.50%	80.63%	92.35%	80.28%
<i>Recommended</i>	7%	44%	68%	77%	93%	



SECTION 3 – REVIEW OF TIER SELECTION AND MIGRATION ASSUMPTIONS

ANALYSIS OF MEMBER INITIAL MEDICAL PLAN AND TIER SELECTION PERCENTAGES

CMC independently developed initial medical plan and tier selection percentages for male and female members during the period from June 30, 2020 to June 30, 2023. This analysis was further split by pre-65 or post-65 elections.

As with other assumptions we reviewed, we used an independent methodology and did not use Milliman’s refined processed data. We compared the initial elections of more than 8,200 newly-covered members across approximately 175 different coverage options and identified only a handful of situations where we differed from Milliman. The most frequent issue leading to differences related to situations where a retiree or spouse became Medicare-eligible between retirement and the valuation date, resulting in differing tier selections within the same plan.

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.

We note that retired members can elect to switch plans, although we understand that this may not occur frequently. This means that the assumption regarding plan election could be thought of in terms of “current election” rather than “initial election” and still be useful for valuation purposes. Phrasing the assumption in this way would simplify the ability to set the assumption, and so it might be worth considering in the next experience study.



SECTION 3 – REVIEW OF TIER SELECTION AND MIGRATION 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, 2020 to June 30, 2023. The following tables compare the results of our analyses with those proposed in Exhibit 4–5 of the 2023 Investigation of OPEB Program Experience Report.

Deduction Code	CMC Pct.	Milliman Pct.	Difference
501	16.2%	16.0%	0.2%
502	59.0%	59.3%	-0.3%
503			
901	7.1%	6.9%	0.2%
902	17.7%	17.8%	-0.1%
903			

*Numbers may not add to 100% due to rounding.

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SECTION 3 – REVIEW OF TIER SELECTION AND MIGRATION ASSUMPTIONS

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, 2020 to June 30, 2023. The following tables compare the results of our analyses with those proposed in Exhibit 4–5 of the 2023 Investigation of OPEB Program Experience Report.

Deduction Code	CMC Pct.	Milliman Pct.	Difference
501	38.3%	38.2%	0.1%
502	36.7%	36.8%	-0.1%
503			
901	14.5%	14.5%	0.0%
902	10.5%	10.5%	0.0%
903			

*Numbers may not add to 100% due to rounding.

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SECTION 3 – REVIEW OF TIER SELECTION AND MIGRATION ASSUMPTIONS

REVIEW OF PRE-65 TO POST-65 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, 2020 to June 30, 2023 and were enrolled in a pre-65 medical plan immediately prior to attaining age 65. Because we based our results on valuation data rather than Milliman’s comprehensive database, there are some minor differences in our counts, but nothing that is significant or indicative of any inadequate process.

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-65 medical plan.

We note that several of the recommended assumptions are 2% or less, which does not significantly affect any of the results. We believe there is an opportunity for simplification with this assumption, if desired.

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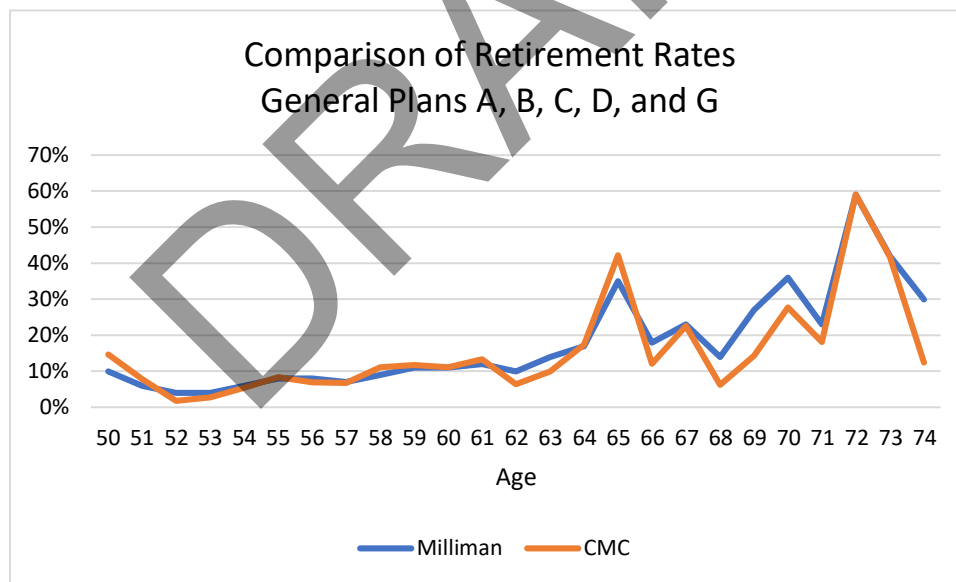


SECTION 4 – REVIEW OF OTHER DEMOGRAPHIC ASSUMPTIONS

ANALYSIS OF ASSUMED RETIREMENT RATES FOR DEFERRED VESTED MEMBERS

For pension valuation purposes, the retirement patterns of deferred vested members is often not important because retirement at earlier ages often lead to a reduced benefit that is approximately actuarially equivalent. For OPEB purposes, however, earlier commencement has a definite cost impact since it represents more years of medical coverage. Consequently, Milliman develops an assumption for OPEB purposes that is more refined than the assumption used in their pension valuation. Although the actuarial liability attributable to the deferred vested members is not significant, we still believe this additional analysis is appropriate.

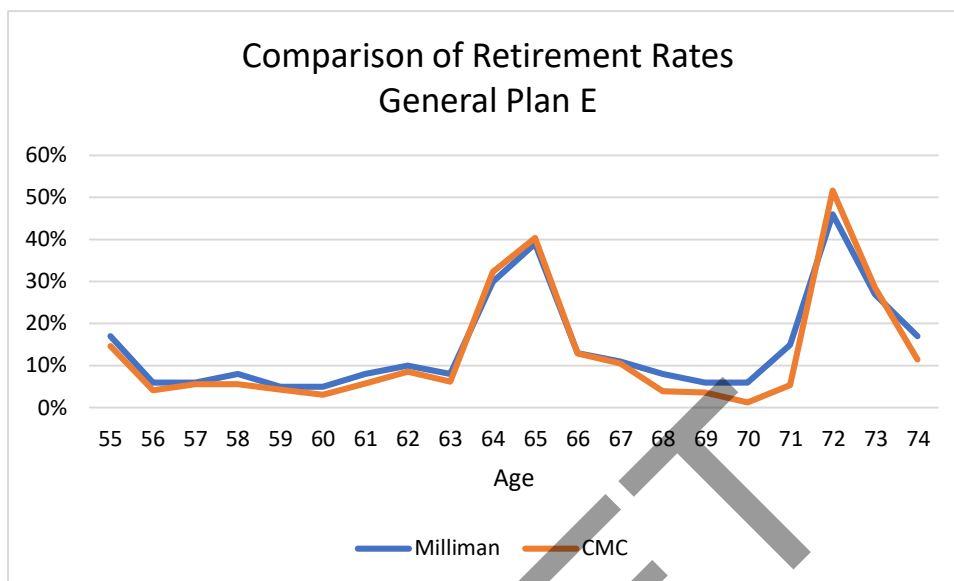
CMC independently developed the percentages of members with deferred vested pension benefits under General Plans A, B, C, D, and G who will retire at a given age based on experience during the period from June 30, 2020 to June 30, 2023. Milliman used two additional years of data, so we would expect there to be some differences in our results. The general concurrence of the two sets of results 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 graph compares the results of our analyses with those proposed in Exhibit 5–1 of the 2023 Investigation of OPEB Program Experience Report.



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, 2020 to June 30, 2023. Milliman 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 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 graph compares the results of our analyses with those proposed in Exhibit 5–2 of the 2023 Investigation of OPEB Program Experience Report.



SECTION 4 – REVIEW OF OTHER DEMOGRAPHIC ASSUMPTIONS



The total number of members with deferred vested pension benefits under Safety Plans A, B, and C shown in Exhibit 5-3 are low relative to the other Plan groups (112 total actual retirement observations over five years). As a result, CMC did not independently develop rates of retirement for these members.



SECTION 4 – REVIEW OF OTHER DEMOGRAPHIC ASSUMPTIONS

ANALYSIS OF DIFFERENCES IN MEMBER AGES AND AGES OF ENROLLED SPOUSES

CMC replicated the average differences in member ages and the ages of enrolled spouses based on the experience of unique retired members who were enrolled in a medical or dental plan as of July 1, 2021, 2022, or 2023, and who had a spouse indicator and a valid spouse date of birth on his or her record. Our method and criteria missed a limited number of individuals who Milliman observed, but the differences are small, and the conclusions are unchanged.

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	18,019	4.1	10,599	1.4
CMC—Recent Retirees	4,273	3.3	3,358	1.6
Milliman—All Retirees	18,316	4.1	10,780	1.4
Milliman—Recent Retirees	4,429	3.2	3,472	1.6

As shown in the table above, the average age differences we produced are consistent with the results contained in Section 6 of the 2023 Investigation of OPEB Program Experience Report.

We note that the proposed assumptions concerning the average difference in male member ages and the ages of enrolled spouses provided in the 2023 Investigation of OPEB Program Experience Report are different from the assumptions used in the 2023 Retirement Plan Actuarial Valuation, while the assumption for females is the same. These age differences are not necessarily expected to be the same. In the pension study, the difference is 3 years, consistent with the more recent experience in the OPEB plan. If a similar difference in all retirees and recent retirees continues to be seen in the 2026 Investigation of OPEB Program Experience, we would suggest adjusting the forward-looking assumption to 3 years.



SECTION 4 – REVIEW OF OTHER DEMOGRAPHIC ASSUMPTIONS

ANALYSIS OF MEDICARE ENROLLMENT FOR ANTHEM BLUE CROSS I, II, AND PRUDENT BUYER PLANS

Section 6 of the 2023 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, 2022 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, 2021, 2022, and 2023 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 and agrees 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

Milliman is proposing that these provisions be modeled with a load rather than trying to precisely reflect the provisions. We agree that the complexity involved in trying to model these provisions is very complex using most valuation software, and that the proposed change with simplify the actuarial valuation process without any significant impact. We find Milliman’s proposed loads to be reasonable.



SECTION 5 – REVIEW OF ECONOMIC ASSUMPTIONS

INFLATION

The inflation assumption is a component of both the investment return assumption and the health cost trend rate development. For consistency with the pension assumptions developed last year, Milliman uses the same 2.75% inflation assumption and points to the pension study for justification. We do not find 2.75% unreasonable. While inflation the past few years has been higher, forward-looking market indicators and many experts anticipate inflation returning to the lower rates observed for most of the past three decades.

Milliman also recommends using the pension assumption of 3.25% for wage inflation. We believe this is reasonable and consistent.

INVESTMENT RETURN

ASOP 6 and ASOP 27 provide actuaries with guidance on selecting an investment return that included considering the purpose of the measurement. With the adoption of an agent employer approach, the OPEB Program has two groups of employers – those who are prefunding, and those who are not (at least to any significant degree). As a result, there are two different investment return assumptions needed - one for the employers who prefund these benefits and one for the employers who do not.

For the funded plans, the investment return assumption is an estimation of what the invested funds are expected to earn over time. The expected earnings are largely dependent upon the way in which the portfolio is allocated across asset classes, and so the usual approach to developing this assumption is to consider the capital market assumptions applicable to the asset classes involved. Milliman follows this general approach.

In performing their analysis, Milliman considered capital market assumptions from Meketa, LACERA's investment consultant, as well as from the Horizon survey and from Milliman's internal resources. Because of some of the recent volatility in capital market assumptions, Milliman averaged the assumptions across the most recent three years available from each source. This analysis was performed with both a 10-year and 20-year time horizon. We believe that Milliman's approach of considering multiple sets of investment experts as well as two different time frames is reasonable and provides greater confidence when approaching such a significant assumption.

Finally, Milliman comments on how they consider the impact of differing inflation assumptions as well as the recognition of certain investment expenses that should be reflected and recommend the use of a 6.25% investment return assumption, an increase from the current assumption of 6.00%. We believe this is a reasonable assumption and is developed using appropriate considerations. Of course, there are other reasonable assumptions which could have been chosen, but we are very comfortable with Milliman's recommendation.

We also reviewed Milliman's analysis of the expected return for the unfunded plans. In this case, Milliman recommends using the expected return of the general (cash) account held by the County,



SECTION 5 – REVIEW OF ECONOMIC ASSUMPTIONS

which is generally considered a reasonable approach. Based on the general proportions of cash and short-term Treasuries that this account holds, Milliman recommends the use of a 3.50% rate. While this recommendation is based primarily on short-term analysis, we believe that it is appropriate for the situations in which this assumption is needed. We find this analysis reasonable.

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.

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SECTION 5 – REVIEW OF ECONOMIC ASSUMPTIONS

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 2023 Investigation of OPEB Program Experience Report. Milliman selected Medical Trend Rates based on the Society of Actuaries (SOA) Long Term Healthcare Cost Trends Model, 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. However, with more recent assumptions and the rates proposed by Milliman, the model converges much more quickly to an ultimate trend rate than in prior years. Although slightly different from our typical methodology, we find the rates proposed by Milliman to be reasonable and technically sound.

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, 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:

- Initial Trend—These trend rates are based on review of the July 1, 2023 annual medical and dental plan rate renewals and summaries provided by Segal, LACERA’s health care consultant, taking into account drug percentage of total, approximate annual premiums, and plan type.
- 2033 GDP Percentage Share—The assumed percentage of the Gross Domestic Product dedicated to health care costs. Based on guidance from the Centers for Medicare and Medicaid Services (CMS), Milliman selected the recommended value to be 19.0%.
- Inflation Rate—Milliman selected a 2.75% inflation assumption, which is consistent with the expected long-term rate of inflation.



SECTION 5 – REVIEW OF ECONOMIC ASSUMPTIONS

- **Real GDP Per Capita Growth**—The expected growth in Real GDP during future periods. Milliman used information from the Congressional Budget Office to select a 1.40% 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 a 0.90% rate based on SOA research.
- **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 17.0% recommended value for the GDP Resistance Point, and 2075 for the GDP Limit Year, based on SOA research.

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 would like to note that long-term health care cost trends can be impacted by events such as the COVID-19 pandemic (for which long-term data is still developing) and by Federal legislation such as the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA). Under the IRA in particular, Medicare Part D plan design will change dramatically in 2025 and price negotiations for Medicare Part D drugs will begin in 2026, suggesting modifications to the medical trend for post-65 members may be needed. Modifications to both pre-65 and post-65 trends have already been seen due to COVID and the ACA. We would therefore suggest possibly including additional language in the experience study report and the valuation reports mentioning these concerns and the fact that the trend assumption will be monitored as information emerges.

CMC also reviewed the proposed long-term dental / vision cost trend rates provided in the 2023 Investigation of OPEB Program Experience Report. Milliman selected a 4.25% underlying dental and 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 Milliman’s report. The proposed Medicare Part B premium trend rates initially start at 11.20% and grade down to an ultimate rate equal to 4.10%. Milliman established the Medicare Part B premium trend assumption to be consistent with projections from CMS. We find their proposed trend rates reasonable.



SECTION 6 – INVESTIGATION OF EXPERIENCE REPORT REVIEW AND CONCLUSIONS

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.
- We believe that it could be useful for Milliman to consider using a headcount-based mortality table for the OPEB work rather than the benefit amount-based tables used in the pension work. For pension benefits, the mortality tables reflect that those with larger benefits tend to live longer. The nature of LACERA’s OPEB benefits are such that there is some indirect correlation between the size of the pension benefit and the amount of insurance subsidy, so this is not a simple decision. We would suggest the possibility be studied over the next three years.
- We believe more commentary could be included in the experience study and valuation reports regarding:
 - the amortization method and funding methodology,
 - potential considerations regarding the COVID-19 pandemic and Federal legislation impact on health care costs and trend, and
 - the origin of the morbidity factors used in the calculation of the age-based claims costs.

As part of the actuarial review of the 2023 OPEB Program Actuarial Valuation Report scheduled for 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.

Los Angeles County OPEB Program

July 1, 2023 OPEB Experience Study



Robert Schmidt, FSA, EA, MAAA
Janet Jennings, ASA, MAAA
July 3, 2024

Agenda

- Scope, Timeline, and Process Summary
- Assumptions
- Experience Study Review
- Questions and Comments
- Appendix
- Glossary

Scope, Timeline, and Process Summary

Scope

2023 OPEB Funding Valuation Projects with Actuarial Review

Experience Study

- OPEB economic and demographic assumptions (Milliman)
- Assumptions and methods review (Cavanaugh Macdonald)

Funding Valuation

- OPEB valuation (Milliman)
- Replication of results (Cavanaugh Macdonald)

Timeline

Description	2023						2024									
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	
Entrance Stakeholder Meeting				Meeting												
Received Data		Activity	Activity	Activity	Activity											
Census and Experience Study					Activity	Activity	Activity	Activity								
January BOR Educational Session							Meeting									
First Stakeholder Assumptions Meeting								Meeting								
Received Approved 7/1/2024 Premiums									Activity							
Received Approved OPEB Trust Allocation										Activity						
Second Stakeholder Assumptions Meeting											Meeting					
BOI Educational Session												Meeting				
BOR Meeting to Approve Assumptions													Meeting			
Conduct Funding Valuation												Activity	Activity	Activity		
Closing Stakeholder Meeting														Meeting		
BOR Meeting to Approve Valuation															Meeting	

Meeting
 Activity

Process Summary

July 1, 2020 Last OPEB Experience Study

July 1, 2021 OPEB Funding Valuation

June 30, 2022 Pension Experience Study

July 1, 2022 Last OPEB Funding Valuation **with updated assumptions from the 2022 Pension Experience Study**

July 1, 2023 OPEB Experience Study

- Experience study on a three-year cycle

July 1, 2023 OPEB Funding Valuation

- Continue with annual funding valuations

Process Summary (cont'd)

Stakeholders

Agents

- LA County
- Superior Court
- LACERA
- Outside Districts

Consultant

- Segal

Union

- SEIU
- Local 1014
- Coalition of County Unions (CCU)

Actuaries

- Cavanaugh Macdonald
- Cheiron
- Rael & Letson
- Milliman

Process Summary (cont'd)

Experience study assumptions

- 2023 Vested terminated members retirement rates
- 2023 OPEB demographic assumptions
 - Health initial enrollment, health plan and coverage tier selection, and other OPEB assumptions
- 2023 OPEB economic assumption (discount rate)
- 2022 Retirement benefit related demographic and economic assumptions are already included
 - disability, withdrawal, retirement, mortality, inflation, and wage growth

Valuation assumption changes

- Claim costs
- Trend updated with July 1, 2024 health plan premiums

Valuation based on

- June 30, 2023 census data
- July 1, 2023 and July 1, 2024 health plan premiums

Experience Study Details

- 2022 retirement related assumptions were already included in the July 1, 2022 Valuation
- Last OPEB experience study was 2020
- Utilized data from 2021, 2022, and 2023
- Assumptions were studied on a combined basis for all Plan sponsors under the OPEB program
- OPEB experience study includes:
 - OPEB demographic assumptions (enrollment, plan and tier selection, enrolled spouse age difference, Medicare enrollment in Anthem plans, and remarriage)
 - Vested Terminated Retirement by retirement plan
 - Economic Assumptions
 - Amortization method discussion
- The July 1, 2023 Valuation first year trends will reflect the July 1, 2024 renewal

Assumptions

Experience Study Results

- Initial Enrollment
 - Modest decrease in liability and costs
- Plan and Tier Selection
 - Slight decrease in liability and costs
- Vested Terminated Commencement
 - Slight decrease in liability and costs
- Health Cost Trend
 - Slight decrease in liability and costs
- Discount Rate
 - Decrease in liability and costs
- Overall impact
 - 3.98% decrease in AAL, NC rate decreased by 0.54% of payroll, and ADC rate decreased by 0.71% of payroll*

*Payroll is pensionable payroll (\$8.9 billion) throughout this presentation

Investment Return Background

- The prior Investment Return Assumptions were set in the 2020 Experience Study.
 - Included in the July 1, 2020, July 1, 2021, and July 1, 2022 OPEB Funding Valuations
 - Agents that are prefunding through the OPEB Trust had an expected return of 6.00% based on Meketa's 2020 capital market assumptions.
 - Agents not prefunding through the OPEB Trust had an expected return of 2.30% based on the County general assets.
 - Represent a small portion of the OPEB Program
- The new OPEB Trust Strategic Asset Allocation was approved by the Board of Investments in April 2024
 - Agents that are prefunding through the OPEB Trust were based on a review of Meketa, Horizon and Milliman's capital market assumptions under this new OPEB Trust allocation.
 - The OPEB Investment return assumption is different than pension due to a different asset allocation for the OPEB Trust than for the Pension Trust.
- Agents not prefunding through the OPEB Trust are based on the County general assets.

Economic Assumptions – Investment Return

OPEB Trust Long Term Rate of Return (from 6.00% to 6.25%) based on 2023 Experience Study

- Pre-funding Agents
 - LA County
 - LACERA
 - Superior Court

General Assets Rate of Return (from 2.30% to 3.50%) based on 2023 Experience Study

- Outside District Agents
 - SCAQMD
 - LAFCO
 - LACOE
 - LLCD

Will utilize updated information from Meketa and Los Angeles County to evaluate these assumptions

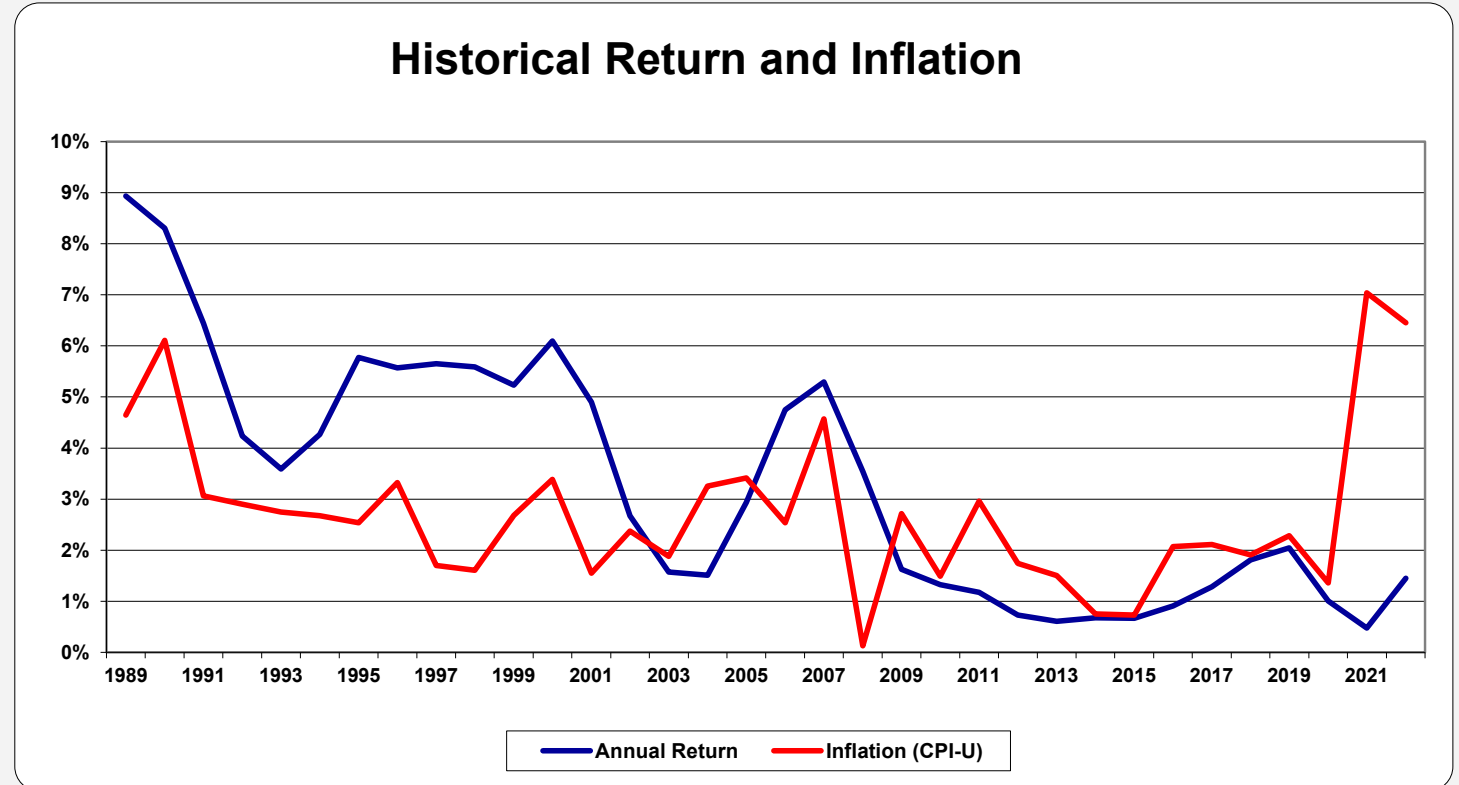
2023 Investment Earnings – OPEB Trust

- The OPEB Trust expected return was studied based on the average of the most recent three years of capital market assumptions from Meketa, Milliman, and Horizon.
- We reviewed the 10- and 20-year expected returns for this analysis because about half the value of the accrued liabilities are projected to be paid in the next 15 years.
- The chart below the expected returns and associated inflation values. Based on this chart, we have proposed a long-term investment rate of return of **6.25%**.

2024 Beginning of Year	Meketa	Milliman	Horizon
Based on 10-Year Assumptions			
Median Annualized Return	6.5%	6.0%	6.0%
Assumed Inflation	2.5%	2.4%	2.4%
Based on 20-Year Assumptions			
Median Annualized Return	7.3%	6.5%	6.6%
Assumed Inflation	2.5%	2.3%	2.4%

2023 Investment Earnings – General Assets Building Block Approach

- Real returns on County general assets from 1989 through 2022 averaged 0.6% per year
- However, current projections indicate that real returns of 0.82% to 0.87% are more likely going forward based on the current asset allocation
- With 2.75% inflation, the range is between 3.57% and 3.62%



2023 Investment Earnings – General Assets

- Based on June 30, 2023 County General Fund balance sheet
- Assumption of 3.50% is within the building block approach range

Asset Class	Expected Arithmetic Nominal Return (30 yrs)	Asset Allocation
Cash	3.26%	30.52%
Short-term U.S. Bonds	3.71%	69.48%
Expected Arithmetic Return (30 yrs) ⁽¹⁾		3.57%
Expected Geometric Return (30 yrs) ⁽²⁾		3.55%

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

Experience Study Summary Results

Analysis of Assumption Changes

	Actuarial Accrued Liability ⁽¹⁾	(Assets) ⁽¹⁾	Unfunded Actuarial Accrued Liability ⁽¹⁾	Normal Cost Rate ⁽²⁾	ADC Percentage ⁽²⁾
July 1, 2022 Valuation	\$ 23,097.8	\$ (2,394.1)	\$ 20,703.7	7.26%	18.27%
Assumption Changes					
Initial Enrollment	(63.0)	-	(63.0)	(0.01%)	(0.04%)
Plan and Tier Selection	(41.1)	-	(41.1)	(0.03%)	(0.05%)
Vested Terminated Commencement	(7.6)	-	(7.6)	0.00%	(0.01%)
Trend - Without 1st Year Renewal Adjustment	(9.8)	-	(9.8)	(0.02%)	(0.02%)
Remarriage	(0.6)	-	(0.6)	0.00%	0.00%
Discount Rate	(796.4)	-	(796.4)	(0.48%)	(0.59%)
Total Assumption Changes	\$ (918.5)	\$ -	\$ (918.5)	(0.54%)	(0.71%)
July 1, 2022 Valuation with Assumption Changes	\$ 22,179.3	\$ (2,394.1)	\$ 19,785.2	6.72%	17.56%

(1) In millions of dollars

(2) Expressed as a percentage of payroll

OPEB UAAL Amortization Information

- Impact on the July 1, 2022 ADC with various amortization periods
 - Level percent of pay with open amortization

Open Amortization Period	30-year	25-year	20-year	15-year	10-year
Actuarially Determined Contribution (ADC)					
1. Normal Cost	\$ 649.0	\$ 649.0	\$ 649.0	\$ 649.0	\$ 649.0
2. UAAL payment	984.4	1,115.2	1,313.6	1,648.3	2,323.5
3. Total	\$ 1,633.4	\$ 1,764.2	\$ 1,962.6	\$ 2,297.3	\$ 2,972.5
ADC expressed as a percentage of payroll					
1. Normal Cost	7.26%	7.26%	7.26%	7.26%	7.26%
2. UAAL payment	11.01%	12.48%	14.69%	18.44%	25.99%
3. Total	18.27%	19.74%	21.95%	25.70%	33.25%

- Ideas for other methods
 - Open amortization over an appropriate period
 - Layered amortizations over appropriate periods
 - Could be level percent of pay or level dollar
 - Could transition to a new method

Cavanaugh Macdonald Experience Study Review

Review Notes



Our goal is to assure that Milliman followed Actuarial Standards of Practice and developed assumptions that are reasonable for the use in the annual actuarial valuation.

Reviewed data used in Investigation of Experience



- Confirmed the data is appropriate for the conclusions
- Independently replicated much of Milliman's work

Assessed recommended assumptions



- Setting assumptions involves professional judgment
- We believe recommended assumptions are reasonable
- Provided feedback in the process that Milliman ultimately reflected

Provided Suggestions



- Suggestions for possible refinements such as using additional years of experience data and some conservatism around probability of election assumptions

ASOPs



- Determined adequacy of report and compliance with Actuarial Standards of Practice

Questions & Comments?

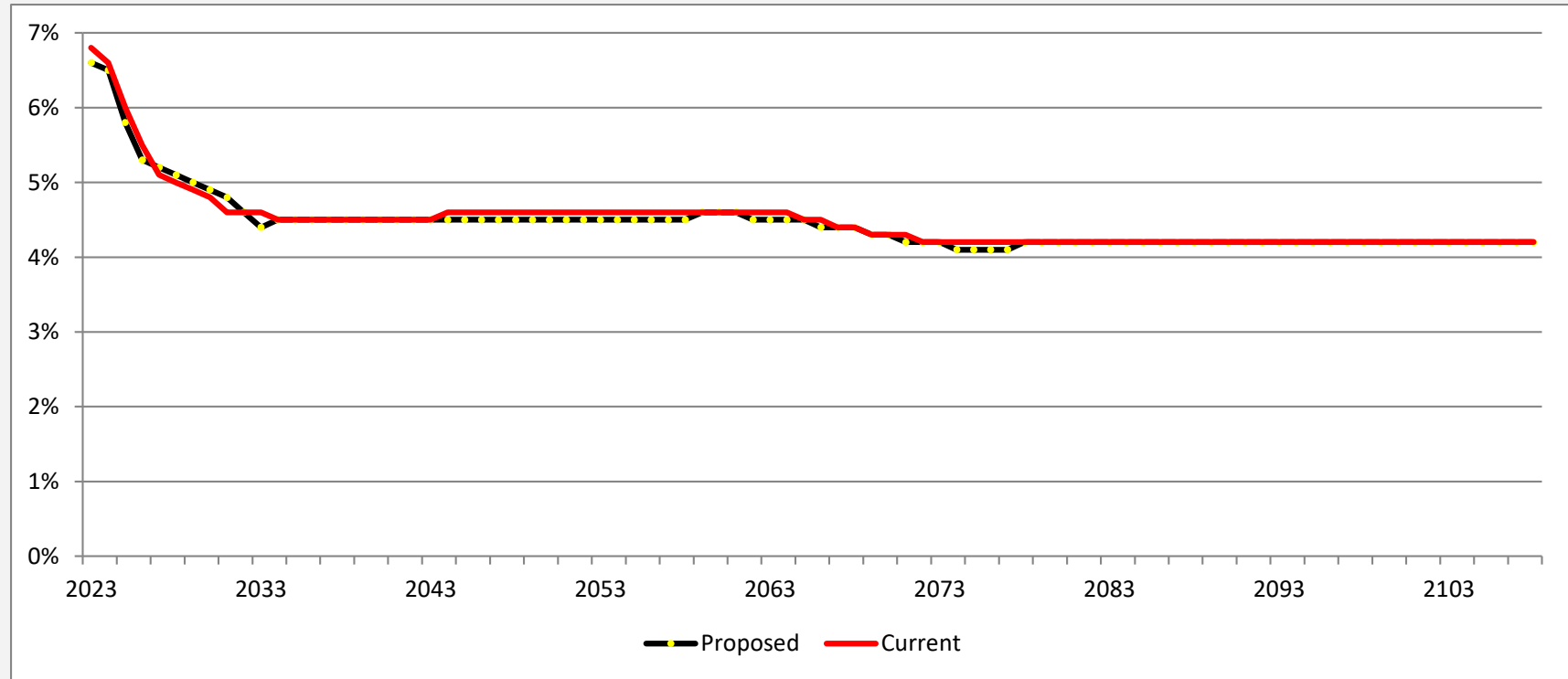


Appendix

Investment Return Assumption History

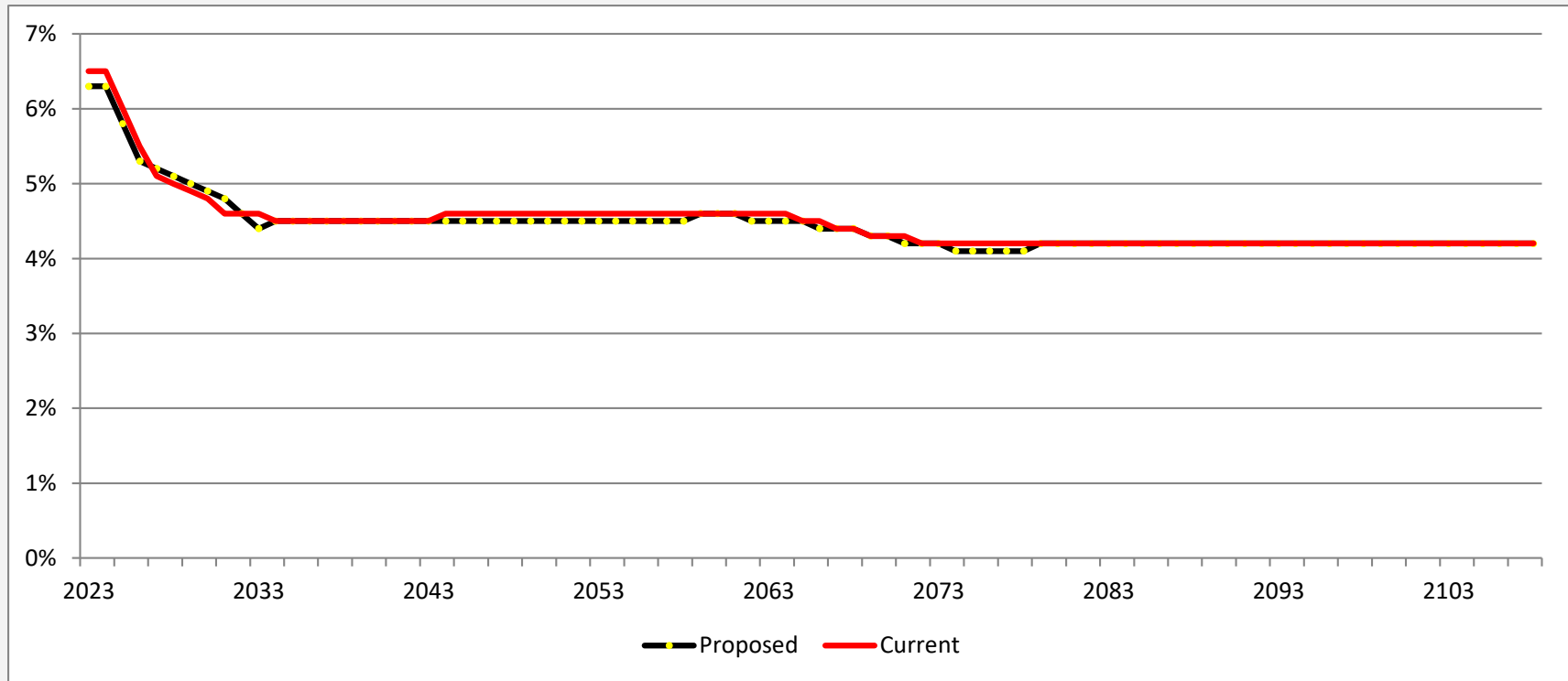
Valuation Year	Investment Return Assumption		Changes
	Prefunding Agents	Outside Districts	
2006	5.00%	5.00%	Initial OPEB Valuation and Segal actuarial review
2008	5.00%	5.00%	Investigation of Experience Study
2010	5.00%	5.00%	Investigation of Experience Study and Segal actuarial review
2012	4.35%	4.35%	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
2019	6.00%	3.69%	ACA Excise Tax and Health Insurer Fee repealed
2020	6.00%	2.30%	2020 Investigation of Experience Study and Cavanaugh Macdonald actuarial review
2021	6.00%	2.30%	There were no changes in this valuation year
2022	6.00%	2.30%	There were no changes in this valuation year
2023	6.25%	3.50%	2023 Investigation of Experience Study and Cavanaugh Macdonald actuarial review

Medical Trend Pre 65



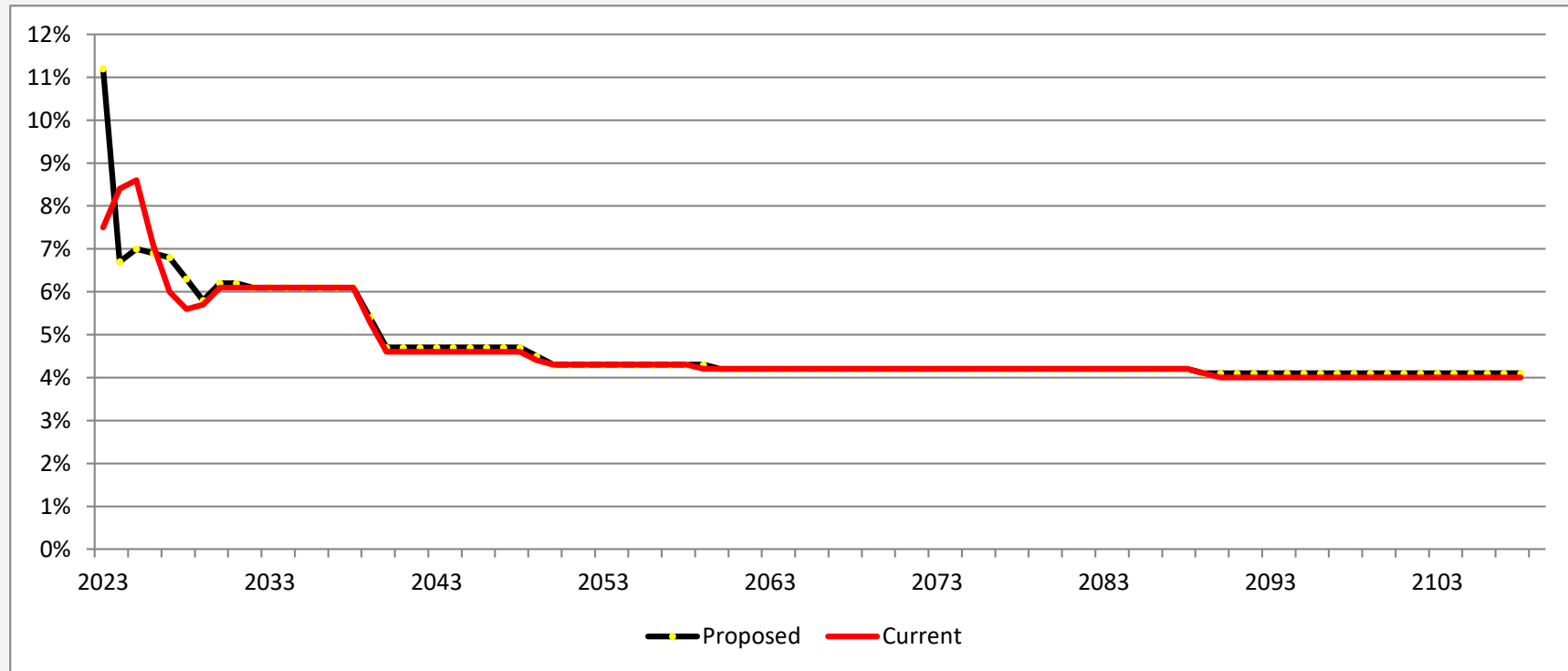
- Medical trend will be updated with July 1, 2024 renewals.

Medical Trend Post 65



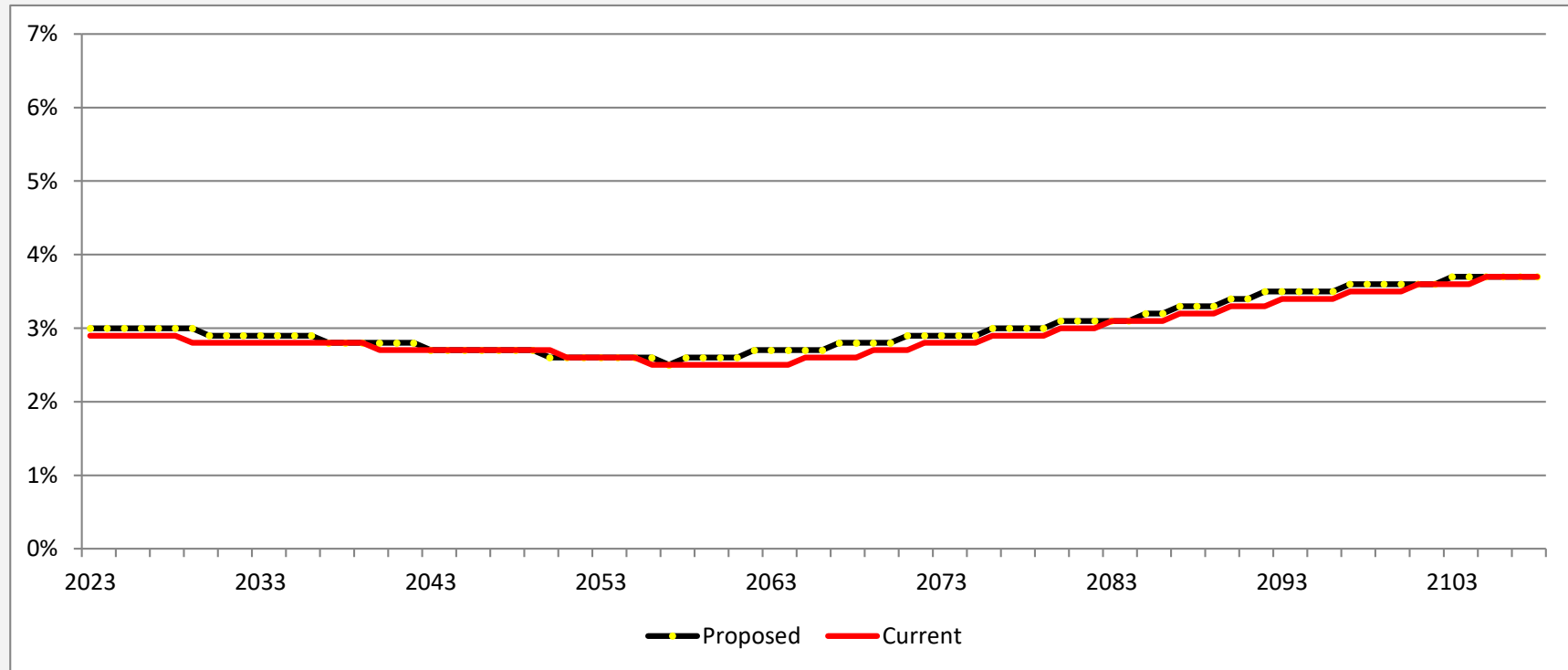
- Medical trend will be updated with July 1, 2024 renewals.

Medicare Part B Trend



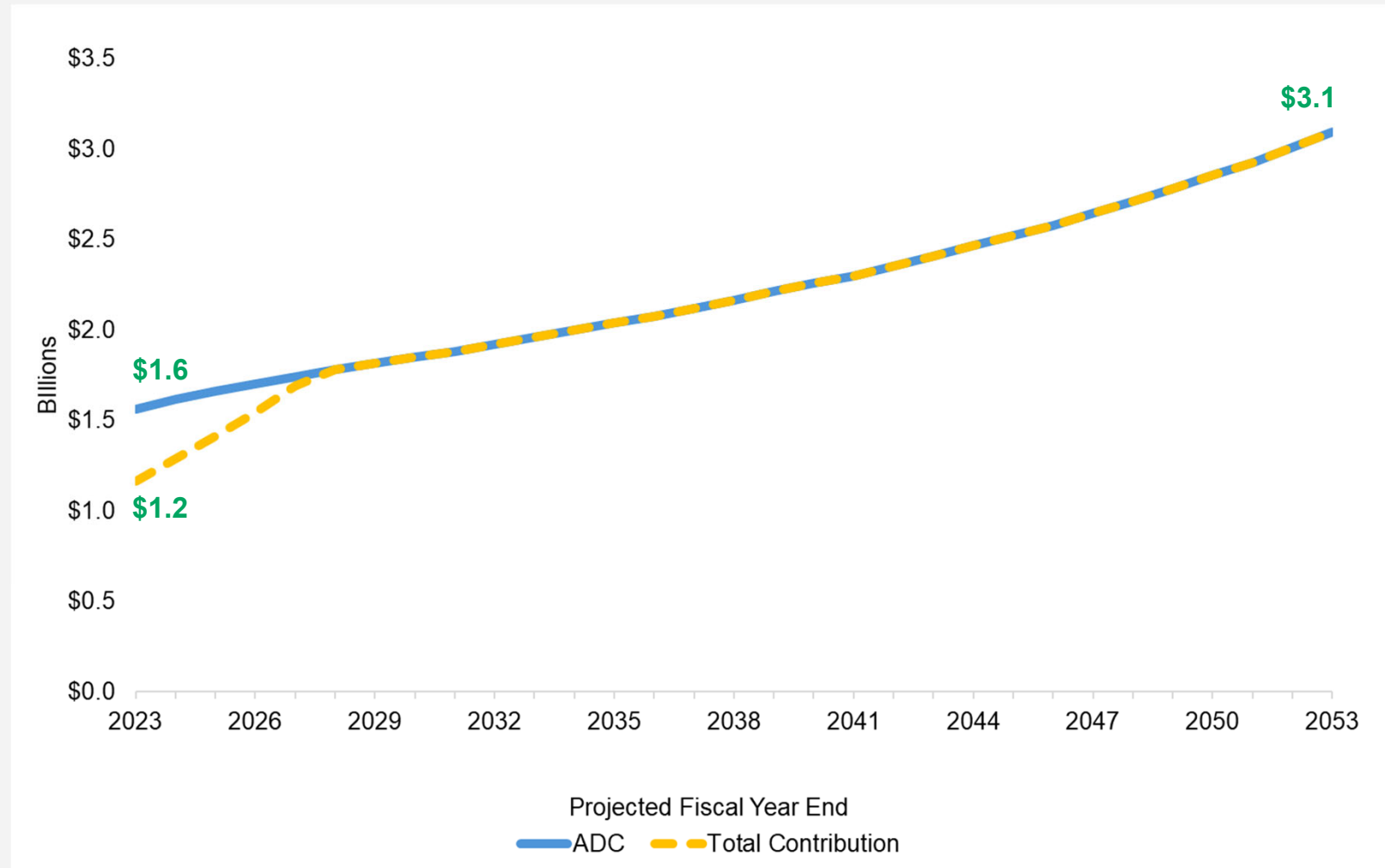
- 2023 trend is high due to prior Part B hold harmless limits and a delay in updates from members.
- Based on
 - 2023 Medicare Trustees Report and 2023 CMS Report on Projected Medicare Expenditures under an Illustrative Scenario with Alternative Payment Updates to Medicare Providers.
 - Calendar year 2023 LACERA Part B premiums and 2024 standard Part B premium.

Dental/Vision Trend



- Underlying trend is assumed to be CPI + 1.50% (4.25%)
- CPD analysis to model Indemnity plan annual maximum
- Dental/Vision trend will be updated to reflect the July 1, 2024 renewals

County Projected ADC & Total Employer Contributions



Total Contributions include OPEB Trust contributions and the employer portion of Benefit Payments.

Glossary

Glossary

	<p>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.</p>
Affordable Care Act (“ACA”)	<p>A law enacted with the goal of providing all Americans access to affordable health insurance.</p>
Actuarial Accrued Liability (“AAL”)	<p>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.</p>
Actuarial Assumptions	<p>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.</p>
Actuarial Cost Method	<p>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.</p>
Actuarial (Gain)/ Loss	<p>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.</p>

Glossary (cont'd)

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 fair 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. This concept is used with GASB 75.
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 (cont'd)

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 <u>postemployment benefit 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 (cont'd)

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”)	<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 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 (cont'd)

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

Robert Schmidt

Robert.Schmidt@milliman.com

Janet Jennings

Janet.Jennings@milliman.com

Limitations & Reliances

The Milliman slides in this presentation are subject to the same data, methods, assumptions, and plan provisions as in the draft July 1, 2023 OPEB Experience Study report issued April 30, 2024 and the GASB 75 Disclosure for the Fiscal Year Ending June 30, 2024 issued May 7, 2024.

- All caveats, limitations, and certifications from that report apply to the Milliman slides in this presentation.



Robert Schmidt

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



Janet Jennings

Janet Jennings, ASA, MAAA
Consulting Actuary



June 13, 2024

TO: Each Trustee,
Board of Retirement

From: Louis Gittens *LG*
Division Manager, Benefits

For: July 3, 2024 Board of Retirement Meeting

SUBJECT: RATIFICATION OF RECIPROCAL DISABILITY RETIREMENTS

IT IS RECOMMENDED that the Board approve the reciprocal disability retirement for the following named deferred members who were found to be disabled by the current reciprocal agency for the performance of their duties and have met the burden of proof.


Reciprocal Agency	Department	Name	Safety / General Member	Disability Type	Retirement Date
CalPERS	SHERIFF	Cortney E. Bell	Safety	SCD	9/7/2018
SBCERA	SHERIFF	Gregory P. Ditfurth	Safety	SCD	4/11/2024

LG:am



May 30, 2024

TO: Each Trustee
Board of Retirement

FROM: Francis J. Boyd 
Senior Staff Counsel

FOR: July 3, 2024, Board of Retirement Meeting

SUBJECT: PRE-DESIGNATION OF RETIREMENT OPTIONS BY ACTIVE MEMBERS IN ADVANCE OF RETIREMENT

I. Introduction

The Board of Retirement requested staff explore the possibility of allowing active members the ability to pre-designate their retirement options to prevent their survivors/beneficiaries from receiving a retirement allowance that is less than what members would have received had they been retired at the time of death. The purpose of this memorandum is to provide information for the Board's discussion and further instruction to staff.

Attached to this memorandum, solely for the Board of Retirement's review, is a confidential and privileged memorandum from the Board's fiduciary counsel, Nossaman LLP.

II. Summary of Findings

- Neither the County Employees Retirement Law of 1937 (CERL), nor case law interpreting it, expressly allow or prohibit a programmatic pre-authorization program allowing members to pre-designate survivor option elections. The optional survivor benefits are defined by CERL as a part of CERL's benefit-plan design. A retirement system's authority for fund administration does not include changes to plan design.
- While case law suggests that one-off pre-designations would pass judicial scrutiny in very limited circumstances, statutes are clear that CERL's Unmodified Plus and Optional Settlements must be "actuarially equivalent" to the member's retirement benefit (which includes a surviving spouse or minor-child benefit) and cannot place any additional burden on the retirement system. This case law does not provide

support for LACERA to unilaterally permit systemic pre-designations in any circumstances.

- LACERA's actuary has determined that allowing members to pre-designate their retirement options would result in an additional actuarial liability of \$87 million and would result in a .1% decrease in LACERA's funded ratio necessitating an increase in the calculated contribution rates for the County of Los Angeles and PEPRAs members.
- Information obtained from other CERL systems whose boards have adopted a pre-designation program applicable to their active members' potential nonservice-connected disability retirement, and information obtained from LACERA's actuary, suggest that pre-designation programs that are adopted without incorporating an "actuarial penalty" into the program do not comply with statutory requirements of actuarial equivalence.
- Statutes applicable to the California State Teachers' Retirement System (CalSTRS) permit pre-designation of Optional Settlements, but there is an irrevocable actuarial penalty built into the pre-election. This design element appears to be structured so that the election will remain the "actuarial equivalent" of the benefits provided without a pre-election designation. CERL does not include such a provision.

III. Background

The County Employees Retirement Law of 1937 (CERL) provides for three types of retirement benefits for members:

- 1) Service retirement;
- 2) Nonservice-connected disability retirement; and
- 3) Service-connected disability retirement.

Each of the above retirements provide death benefits for members' designated survivors, including survivor continuances to those with an "insurable interest" in the member's benefit, depending upon whether the member retires or dies before filing an application for retirement.

A. Available Death Benefits

Following are the benefits that LACERA currently provides the survivors and beneficiaries of its members, all of which are provided under CERL:

1. Service-Retirement Death Benefit

- a. **“Unmodified” Allowance (LACERA default):** Where a member retires for service, the member receives his or her full retirement allowance without any actuarial reduction.

Upon the death of the member, eligible survivors (including the member’s spouse or minor child) receive 65% of the member’s monthly unmodified allowance. (Secs. 31760.1 and 31760.12.)

If there are no survivors eligible for a continuance upon the member’s death, beneficiaries will receive the member’s accumulated contributions less any retirement-allowance payments received by the member during the member’s lifetime, as well as any additional death benefit afforded to beneficiaries under provisions of CERL Article 12 (Death Benefits). (Secs. 31780-31792.)

- b. **“Unmodified Plus” Allowance:** Upon election of this option, the member receives a reduced retirement allowance in exchange for his or her survivor to receive between 66% and 100% of that reduced allowance upon the death of the member. (Sec. 31760.5(a).)¹ ***This must be actuarially equivalent to the Unmodified option***, and the member’s own retirement allowance is reduced in proportion to demographics of the individual whom the member designates to receive the survivor allowance, and in proportion to the percentage of continuing benefit selected. (Section 31760.5(a), (c).)
- c. **Option 1:** In lieu of the Unmodified or Unmodified Plus Allowance, members elect one of four Optional settlements. Option 1 consists of the right to have a reduced retirement allowance paid until the member’s death and, if the member dies before receiving annuity payments in the amount of the member’s accumulated contributions at retirement, to have the balance at death paid to the member’s estate or to the natural person, having an insurable interest in the member’s life. ***Option 1 must be the actuarial equivalent of the Unmodified Allowance.*** (Secs. 31760 and 31761.)
- d. **Option 2:** Option 2 provides that the member will receive a reduced retirement allowance during the member’s lifetime with 100% of their reduced allowance paid to a **named beneficiary**, having an insurable interest in the member’s life, upon death. ***Option 2 must be the actuarial equivalent of the Unmodified Allowance.*** (Secs. 31760 and 31762.)

¹ For Plan E members, this percentage may be between 56% and 100%. The remainder of this memorandum, however, references the 66% floor applicable to all non-Plan E members.

- e. **Option 3:** Option 3 provides that the member receives a reduced retirement allowance during the member's lifetime with 50% of their reduced allowance continuing to the member's designated beneficiaries, having an insurable interest in the member's life, upon the death of the member. **Option 3 must be the actuarial equivalent of the Unmodified Allowance.** (Secs. 31760 and 31763.)
- f. **Option 4:** Option 4 provides that a member will receive a reduced retirement allowance during the member's lifetime with 100% of the reduced allowance continuing to the member's designated beneficiaries (**more than one**), having an insurable interest in the member's life, upon the death of the member. **Option 4 must be the actuarial equivalent of the Unmodified Allowance.** (Secs. 31760 and 31764.)

2. Nonservice-connected Death Benefit for Active Members

If an active member has at least five years of service credit,² the following death benefits are payable to the member's named beneficiary and/or eligible survivor:

- a. **Basic Death Benefit** (payable to beneficiary or member's estate): Lump-sum payment of the member's accumulated contributions and one month of the member's compensation earnable for each full year of service, up to six months. (Sec. 31781.)
- b. **Optional Death Allowance** (payable to an eligible survivor, including the member's spouse or minor child): 65% of the monthly retirement allowance the deceased member would have received had the member retired on the date of death with an unmodified allowance, payable in lieu of Basic Death Benefit. (Sec. 31765.2.)
- c. **Combined Benefit** (payable to an eligible survivor, including the member's spouse or minor child): Lump-sum salary death benefit and actuarially reduced monthly Optional Death Allowance, payable in lieu of Basic Death Benefit. (Sec. 31781.3.)

3. Service-Connected Death Benefits for Active Members

If an active member³ dies in a manner that the Board determines has a "real and measurable" connection to their LACERA-covered employment, the same death benefits as set forth above are available to the member's named beneficiary and/or eligible

² Plan E members are not eligible for a nonservice-connected disability retirement.

³ Plan E members are not eligible for a service-connected disability retirement.

survivor, except that the 65% continuance to the survivor is increased to a 100% continuance of the retirement allowance that member would have received. (Sec. 31787.)

B. *Gorman v. Cranston* permitted a one-off pre-designation in the context of an active member’s death in very limited circumstances, but it did not authorize a systematic pre-designation program.

At least two other CERL systems have adopted pre-designation programs which will be discussed in detail below—these programs are premised on retirement systems filing applications for nonservice-connected disability retirement on behalf of members who die while in active service for nonservice-connected causes. The legal memoranda supporting those programs rely heavily on a 1966 California Supreme Court case, *Gorman v. Cranston*.⁴

1. Facts

In *Gorman*, a judge went into surgery from which he was reasonably unlikely to recover. In advance, he filled out a disability-retirement form, signed but not dated, in which he elected to retire. The form had a blank space in which a physician could attest to any disability that may arise. The judge directed his son to date the form, have a doctor attest to his disability, and send it to the Governor and the Chief Justice to effectuate his retirement if he were to become disabled following the surgery. After surgery, the judge fell into a coma and shortly thereafter, he died. After the judge died, a doctor signed the form attesting to the Judge’s disability prior to death, and sent it to the Governor and the Chief Justice.

2. Court’s Analysis and Decision

The California Supreme Court held that a valid retirement was effectuated by the judge. The Court focused on three key factors to arrive at its conclusion.

First, text of the Judges’ Retirement Law provides that judges may be deemed to have retired before death if they have “execute[d] an application evidencing [their] consent” even if the Governor and Chief Justice have not yet been able to act on such application. (Gov. Code 75060.)

Second, the policy underlying the Judges’ Retirement Law is to attract qualified candidates to the judiciary, and this policy would be undermined if candidates were concerned that their spouses would not be provided for if they suddenly died while in office.

⁴ *Gorman v. Cranston* (1966) 64 Cal.2d 441.

Third, the judge conditioned his pre-authorization of retirement on an eventuality—becoming disabled as the result of a particular surgery—over which he had no control, and the retirement application was pre-filled and directed to be filed in the event the judge was to become disabled.

3. Analogies between *Gorman* and CERL

Although this case was not decided under CERL, there are analogies between the analysis provided in *Gorman* and CERL pre-designation programs adopted by the two other CERL systems based on an application for a service-connected disability retirement.

First, the relevant text of CERL pertaining to the timeliness of a disability-retirement application is similar to that discussed in *Gorman*. Government Code section 31722 provides that applications may be made “while the member is in service, within four months after his or her discontinuance of service, within four months after the expiration of any period during which a presumption is extended beyond his or her discontinuance of service, or while, from the date of discontinuance of service to the time of the application, he or she is continuously physically or mentally incapacitated to perform his or her duties.” The provision permitting optional retirement allowances likewise provides that option elections may be made at any time “until the first payment of any retirement allowance is made.” (Sec. 31760⁵.) Therefore, if a CERL retirement system were to submit a nonservice-connected disability retirement application with a pre-designated option election shortly after the member’s death during active service, or during the member’s period of disability, there would be no timeliness problem under CERL.

Second, a key policy underlying CERL is to attract qualified persons to public service: “one of the primary purposes of offering a pension, as additional compensation, is to induce competent persons to enter and remain in public service.”⁶ This policy may be undermined by creating doubts as to the financial stability of surviving spouses.

Third, a CERL retirement system could craft a program with the same mechanics as described in *Gorman*. That is, pre-authorization forms could authorize the retirement system to apply for a member’s disability retirement only upon that member becoming afflicted with a disability—an eventuality over which the member has no control.

⁵ Section 31760(b) and (c) allow for option elections to be made after the payment of the first retirement benefit in certain circumstances that are extremely unlikely to apply in this context.

⁶ *Packer v. Board of Retirement of Los Angeles County Peace Officers’ Retirement System* (1950) 35 Cal.2d 212, 215.

4. **Gorman Did Not Authorize a Systemic Program.**

Gorman, however, explicitly notes that it is *not authorizing a systematic program*: the Court approved the pre-authorization at issue in the case because (at least in part) it was not “one in which an all-purpose consent was signed and made ready for any eventuality.”⁷ There are no indications within *Gorman* as to how the court would have analyzed such a blanket program, but, from this language, it is safe to assume that a blanket program would have been subjected to a different analysis. Therefore, the Board should not overly rely on *Gorman* as the sole basis for establishing a pre-authorization program.

C. **CERL requires actuarial equivalence for option elections.**

CERL is clear that optional retirement allowances, including the Unmodified Plus option, are limited to the “actuarial equivalent” of the member’s retirement benefit plus the default survivor’s benefit.

Government Code section 31760 states the following in pertinent part:

. . . until the first payment of any retirement allowance is made, a member or retired member, in lieu of the retirement allowance for the member’s life alone, may elect to have the actuarial equivalent of their retirement allowance as of the date of retirement applied to a lesser retirement allowance payable throughout life in accordance with one on of the optional settlements specified in this article.

Section 31760 applies to *all* optional retirement allowances, including the Unmodified Plus option (Sec. 31760.5) and Options 2 (Sec. 31762) and 4 (Sec. 31764), which allow for a reduced retirement allowance for the member with the same continuance payable after death to specified person(s) nominated by written delegation.

Section 31456 defines “actuarial equivalent” as “**a benefit of equal value when computed upon the basis of the mortality tables** adopted by the board of supervisors and regular interest thereon.” (Emphasis added.) Stated more simply, the actuarially-determined anticipated cost of a member’s optional retirement allowance and survivor continuance needs to be *no more than* the actuarially-determined anticipated cost of the member’s Unmodified Retirement Allowance plus the surviving spouse continuance. That is, the election needs to be actuarially “cost neutral.”

An option-election program would not be cost neutral if it imbedded into LACERA’s administration of the retirement system an approach that led to systematic losses that

⁷ *Gorman*, 64 Cal.2d at 445–446.

would then need to be paid for by employers through the payments on the Unfunded Actuarial Accrued Liability (UAAL).

1. Courts will enforce retirement associations' responsibilities.

Courts will enforce the financial responsibility provisions of public retirement statutes as written when confronted with systematic programs that deviate from the requirements of those statutes. In *City of San Diego v. San Diego City Employees' Retirement System*,⁸ it is made clear that courts will enforce the financial responsibility provisions in public retirement statutes. *San Diego* concerned a provision in which SDCERS members were allowed to purchase up to five years of service credit for periods that those members had not actually worked in any qualifying employment ("air time"). The city charter (which creates the program administered by SDCERS) provision authorizing air time purchases specified that employees are to bear all costs of this program—including costs that would otherwise fall on employers—of those purchases. As a result of city-authorized benefit increases, each air time purchase created a deficit in the SDCERS system, and employees were not bearing all costs of the program. So, SDCERS voted to increase the air time purchase price, but gave members a 60-day window in which they could purchase air time at old rates.

The court held that SDCERS had no authority to authorize that 60-day window after learning that the old price did not comply with the statutory requirement that employees bear all cost of the air time purchase program.

The *San Diego* decision demonstrates that courts will enforce the financial responsibility provisions of public retirement statutes as written when confronted with systematic programs that deviate from the requirements of those statutes. The *San Diego* decision stands as a counterweight to the *Gorman* decision.

*Gutierrez v. Board of Retirement of Los Angeles County Employees Retirement Assn.*⁹ is a CERL decision emphasizing that it is the role of the Legislature to design the pension plan and for the retirement association to administer the plan as written. In *Gutierrez*, a member died several years after being granted a nonservice-connected disability retirement. His widow then received 60% of the allowance her husband received. Sometime after the member's death, the survivor learned that her husband's illness and death were related to his job and requested a service-connected disability retirement. LACERA denied her request because Section 31722 does not permit a late application for one kind of disability retirement after another kind has been granted and has no "delayed discovery" provision. Nor does it permit a new or changed application for survivors benefits of one kind when the decedent was already receiving the other kind of

⁸ *City of San Diego v. San Diego City Employees' Retirement System* (2010) 186 Cal.App.4th 69.

⁹ *Gutierrez v. Board of Retirement of Los Angeles County Employees Retirement Assn.* (1998) 62 Cal.App.4th 745.

disability benefit. The trial court, however, granted the widow's petition, finding that LACERA should have made available some sort of "equitable" procedure to at least permit the survivor to apply for service-connected survivor benefits once she discovered that her husband's disability was service connected. The court of appeal disagreed and stated:

*"Whatever merit there might be to the trial court's finding that it would be 'equitable' to read [an exemption into CERL], it is not the job of the courts to expand the scope of retirement benefits created by the Legislature and spelled out in a detailed statutory scheme."*¹⁰

2. LACERA's actuary has determined that allowing members to predesignate their retirement options would increase fund liabilities and result in an increase in the calculated contribution rates for the County of Los Angeles and PEPRAs members.

Milliman, LACERA's actuary, has prepared a report estimating the financial impact on LACERA if all members in active service were to predesignate an Unmodified Plus Allowance for a nonservice-connected disability for purposes of determining the survivor benefit of a nonservice-connected death. A copy of their May 24, 2024 report is attached.

According to their report, allowing members to predesignate an Unmodified Plus Allowance would result in a .1% decrease in LACERA's funded ratio or \$87 million dollars. Therefore, it would be necessary to increase the contribution rate for the County, General Plan G, and Safety Plan C members. The calculation of member contribution rates for Legacy members is not affected by death benefits—even though funding for Legacy members is not affected, actuarial equivalence under Section 31760 requires that the lifetime allowance paid to the member **and** the continuance allowance paid to the survivor are actuarially equivalent to what would have been paid to each party under an Unmodified Allowance retirement. This cannot be computed in a pre-designation plan that becomes effective upon the member's death because no allowance will ever be paid to the member.

The following chart reflects the contribution changes based on LACERA's June 30, 2023, actuarial valuation:

¹⁰ *Id.* at 749, Emphasis added.

Funded Metrics	June 30, 2023 Valuation Results	Valuation with Pre-Designation	Increase / (Decrease)
Funded Ratio	79.9%	79.8%	(0.1%)
Actuarial Accrued Liability (\$millions)	\$90,651	\$90,738	\$87
County Contribution Rate	25.88%	26.06%	0.18%
Annual County Contribution	\$2,552 million	\$2,570 million	\$18 million
Gen. Plan G Member Contribution Rate	9.28%	9.32%	0.04%
Safety Plan C Member Contribution Rate	14.97%	15.01%	0.04%

Milliman’s report was based on the following assumptions:

- Members will not be charged for electing the pre-designation option.
- Members who do not have an eligible survivor are not eligible for the pre-designation option.
- All members with an eligible survivor will elect the pre-designation option and select the Unmodified-Plus option.
- The increase in the Unfunded Actuarial Accrued Liability (which is equal to the increase in the Actuarial Accrued Liability as there is no change in assets) will be amortized over a 10-year period in the calculation of the employer contribution rate.

D. A pre-designation retirement option for active members is a change in plan design that requires legislative authorization rather than an administrative action as to which a retirement system has authority.

Given the above projected impact on Unfunded Actuarial Accrued Liability that will result from a pre-election program, implementation of such a program would require express authorization from the Legislature given the actuarial equivalence requirements for all CERL optional retirement allowances.

The Supreme Court has been clear and consistent in defining the limitations on retirement systems’ authority—the systems are to administer the plan, not design it, and may not grant benefits beyond those authorized by statute. In *Alameda County Deputy Sheriff’s*

Association,¹¹ the California Supreme Court emphasized: “The task of a county retirement board is not to design the county's pension plan but to implement the design enacted by the Legislature through CERL.”

As discussed earlier, in *City of San Diego v. San Diego City Employees' Retirement System*, the court stated: “The scope of the board's power as to benefits is limited to administering the benefits set by the [plan designer].”¹²

Because a retirement system's authority for fund administration does not include changes to plan design, corrective legislation should be a plan-sponsor issue.

1. A 1991 bill seeking legislation for a pre-designation retirement option for active members did not pass.

In 1991, California Assembly Bill 2106 sought to implement a retirement option which stated the following in pertinent part:

If any member dies in service after five years of service and is survived by a spouse, that spouse may elect, in lieu of the death benefit in Section 31781 or the life annuity provided in Section 31781.1, to receive the same retirement allowance as that to which he or she would have been entitled had the deceased member been eligible for a disability retirement benefit on the day of the member's death, had selected Optional Settlement 2, and had named the spouse as beneficiary.

Assembly Bill 2106, a copy of which is attached, failed to pass. It is unclear whether similar legislation would be successful today.

2. Legislation that includes built-in costs.

Legislation for a program that includes built-in costs borne by all members who elect to pre-designate their option election more than a period of time before retirement would be permissible. Under the authority cited above, such a change requires legislative action and cannot be done under a retirement system's administrative authority. CalSTRS has legislatively adopted such a program.

In CalSTRS, members may elect one of several retirement options (analogous to CERL's Unmodified Plus and Optional Settlements) before retirement. (Ed. Code § 24307.) If that preretirement election remains in effect at the time of retirement, the member will receive

¹¹ *Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association* (2020) 9 Cal.5th 1032, 1066.

¹² *San Diego v. San Diego City Employees' Retirement System* (2010) 186 Cal.App.4th 69, 80.

a reduced retirement allowance modified by a periodically calculated “option factor.” (Ed. Code § 24307(d).) Retirement allowances will be modified by the option factor as of the date of the preretirement election, or as of the date of retirement, whichever option factor is greater. (Ed. Code § 24307.5.) This design aims to neutralize the actuarial impact that would otherwise be associated with pre-election.

3. Legislation that exempts the actuarial equivalence requirements

As another option, the Legislature, not a retirement system under existing law, could enact a pre-election program that is explicitly exempted from actuarial equivalence requirements. Under this scenario, Unmodified Plus and Optional Settlements would still be required to aim for actuarial equivalency to the default allowances, but the actuarial burden associated with *pre-electing* these options would be legislatively authorized.

In either case, the Legislature would have to specify to whom a pre-election program would apply. By definition, such a program could not apply to already-retired members, as CERL does not generally allow already-retired members to change their retirement option election. (Sec. 31760(a).) The Legislature’s choice would be between allowing all future active *retirees* to pre-elect Unmodified Plus or an Optional Settlement or limiting the program to current active members. Likewise, in either case, the Legislature could enact a pre-election program for all CERL systems, to LACERA only, or it could enact a county-optional program that would require adoption by the respective county boards of supervisors.

4. Other system’s pre-designation plans

Two other systems have adopted plans allowing active members to predesignate their retirement options. It is our understanding that these systems have adopted similar policies which operate in the following manner:

- The active member files a written authorization with the retirement association while in service that authorizes the association to file a nonservice-connected disability retirement application on the member’s behalf if and when the member is permanently incapacitated from an injury or other medical condition that leads to death. The pre-designation plans are predicated on the assumption that no one dies instantly and that it takes the human body three to five minutes to be declared medically dead even after suffering a fatal injury such as a gunshot wound to the head. The application is said to spring into effect when there is reason to believe that the member is permanently incapacitated from the performance of their duties but before death. In some instances, the application would spring into effect moments before the member dies.

- At the time the member provides the above-described authorization, the member is allowed to pre-elect either Optional Settlement 2 (Sec. 31762) or an Optional Settlement 4 (Sec. 31764).
- **Board Determination:** Once the conditional authorization is triggered by the active member's incapacity and the association files the nonservice-connected disability retirement application, the Board must adjudicate and determine whether the member was permanently incapacitated prior to death.

These pre-designation plans were adopted with board and plan sponsor approval. One system's actuary determined that the pre-designation plan would increase the employer's contribution rate 0.13% and the employee contribution rate 0.03%.

The Legal Office does not have information regarding the contribution rates related to the other system's pre-designation plan.

5. The pre-designation plans adopted by two other systems do not address the actuarial equivalence requirement for CERL's optional settlements.

As explained above, the two other systems allow active members to pre-designate either Optional Settlement 2 (Sec. 31762) or Optional Settlement 4 (Sec. 31764). Each provides lifetime monthly allowances to a member's designated beneficiary (Optional Settlement 2) or multiple designated beneficiaries (Optional Settlement 4).

Though these pre-designation plans address the funding issues by increasing the contribution rates paid by the plan sponsor and employee, the plans do not address the actuarial requirements for Optional Settlement 2 and Optional Settlement 4.

It is important to understand that "actuarial equivalence" relates to the amount of the benefits that are to be paid, not the funding of the benefit.

Recall that Section 31760 states:

. . . a member or retired member, in lieu of the retirement allowance for the member's life alone [i.e., a single life benefit], may elect to have the actuarial equivalent of their retirement allowance as of the date of retirement applied to a lesser retirement allowance payable throughout life in accordance with one of the optional settlements specified in this article. (Emphasis added.)

The underscored and bolded language above is key to understanding the benefit entitled. That is, it's comparing a single life benefit with the "lesser retirement allowance" paid to the member, plus the optional survivor allowance to calculate actuarial equivalence "as of the date of retirement." That calculation cannot be performed for a

pre-designation because the date of retirement has not been established. And the adverse selection issue implicated by pre-designation options makes true actuarial equivalence impossible in a pre-designation context (without the penalty imposed that the CalSTRS statute provides).

IV. Duty to Counsel Members

LACERA's fiduciary duty to members includes an affirmative duty to "fully and fairly describe the plan and its various options and procedures."¹³

If LACERA were to adopt a pre-election program, it would need to alert eligible members. This notice would likely need to be provided through individual written communications to active members considering the significance of this potential increase in benefit options.

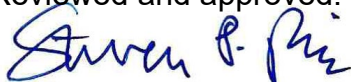
LACERA currently publishes robust member guidance as to the Unmodified, Unmodified Plus, and Optional Settlement retirement allowances. If a pre-election program is adopted, comparably robust counseling on that program would also need to be integrated into these portions of LACERA publications. Further, if LACERA implements a pre-election program pursuant to legislation that reduces member allowances in exchange for pre-election (as the CalSTRS program does), LACERA guidance must be clear on this point.

A program of this nature would likely lead to increased costs for counseling members. Members considering this option will want to go through retirement counseling, run estimates, and understand the choices they are making. Additionally, it is foreseeable that members will want to reconsider the pre-designation as they are nearing normal retirement age. While LACERA can mitigate some of these costs through future automation in some cases, additional costs must be considered.

V. Conclusion

The above analysis is being provided to facilitate discussion about the direction the Board may want to take in considering pre-designation retirement options for our active members. Based on the actuarial report provided by Milliman and CERL's actuarial equivalence requirements for all optional retirement plans, it is the Legal Office's opinion that any pre-designation retirement option adopted by the Board would require legislation. Because a retirement system's authority for fund administration does not include changes to plan design, corrective legislation should be a plan-sponsor issue.

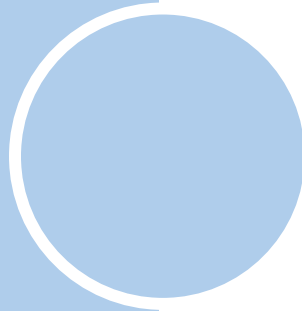
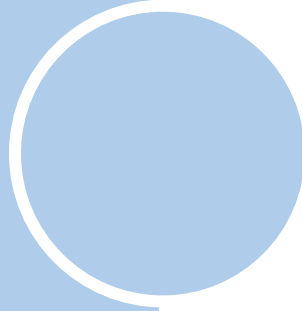
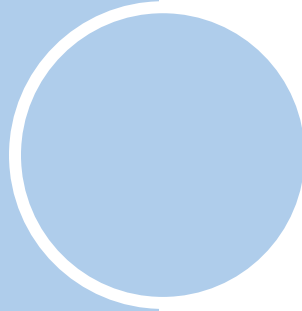
Reviewed and approved.



Steven P. Rice, Chief Counsel

Attachments
FJB

¹³ *Hittle v. Santa Barbara County Employees Retirement Assn.* (1985) 39 Cal.3d 374, 392.



Pre-designation of Retirement Options by Active Members in Advance of Retirement

Frank Boyd, Sr. Staff Counsel

Purpose

We will discuss:



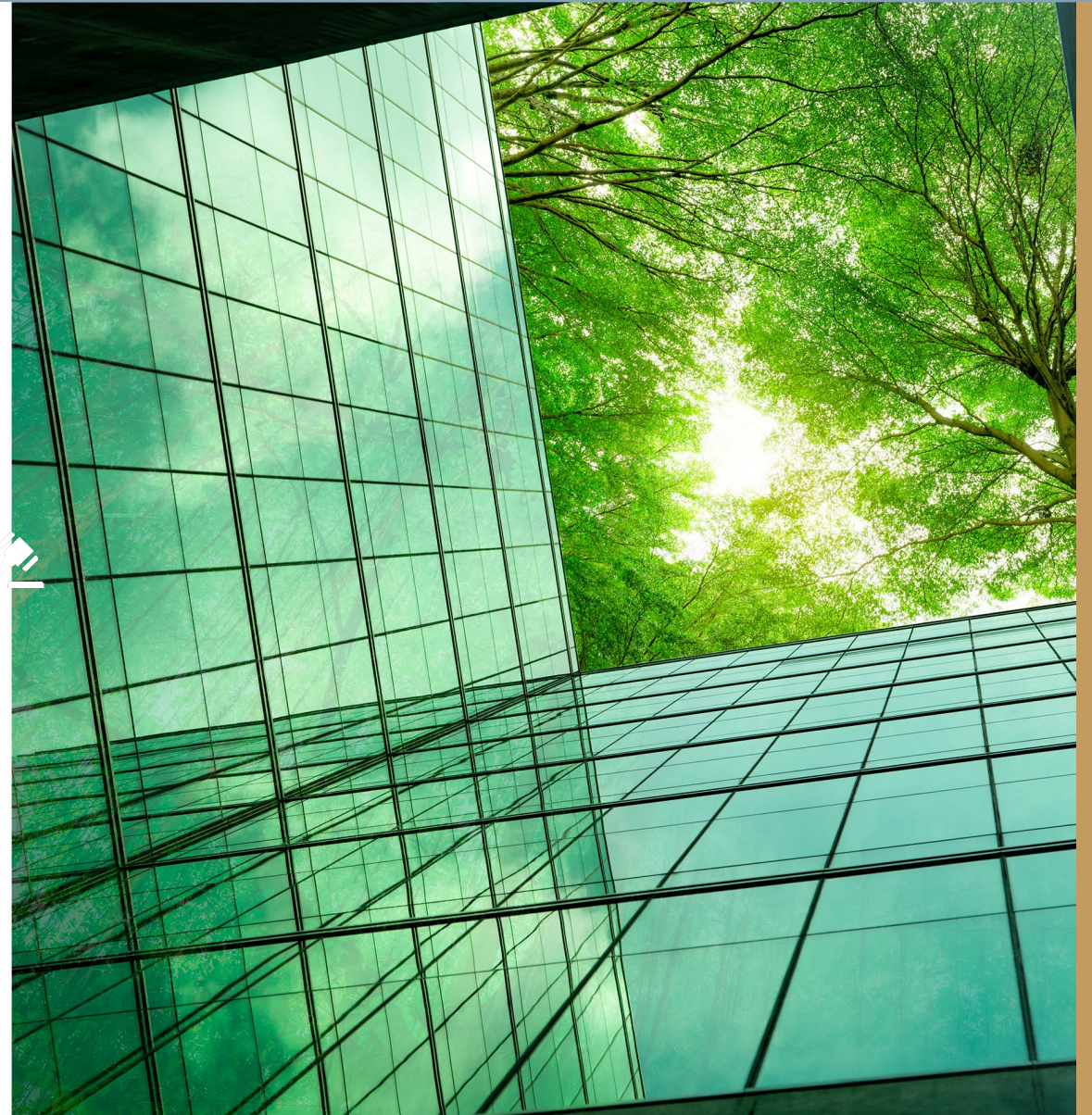
The Board of Retirement's Role as Administrator of the Pension Plan



Pre-designation Options' Actuarial-Equivalence Requirements



Legislative Options for Pre-Designation





The Board of Retirement's Role is to Administer the Retirement Plan

“The task of a county retirement board is not to design the county's pension plan but to implement the design enacted by the Legislature through CERL.”

Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association (2020) 9 Cal.5th 1032, 1066.

“The scope of the board's power as to benefits is limited to administering the benefits set by the [plan designer].”

San Diego v. San Diego City Employees' Retirement System
(2010) 186 Cal.App.4th 69, 80.



Unmodified Retirement Allowance LACERA Default

Retired member receives full retirement allowance without actuarial reduction.

Upon member's death, eligible survivors (including spouse or minor child) receive 65% of the member's monthly unmodified allowance.

(Secs. 31760.1 and 31760.12.)



Unmodified Plus Retirement Allowance

Retired Member receives a reduced retirement allowance and upon death the survivor receives 100% of member's reduced retirement allowance.

(Sec. 31760.5(a).)

Must be actuarially equivalent to the Unmodified option, and the member's own retirement allowance is reduced in proportion to demographics of the individual whom the member designates to receive the survivor allowance, and in proportion to the percentage of continuing benefit selected.

(Secs. 31760.1 and 31760.5(a), (c).)



Option 1

Retired member receives a reduced retirement allowance. If the member dies before receiving in annuity payments the amount of the member's accumulated contributions at retirement, the balance at death is paid to the member's estate or to the natural person, having an insurable interest in the member's life.

Option 1 must be the actuarial equivalent of the Unmodified Allowance.
(Secs. 31760 and 31761.)



Option 2

Retired member receives a reduced retirement allowance during the member's lifetime with 100% of their reduced allowance paid to **a named beneficiary**, having an insurable interest in the member's life, upon death.

Option 2 must be the actuarial equivalent of the Unmodified Allowance.
(Secs. 31760 and 31762.)





Option 3

Retired member receives a reduced retirement allowance during the member's lifetime with 50% of their reduced allowance continuing to **named beneficiaries**, having an insurable interest in the member's life, upon death.

Option 3 must be the actuarial equivalent of the Unmodified Allowance.
(Secs. 31760 and 31763.)



Option 4

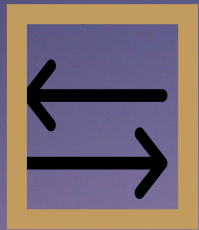
Retired member receives a reduced retirement allowance during the member's lifetime with 100% of their reduced allowance paid to member's designated beneficiaries (**more than one**), having an insurable interest in the member's life.

Option 4 must be the actuarial equivalent of the Unmodified Allowance.
(Secs. 31760 and 31764.)





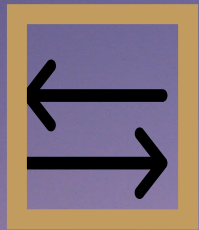
CERL's Unmodified Plus and Optional Settlements Must Be Actuarially Equivalent



Government Code section 31760(a) “. . . a member or retired member, in lieu of the retirement allowance for the member's life alone [i.e., a single life benefit], may elect to have the actuarial equivalent of their retirement allowance as of the date of the retirement *applied to a lesser retirement allowance payable throughout the life* in accordance with one of the optional settlements specified in this article.”

Section 31760(a)

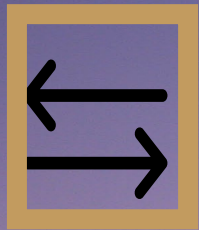
Instead of receiving 100% of the member's retirement allowance for life



Member receives actuarial equivalent of their retirement allowance as of the date of the retirement

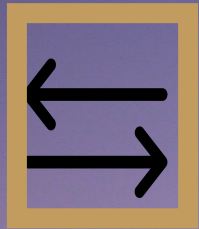
“[A]ppplied to a lesser retirement allowance payable throughout the life in accordance with one of the optional settlements specified in this article.”

Section 31456: Actuarial Equivalent



“‘Actuarial equivalent’ means a benefit of equal value when computed upon the basis of the mortality tables adopted by the board of supervisors and regular interests thereon.”

Section 31760: Actuarial Equivalent



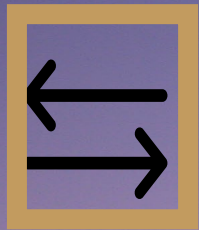
The actuarially-determined anticipated cost of a member's optional retirement allowance and survivor needs to be no more than the actuarially-determined anticipated cost of the member's Unmodified Retirement Allowance plus the surviving spouse continuance.

The election needs to be actuarially “cost neutral.”

(Chaidez v. Board of Administration etc. (2014) 223 Cal.App.4th 1425, 1431.)

Section 31760: Actuarial Equivalent

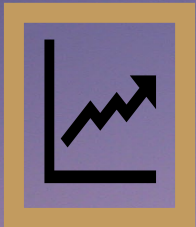
“Actuarial equivalence” relates to the amount of the benefit paid, not the funding of the benefit.



It compares a single benefit with the “lesser retirement allowance” paid to the member, plus the optional survivor allowance to calculate actuarial equivalence “as of the date of retirement.”

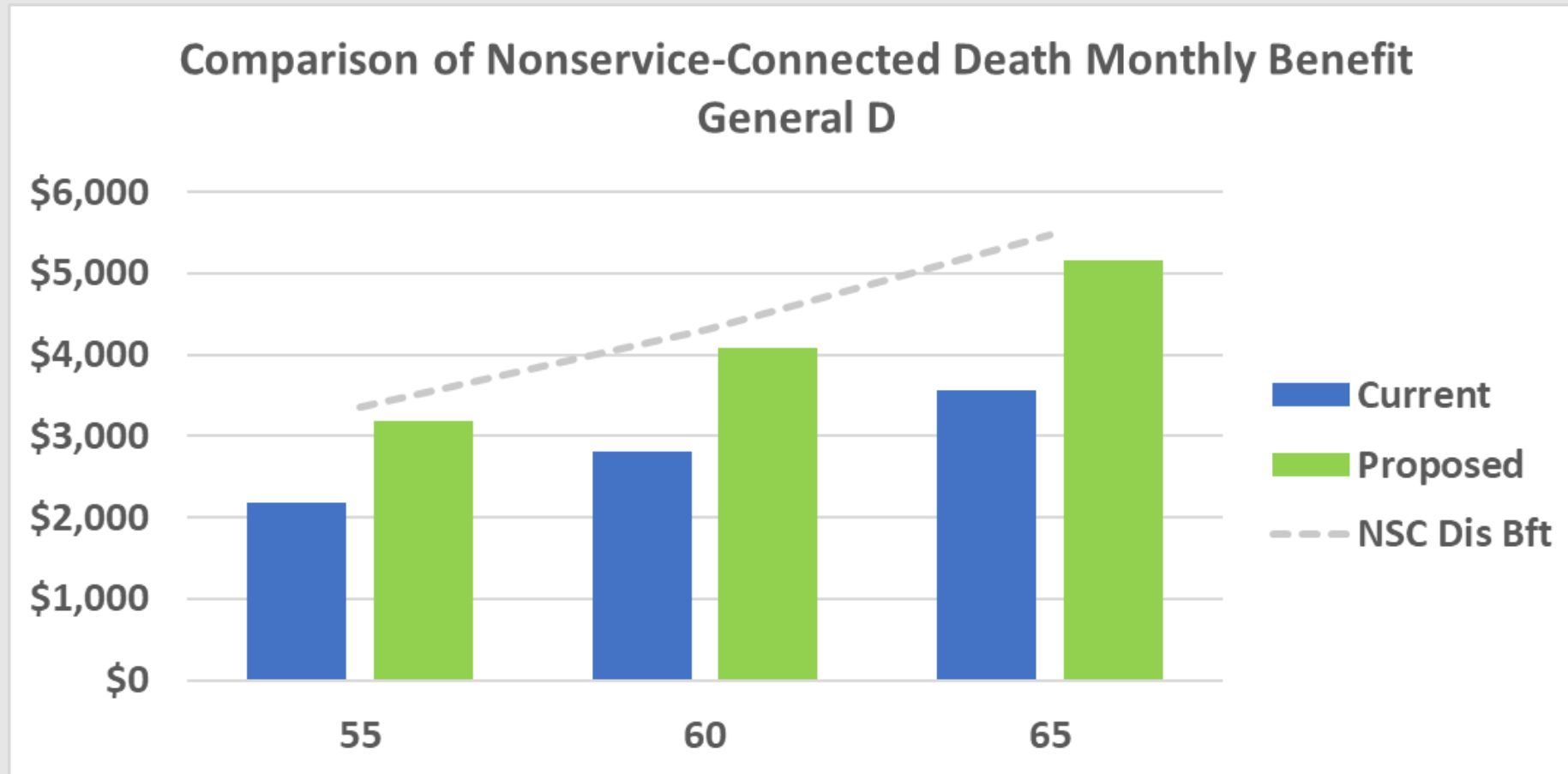
This calculation cannot be performed for a pre-designation because the date of retirement has not been established.

Milliman's Actuary Report



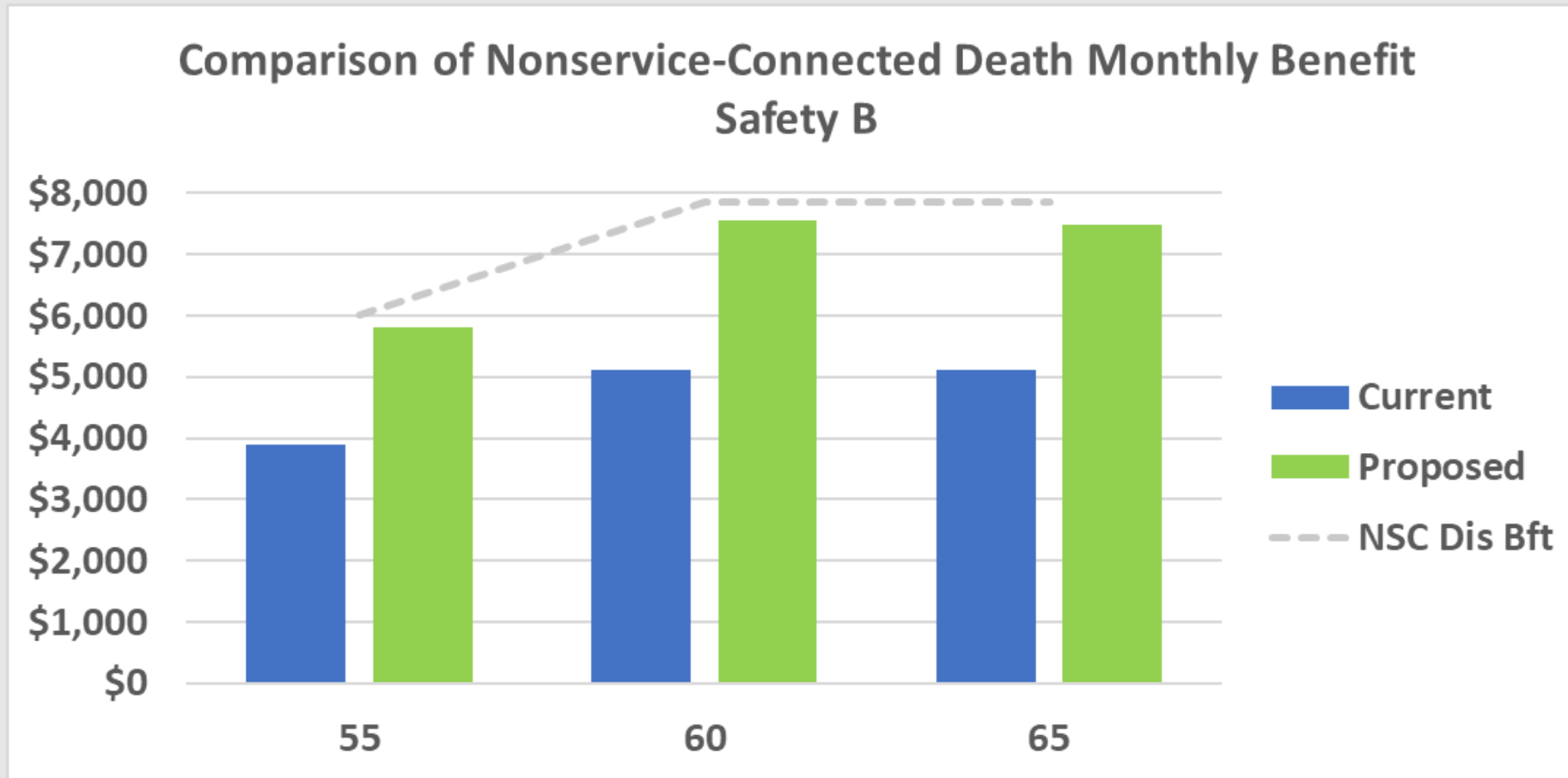
The following four slides, outlining the financial impact if all members in active service were to pre-designate an Unmodified Plus Allowance, were prepared by LACERA's actuary, Milliman.

Example of Potential Impact of Change on Benefit Amount – General Members



Example is based on a General Plan D member with 25 years of service earning \$9,000 per month in final year before death. It assumes eligible survivor is same age as member and member pre-designates option of Unmodified-Plus with 100% Continuance for the Proposed option.

Example of Potential Impact of Change on Benefit Amount – Safety Members



Example is based on a Safety Plan B member with 25 years of service earning \$12,000 per month in final year before death. It assumes eligible survivor is same age as member and member pre-designates option of Unmodified-Plus with 100% Continuance for the Proposed option.

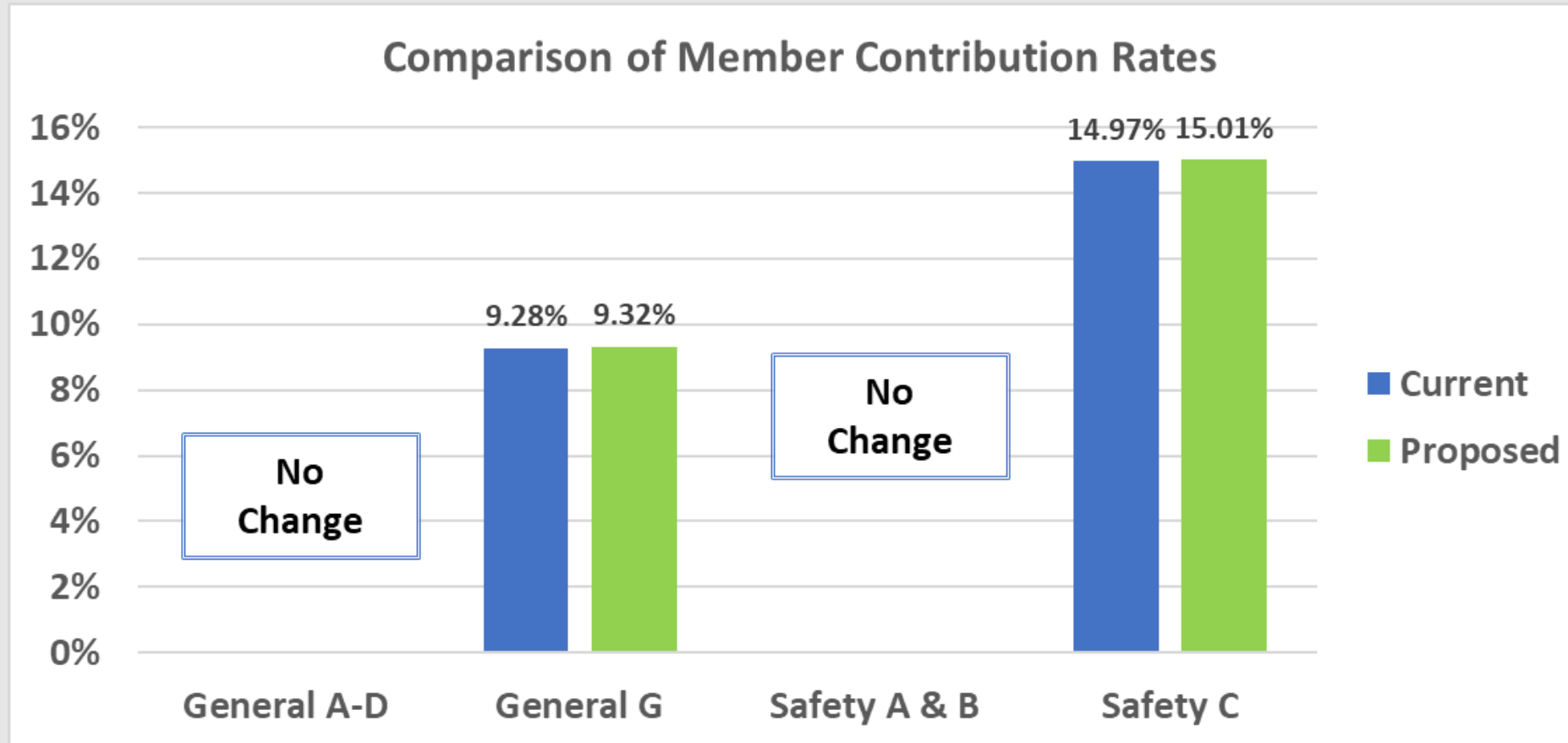
The Safety B age factor is maxed out at age 60, so the age 60 and age 65 factors are the same and so is the nonservice-connected benefit. The proposed death-benefit amount (green bar) is slightly lower at age 55 than at age 60 (older age equals higher costs of the insurance the continuance provides and therefore more reduction).

Estimated Financial Impact – Employers

Funding Metrics	June 30, 2023 Valuation Results	Valuation with Pre-Desigation	Increase / (Decrease)
Funded Ratio	79.9%	79.8%	(0.1%)
Actuarial Accrued Liability (\$millions)	\$90,651	\$90,738	\$87
Employer Contribution Rate	25.88%	26.06%	0.18%
Annual Employer Contribution Amount (\$millions)	\$2,552	\$2,570	\$18

Increase in employer contribution rate is made up of a 0.06% increase in the employer normal cost rate which is an on-going increase. There is an additional 0.12% increase due to the increase in the Unfunded Actuarial Accrued Liability which is amortized over a 10-year period, so that portion is a temporary increase.

Estimated Financial Impact – Contributory Plan Members



Estimated \$ Impact

General G: For typical General Plan G member earning \$7,000 per month, the 0.04% increase is equivalent to an additional \$2.80 per month contribution

Safety G: For typical Safety Plan C member earning \$9,000 per month, the 0.04% increase is equivalent to an additional \$3.60 per month contribution

Note: General Plan E is non-contributory, and the plan does not provide pre-retirement death or disability benefits, so Plan E members would not be affected by the proposed change.

Built-in-Cost Plan

Like CalSTRS' plan, members would be able to elect one of the CERL options before retirement.

If that preretirement election remains in effect at the time of retirement, the member will receive a reduced retirement allowance modified by a periodically calculated "option factor." Retirement allowances will be modified by the option factor as of the date of the preretirement election, or as of the date of retirement, whichever option factor is greater.

This design aims to neutralize the actuarial impact that would otherwise be associated with pre-election.

Exempt Actuarial Equivalence Requirements

Legislature, not a retirement system under existing law, could enact a pre-election program that is explicitly exempted from actuarial equivalence requirements.

Unmodified Plus and Optional Settlements would still be required to aim for actuarial equivalency to the default allowances, but the actuarial burden associated with *pre-electing* these options would be legislatively authorized.

PRIOR LEGISLATION ATTEMPT FAILED TO PASS

In 1991, California Assembly Bill 2106 sought to implement a retirement option which stated the following in pertinent part:

If any member dies in service after five years of service and is survived by a spouse, that spouse may elect, in lieu of the death benefit in Section 31781 or the life annuity provided in Section 31781.1, to receive the same retirement allowance as that to which he or she would have been entitled had the deceased member been eligible for a disability retirement benefit on the day of the member's death, had selected Optional Settlement 2, and had named the spouse as beneficiary.



Gorman v. Cranston

(1966) 64 Cal.2d 441.

Involved Judge's Retirement Law, not CERL.

Judge signed an undated retirement election form prior to surgery and directed his son to date and effectuate it if he were to become disabled after surgery. Judge fell into coma following surgery. Doctor signed the form attesting to incapacity and submitted to the Governor and Chief Justice.

The California Supreme Court held that the one-off pre-designation was a valid, but it did not authorize a systematic pre-designation program.



Gorman v. Cranston

(1966) 64 Cal.2d 441.

Analogies between *Gorman* and CERL:

- Application timeliness issues in *Gorman* are similar to Gov. Code Sec. 31722.
- Judge's Retirement Law and CERL are both designed to attract public service.
- A CERL system could craft a pre-designation program similar to *Gorman*

BUT *Gorman* did not authorize a systemic program. The Court approved the narrow pre-authorization at issue in the case because (at least in part) it was not “one in which an all-purpose consent was signed and made ready for any eventuality.”

Other Systems' Pre-Designation Plans



- **Application:** Active members pre-elect Optional Settlements 2 (Sec. 31762) or 4 (Sec. 31764) while in service and authorize the association to file a nonservice-connected disability retirement application on their behalf when there is reason to believe that the member is permanently incapacitated prior to death—this could happen moments before the member dies.
- **Board Determination:** After the above application is filed, Board determines whether the member was permanently incapacitated prior to death.
- **Funding:** These plans increase the employer and the employee contribution rates and were adopted with board and plan sponsor approval.

Other Systems' Pre-Designation Plans

Pre-designation plans adopted by other systems do not address the actuarial equivalence requirement for CERL's optional settlements.

Section 31760 requires that all Optional Settlements, including Optional Settlement 2 (Sec. 31762) and Optional Settlement 4 (Sec. 31764) be actuarial equivalent. Section 31760 explains:

“ . . . a member or retired member, in lieu of the retirement allowance for the member's life alone [i.e., a single life benefit], may elect to have the actuarial equivalent of their retirement allowance **as of the date of retirement** applied to a lesser retirement allowance payable throughout life in accordance with one of the optional settlements specified in this article.” (Emphasis added.)

Other Systems' Pre-Designation Plans



Actuarial equivalence under Section 31760:

- 1) Compares the single-life benefit;
- 2) With the “lesser retirement allowance” paid to the member;
- 3) **Plus** the optional survivor allowance to calculate actuarial equivalence
“**as of the date of retirement.**”

That calculation cannot be performed for a pre-designation because the date of retirement has not been established.

The adverse selection issue implicated by pre-designation options makes true actuarial equivalence impossible in a pre-designation context (without the penalty imposed that the CalSTRS statute provides).

SUMMARY OF FINDINGS



- The optional survivor benefits are defined by CERL, as a part of CERL's benefit-plan design.
- Retirement system's authority for fund administration does not include changes to plan design.
- Corrective legislation should be a plan-sponsor issue.
- Corrective legislation in 1991 failed to pass.

THANK YOU





1301 Fifth Avenue
Suite 3800
Seattle, WA 98101-2605
USA

Tel +1 206 624 7940

milliman.com

May 24, 2024

Board of Retirement
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101-4199

Re: Analysis of Financial Impact of Disability Pre-designation

Dear Trustees of the Board:

As requested, we have estimated the financial impact on LACERA of allowing members in active service to select an optional form of payment (pre-designate) for the nonservice-connected disability for purposes of determining the survivor benefit of a nonservice-connected death.

Background

Currently, eligible survivors of active contributory plan members who die while still actively employed receive a default benefit equal to 65% of the benefit calculated under a nonservice-connected disability retirement if the death is determined to be nonservice-connected. This results in a lower benefit to the eligible spouse than if the member had retired for nonservice-connected disability and elected payment under the Unmodified-Plus option (100% continuance to eligible survivor) and then died the next day.

If the member is able to pre-designate an option for nonservice-connected disability retirement (for purposes of determining the nonservice-connected death benefit), it seems likely that members would select the Unmodified-Plus as it provides the greatest benefit upon death. This would increase nonservice-connected death benefit amounts and therefore would result in an increase in the calculated contribution rates for the employers and PEPRA members. Note that the calculation of member contribution rates for Legacy members is not affected by death benefits.

We estimate that ultimately about 0.2% of the active member population will ultimately die while in active employment with a survivor who is eligible for a nonservice-connected annuity death benefit and therefore would benefit from the potential change described above.

Results

We have estimated the potential impact on key LACERA metrics of providing disability pre-designation to all active members, as shown in the following table:

Funding Metrics	June 30, 2023 Valuation Results	Valuation with Pre-Designation	Increase / (Decrease)
Funded Ratio	79.9%	79.8%	(0.1%)
Actuarial Accrued Liability (\$millions)	\$90,651	\$90,738	\$87
Employer Contribution Rate ¹	25.88%	26.06%	0.18%
Annual Employer Contribution Amount (\$millions)	\$2,552	\$2,570	\$18
General Plan G Member Contribution Rate	9.28%	9.32%	0.04%
Safety Plan C Member Contribution Rate	14.97%	15.01%	0.04%

1. Increase in employer contribution rate is made up of a 0.06% increase in the employer normal cost rate which is an on-going increase. There is an additional 0.12% increase due the increase in the Unfunded Actuarial Accrued Liability which is amortized over a 10-year period, so that portion is a temporary increase..

Results are estimated based on the June 30, 2023 actuarial valuation. In addition to the valuation assumptions, we made the following assumptions specific to the pre-designation election:

- The members will not be directly charged for electing the pre-designation option. However, the increased value of the proposed feature would increase the total Normal Cost rate, which would result in slightly higher member contribution rates for the PEPRA plans whose members pay half the total Normal Cost rate. Legacy member rates would not be affected.
- Members who do not have an eligible survivor are not eligible for the pre-designation option.
- Members are only allowed to elect this option while they are actively employed and in a contributory LACERA plan.
- All members with an eligible survivor will elect the pre-designation option and select the Unmodified-Plus option with a 100% continuance. To the extent members do not elect the option, the estimated cost would be expected to be less.
- The increase in the Unfunded Actuarial Accrued Liability (which is equal to the increase in the Actuarial Accrued Liability as there is no change in assets) will be amortized over a 10-year period in the calculation of the employer contribution rate.

Alternative Approach

Note that this analysis estimates the financial impact if active members were able to pre-designate without any cost to them. An alternative approach would be to charge the members an actuarially equivalent amount if they were to elect this option. There are a number of possible approaches to this. One option would be to apply a small reduction to the member's disability or service retirement benefit if they elected to pre-designate but did not die while in active service. If this type of approach were to be considered, the administrative complexity and any legal questions should first be considered.

Risk Discussion

The results of any actuarial valuation or study are based on a set of assumptions. Although we believe the assumptions used in this analysis provide a reasonable estimate of future expectations, the ultimate cost of adding a disability pre-designation election is highly dependent on how closely actual experience follows the assumptions. It is almost certain that actual future experience will be different than assumed in this study; therefore, the ultimate cost of adding this benefit feature may be significantly different than shown in this letter.

Examples of factors that can have a significant impact on the study results are:

- Demographic experience (primarily mortality, but also termination, disability, retirement from employment, etc.)
- Investment return
- Payroll variation

Variations in future mortality and investment return assumptions are most likely to have the greatest impact on the ultimate cost of adding a disability pre-designation election.

The calculations included in this letter are subject to the same risk factors as discussed in the June 30, 2023 actuarial valuation and in the Risk Assessment report based on the June 30, 2022 actuarial valuation. Please refer to those reports for additional details on the primary risks to LACERA.

Certification

Except as noted elsewhere in this letter, all data, methods and assumptions are the same as described and used in the June 30, 2023 actuarial valuation report. In preparing this letter, we relied, without audit, on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation 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 calculations may need to be revised.

Actuarial computations presented in this letter are for purposes of estimating the financial impact of a change to LACERA's benefit provisions. These calculations have been made on a basis consistent with our understanding of that program. Determinations for purposes other than described may be significantly different from the results contained in this letter. Accordingly, additional determinations may be needed for other purposes.

The valuation results were developed using models employing standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. Reliance on other experts is reflected in Milliman's capital market assumptions, and in Milliman's expected return model maintained by Milliman investment consultants.

Future actuarial measurements may differ significantly from the current measurements presented in this letter due to such factors as the following: plan 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 Plan's funded status); and changes in plan 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.

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

- (a) 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. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

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

The signing actuaries are independent of the plan sponsors. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this letter is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

If you have any further questions regarding this letter, please let us know.

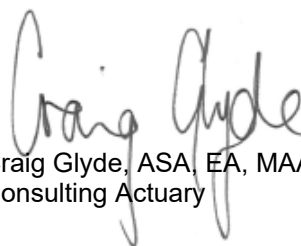
Sincerely,



Nick Collier, ASA, EA, MAAA
Consulting Actuary

NC/CG/va

cc: Tatiana Bayer
Frank Boyd
Tamara Caldwell
Ricki Contreras
Ashley K. Dunning
Louis Gittens
Ted Granger



Craig Glyde, ASA, EA, MAAA
Consulting Actuary

Jean Kim
Santos Kreimann
Bill Lindstrom
Luis Lugo
Shonita Peterson
JJ Popowich
Steven Rice

NC/CG/va

1991 Bill Text CA A.B. 2106

Enrolled, March 8, 1991

Reporter

1991 Bill Text CA A.B. 2106

THE STATE OF CALIFORNIA BILL TEXT > CALIFORNIA 1991-92 REGULAR SESSION > ASSEMBLY BILL 2106

Synopsis

An act to add Sections 31781.32 and 31781.35 to the Government Code, relating to public employees.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

AB 2106, Campbell. Public employees: spousal benefits.

Under the County Employees Retirement Law of 1937, the spouse of a vested member of a county retirement association may elect to receive a death benefit or life annuity upon the death of that member, or if the member has applied for disability retirement before death, the spouse may receive the same benefit as that to which the member would have been entitled.

This bill would, in addition, authorize the spouse of a vested member to receive, upon the death of the member, the same disability retirement benefit to which the member would have been entitled had the member been eligible for the benefit on the day of death, had selected a specified option, and had named the spouse as beneficiary. It would specify that these provisions would not apply to any minor children.

This bill would specify that its provisions would not become operative in any county until the time that the board of supervisors made its provisions applicable in the county by resolution.

By requiring counties to enter into collective bargaining negotiations to implement its provisions, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates which do not exceed \$ 1,000,000 statewide and other procedures for claims whose statewide costs exceed \$ 1,000,000.

This bill would provide that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to those statutory procedures and, if the statewide cost does not exceed \$ 1,000,000, shall be made from the State Mandates Claims Fund.

Text

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

SECTION 1. Section 31781.32 is added to the Government Code, to read:

31781.32. (a) If any member dies in service after five years of service and is survived by a spouse, that spouse may elect, in lieu of the death benefit in Section 31781 or the life annuity provided in Section 31781.1, to receive the same retirement allowance as that to which he or she would have been entitled had the deceased member been eligible for a disability retirement benefit on the day of the member's death, had selected Optional Settlement 2, and had named the spouse as beneficiary.

(b) Notwithstanding Section 31760.11, in the event there is no surviving spouse, this section does not apply to any minor children.

(c) This section shall not be operative in any county until the time that the board of supervisors shall, by resolution adopted by majority vote, make this section applicable in the county.

SEC. 2. Section 31781.35 is added to the Government Code, to read:

31781.35. (a) Notwithstanding Sections 31781.1 and 31781.3, if any member subject to Section 31751 dies in service after 10 years of service and is survived by a spouse, that spouse may elect, in lieu of the death benefit in Section 31781.01 or the life annuity provided in Section 31765.11, to receive the same retirement allowance as that to which he or she would have been entitled had the deceased member been eligible for a disability retirement benefit on the day of the member's death, had selected Optional Settlement 2, and had named the spouse as beneficiary.

(b) Notwithstanding Section 31760.11, in the event there is no surviving spouse, this section does not apply to any minor children.

(c) This section applies only in a county of the ninth class, as defined by Sections 28020 and 28030, as amended by Chapter 1204 of the Statutes of 1971.

(d) This section shall not be operative in the county until the time that the board of supervisors shall, by resolution adopted by majority vote, make this section applicable in the county.

SEC. 3. Notwithstanding [Section 17610 of the Government Code](#), if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with [Section 17500](#)) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$ 1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding [Section 17580 of the Government Code](#), unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

Approved _____, 1988

Governor

History

ASSEMBLY BILL NO. 2106

PASSED THE ASSEMBLY MAY 28, 1991

CHIEF CLERK OF THE ASSEMBLY

PASSED THE SENATE AUGUST 26, 1991

SECRETARY OF THE SENATE

THIS BILL WAS RECEIVED BY THE GOVERNOR THIS _____
DAY OF _____, 1988, AT _____ O'CLOCK ____ M.

PRIVATE SECRETARY OF THE GOVERNOR

CHAPTER _____

Sponsor(s)

Campbell

THE STATE OF CALIFORNIA BILL TEXT
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Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**

FOR INFORMATION ONLY

June 21, 2024

TO: Trustees,
Board of Retirement

FROM: Christine Roseland 
Senior Staff Counsel

John Harrington 
Senior Staff Counsel

FOR: July 3, 2024 Board of Retirement Meeting

SUBJECT: **Legal Transactions Year End Report**

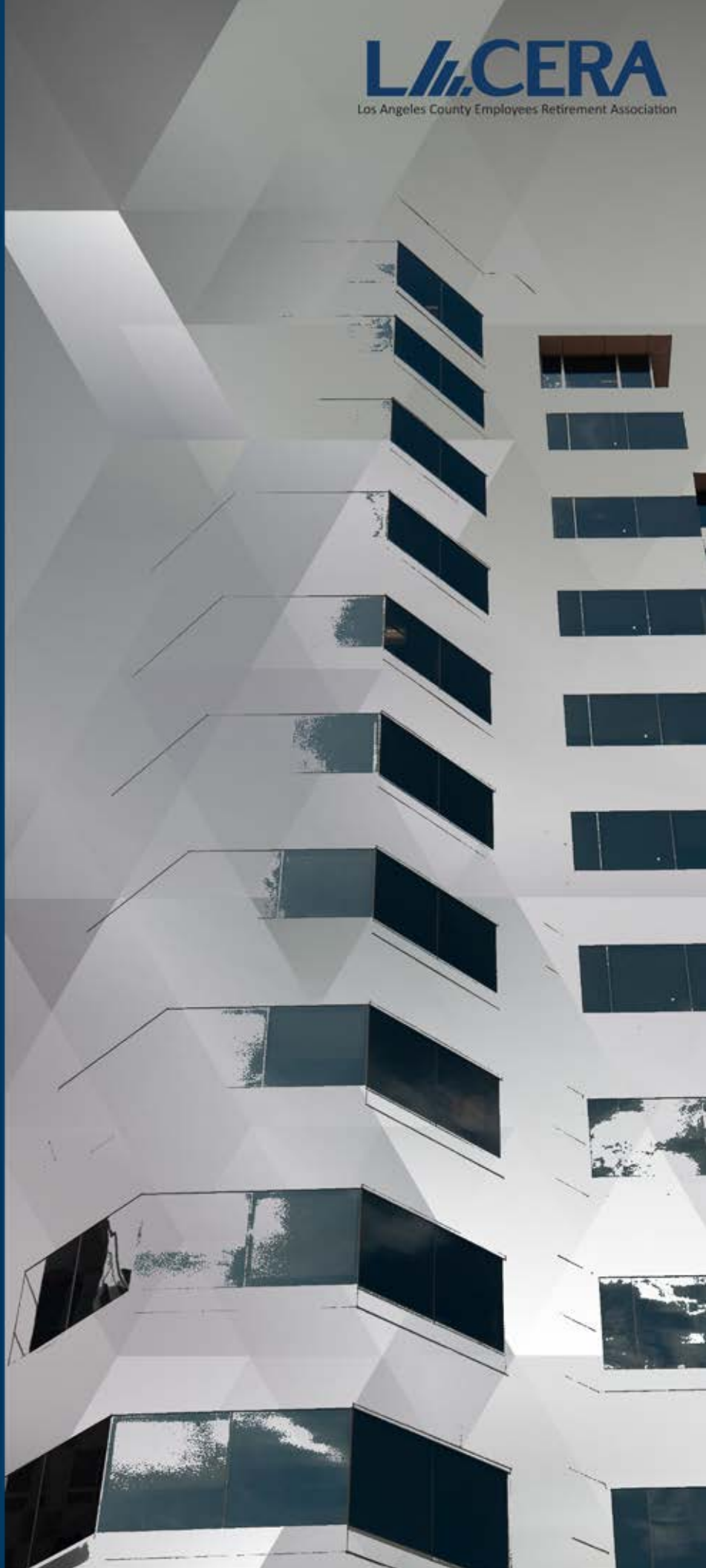
Please find attached a report, previously provided to the Board of Investments at its June 12, 2024 meeting, summarizing the legal work that the Transactions Section of the Legal Division accomplished in calendar year 2023. It includes a breakdown of work done by asset class and LACERA divisions both in terms of number of assignments or transactions and the dollar amount that those assignments or transactions represent. It also provides some insight into LACERA operations, workflow trends and staff productivity.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Laura Guglielmo
Jonathan Grabel
JJ Popowich
Esmeralda Del Bosque
Vache Mahseredjian
Jude Perez
Jim Rice
Christopher Wagner
Scott Zdrazil
Steven Rice
John Harrington
Mike Brogan
Avi Herescu
Lisa Garcia

Legal Transactions
Year End Report

2023



YEAR END REPORT FOR THE LEGAL DIVISION'S TRANSACTIONS SECTION

This report provides a summary of the legal work that the Transactions group within the Legal Division accomplished in calendar year 2023 in terms of number of tasks and the dollar amount that those tasks represent (such as the value of an investment commitment or commercial contracts). The report also includes charts that provide a visual representation of this work as well as a comparison to prior years. As a quick overview, the group handled 517 projects during 2023, representing \$7,828,796,636 in contract value.

By way of background, the Transactions group has historically consisted of three attorneys, two paralegals, and two management secretaries.¹ This group is responsible for handling all investment-related and commercial transactional matters, including drafting, negotiating, and reviewing investment management agreements, limited partnership agreements and side letters, managing title holding companies, acquisitions, dispositions, and financings as well as drafting and reviewing commercial contracts, confidentiality agreements and responding to Public Records Act requests. In performing their work, the team collaborates closely with their client colleagues in the Investments Division and other LACERA divisions to provide legal support with accomplishing their business objectives and to manage organizational risk. The team's mandate is not merely to consummate deals and transactions but to protect the pension assets from liability and excessive risk, mitigate losses, minimize fees, assist stakeholders in making informed decisions, provide advice, present alternatives and solutions and collaborate on organizational initiatives such as T.I.D.E., business continuity and disaster recovery planning. In addition, outside counsel may be engaged to assist with certain matters with in-house counsel oversight and those matters are included in the figures presented in this report.

CALENDAR YEAR END LEGAL TRANSACTIONS AS OF 12-31-23

INVESTMENT PROJECT	TRANSACTION TOTAL	TRANSACTION AMOUNT
Private Equity	132	\$1,565,035,000
Public Markets (Equity/Fixed Income)	15	\$1,100,000,000
Hedge Funds & Credit	20	\$500,000,000
Real Assets	54	\$1,210,000,000
Portfolio Analytics	56	\$370,756,645
Real Estate	121	\$2,463,586,098
Investment Prospects ²	15	\$615,000,000
TOTAL INVESTMENTS	413	\$7,824,377,743
Non-Investment Vendor Agreements	104	\$4,418,893
TOTAL (Investments and Vendor Transactions)	517	\$7,828,796,636

¹In 2023, the Transactions Group was reduced to 2 attorneys, one paralegal, one management secretary and one administrative temp. Of those, one attorney handled investment related matters and the other handled non-investment vendor related matters. Despite this reduction in staffing levels and a workload that remained steady, the group was able to complete all assignments submitted for review. Furthermore, staffing numbers have increased in 2024 through the retention of two new attorneys.

²This category represents matters and transactions that are submitted for legal review and at some point during that review, the owner of the project abandons or terminates it for various reasons. For example, staff may be considering a co-investment that they submit for legal review given the tight closing deadlines but then decide not to proceed with it either for business or legal reasons or a buyer of a LACERA owned property backs out of the deal during negotiations. If the Legal team started working on such a matter, it is reflected in this chart as work or a prospect not having been completed.

CALENDAR YEAR END PUBLIC RECORDS ACT RESPONSES AS OF 12-31-23

TYPE OF ACTIVITY	TRANSACTION TOTAL	TRANSACTION AMOUNT
Public Records Act Responses	67	\$0.00



CONTRACT VALUE

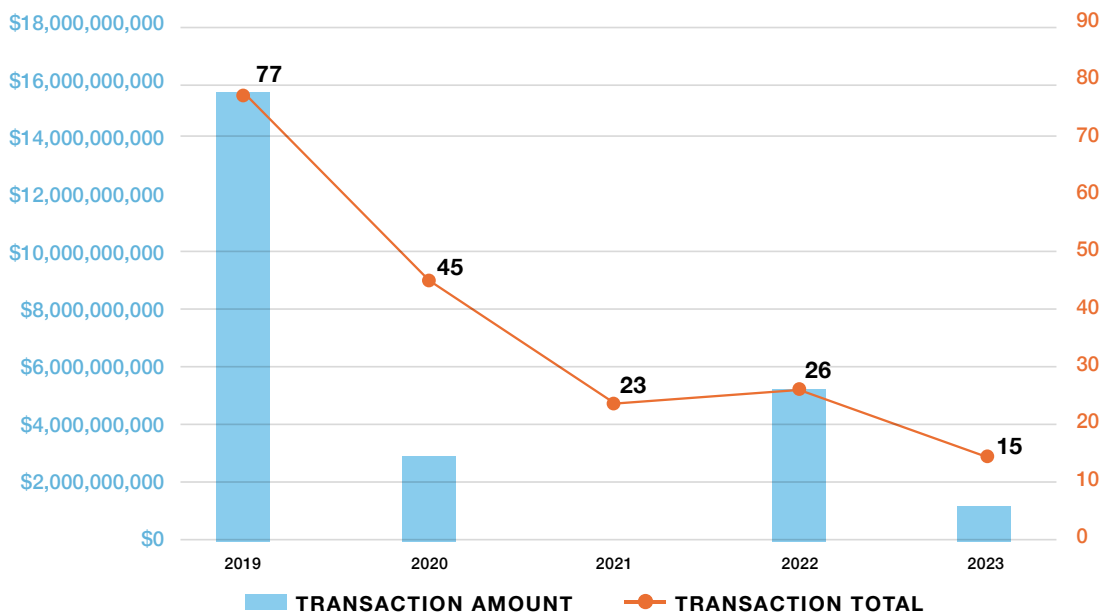
The following graphs represent the legal work performed as a function of the aggregate amount of the contract, commitment or value associated with the underlying documents as well as a function of the number of transactions completed or projects performed during the year broken out by asset classes and LACERA divisions. As an example of contract value, if LACERA is investing \$300 million in a hedge fund, it is recorded as a project valued at \$300 million for purposes of this report. As an example of the number of projects, if LACERA commits \$300 million to a particular private equity fund, it is counted as one project. Similarly, if staff works on a consent or amendment that a manager provides for review and approval, it is counted as one project. As such, some projects or transactions may take several weeks or months, while others may take an hour or less.

PUBLIC MARKETS (EQUITY/FIXED INCOME) TRANSACTIONS YEARLY COMPARISON 2019-2023

PUBLIC MARKETS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	77	\$15,700,000,000
2020	45	\$2,901,447,000
2021	23	\$0 ³
2022	26	\$5,250,000,000
2023	15	\$1,100,000,000

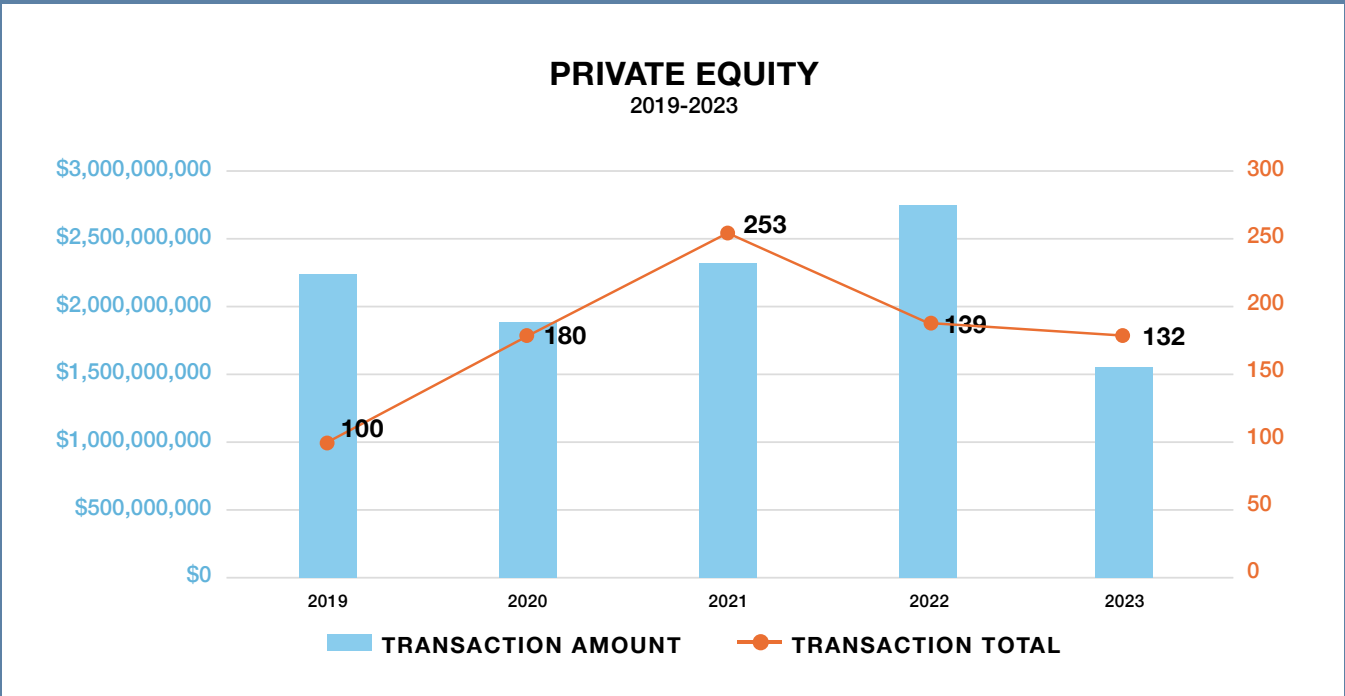
³Methodology on transaction amount: Some matters have no value (for example, terminations, consents, fee amendments etc.) so they are given a value of 0. If an agreement has a five-year term, then the entire five-year value of that contract is recorded in the initial year when the contract is entered into. Some contracts are too difficult to value (for example, a Human Resources agreement for temporary staff when the hours and duration of employment for the temp staff is unknown) and in such cases, the contract is given a value of 0 for purposes of this report.

PUBLIC MARKETS 2019-2023



PRIVATE EQUITY TRANSACTIONS
YEARLY COMPARISON 2019-2023

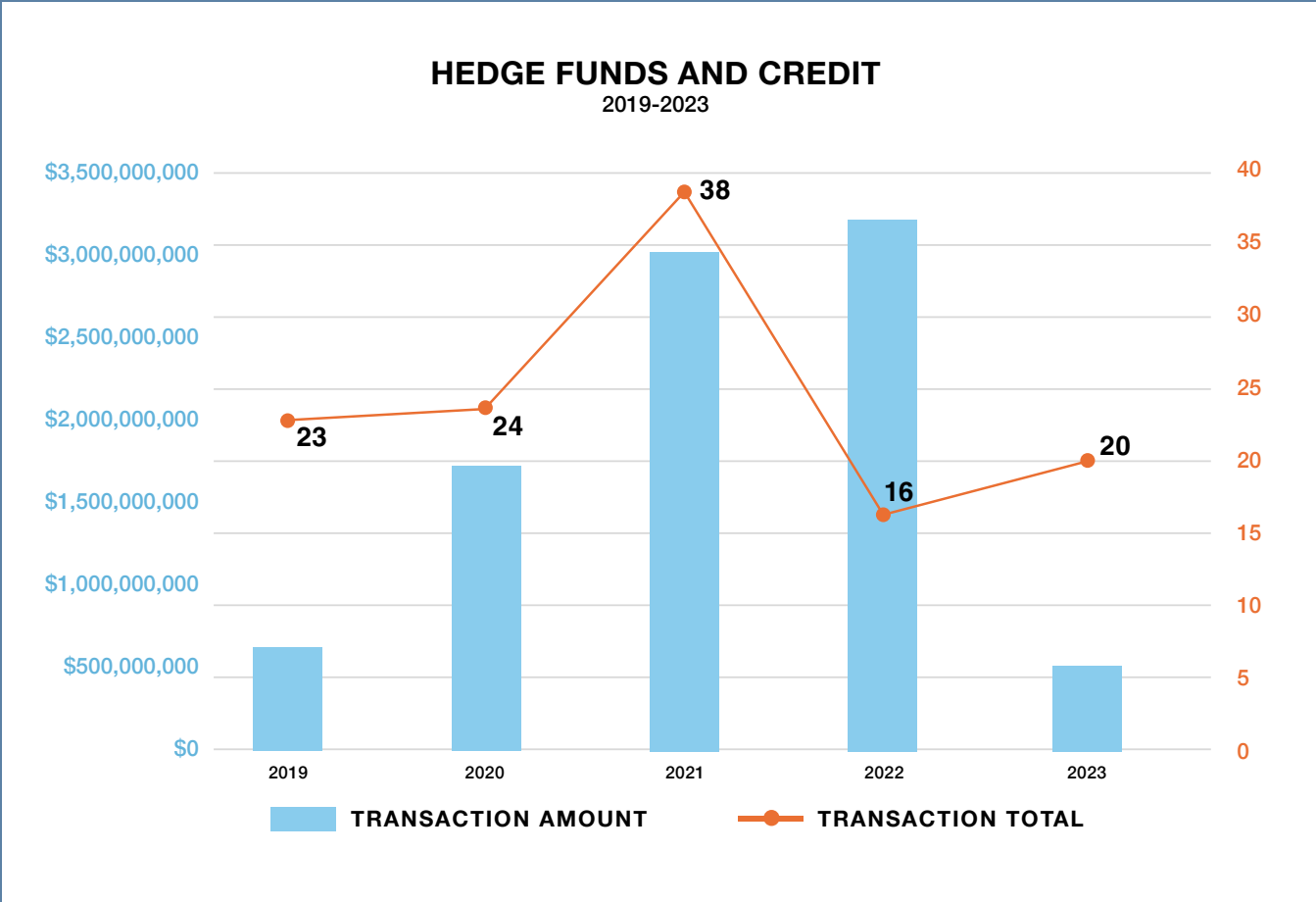
PRIVATE EQUITY 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	100	\$2,243,415,762
2020	180	\$1,885,986,886
2021	253	\$2,324,785,121
2022	139	\$2,749,050,364
2023	132	\$1,565,035,000



HEDGE FUNDS AND CREDIT TRANSACTIONS
YEARLY COMPARISON 2019-2023

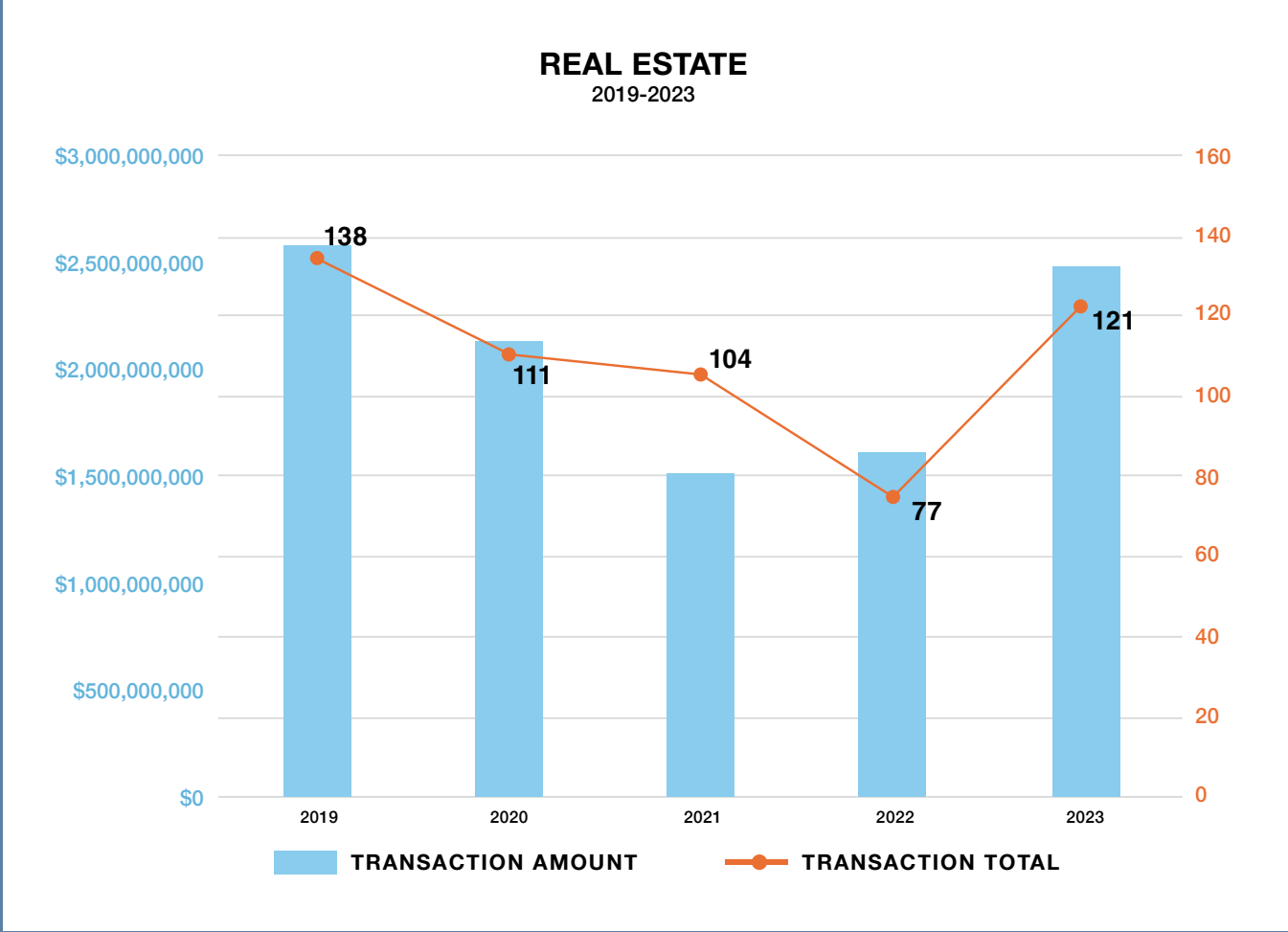
HEDGE FUNDS AND CREDIT 2019-2023

YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	23	\$625,000,000
2020	24	\$1,717,000,000
2021	38	\$3,020,000,000
2022	16	\$3,225,000,000
2023	20	\$500,000,000



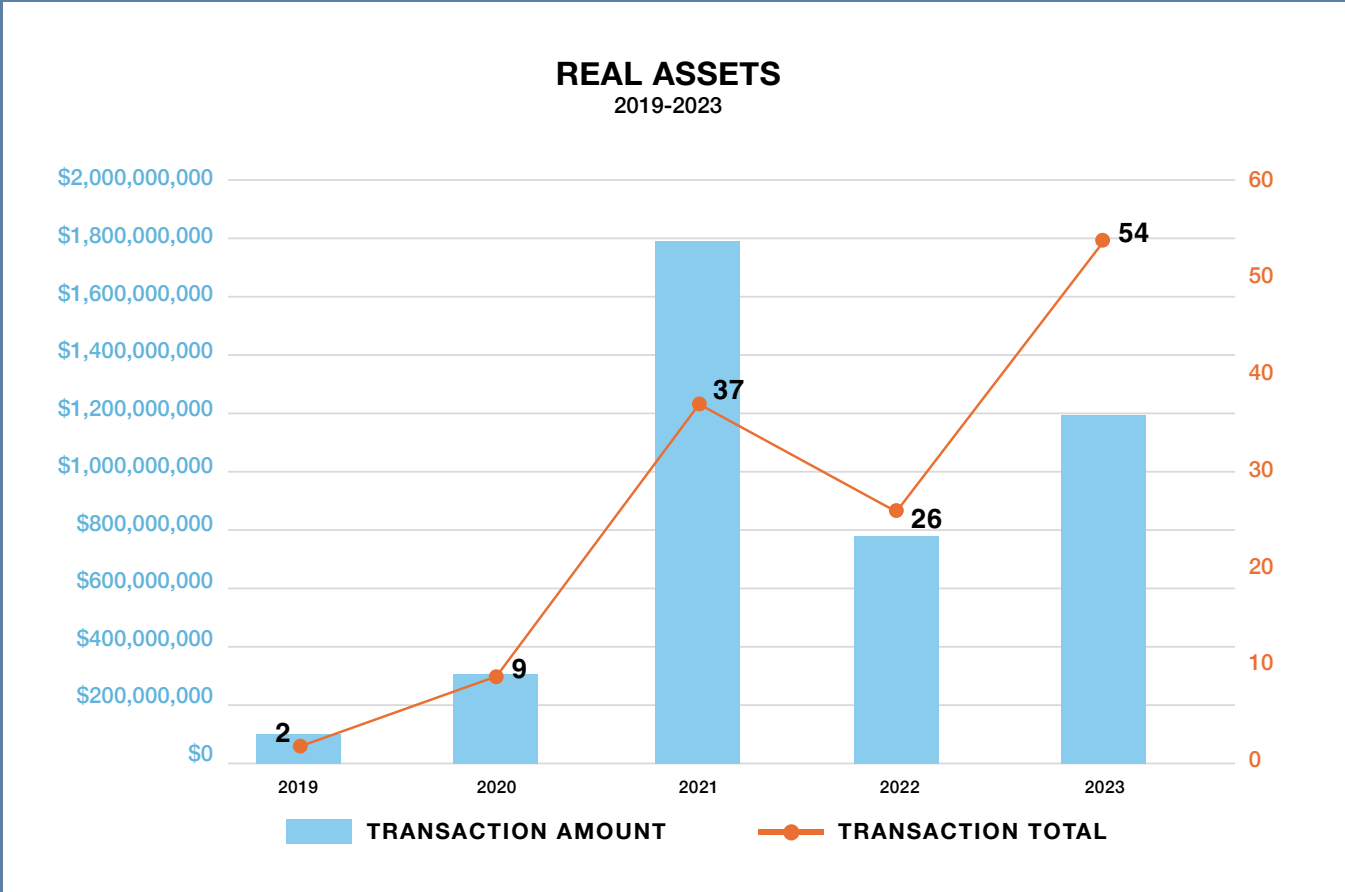
REAL ESTATE TRANSACTIONS
YEARLY COMPARISON 2019-2023

REAL ESTATE 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	138	\$2,578,464,619
2020	111	\$2,113,222,250
2021	104	\$1,500,040,796
2022	77	\$1,599,925,372
2023	121	\$2,463,586,098



REAL ASSETS TRANSACTIONS
YEARLY COMPARISON 2019-2023

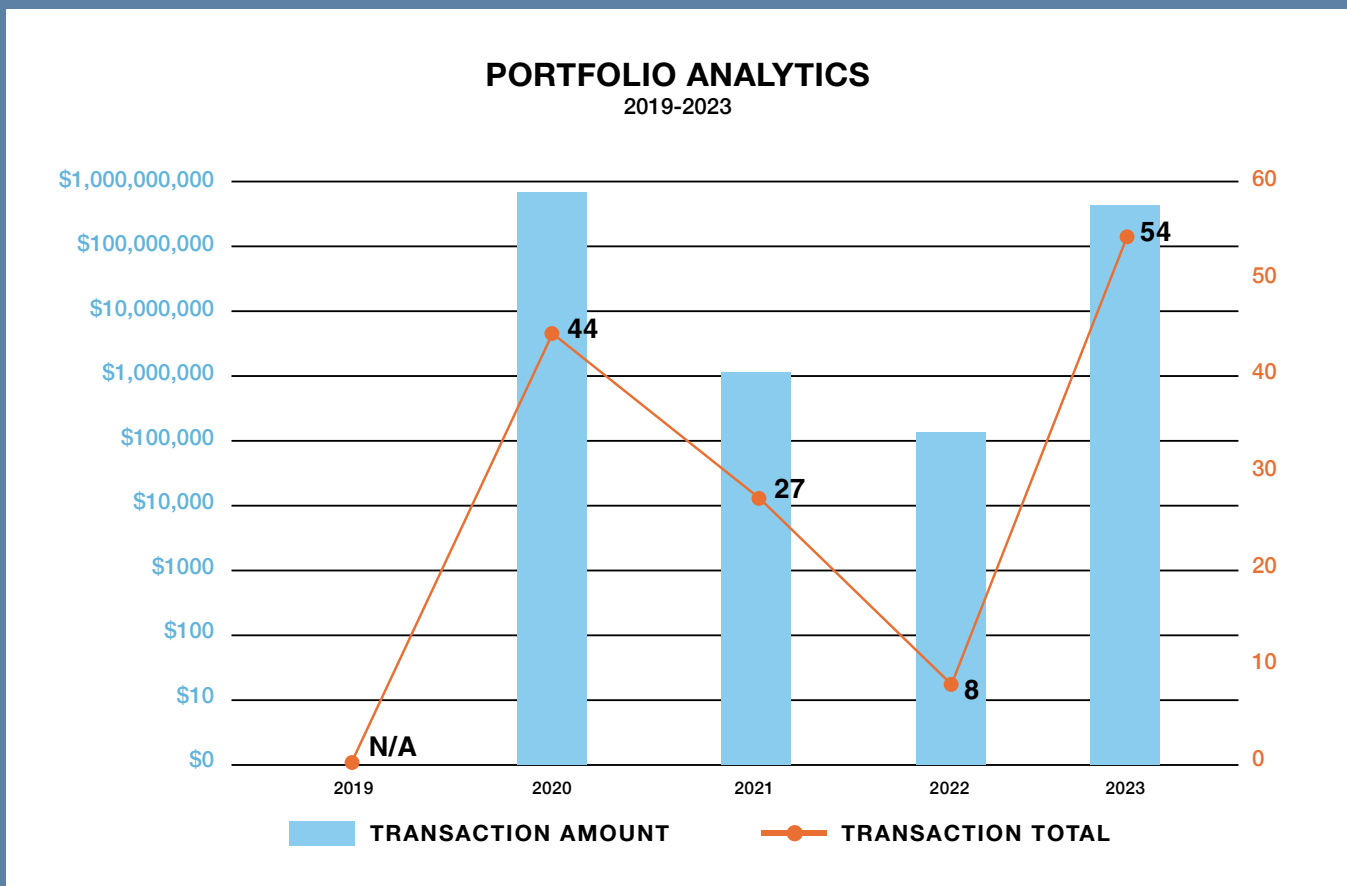
REAL ASSETS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	2	\$747,200
2020	9	\$320,000,000
2021	37	\$1,785,279,852
2022	26	\$775,034,375
2023	54	\$1,210,000,000



PORTFOLIO ANALYTICS TRANSACTIONS⁴
 YEARLY COMPARISON 2019-2023

PORTFOLIO ANALYTICS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	N/A	N/A
2020	44	\$603,810,698
2021	27	\$1,785,279,852
2022	28	\$147,026
2023	56	\$370,756,645

⁴This category has only been tracked since 2020 and therefore, prior years do not exist for comparison. LACERA Master OPEB Trust ("OPEB Trust") related projects were added to this category beginning in 2023. There were 45 OPEB Trust related projects in 2023.

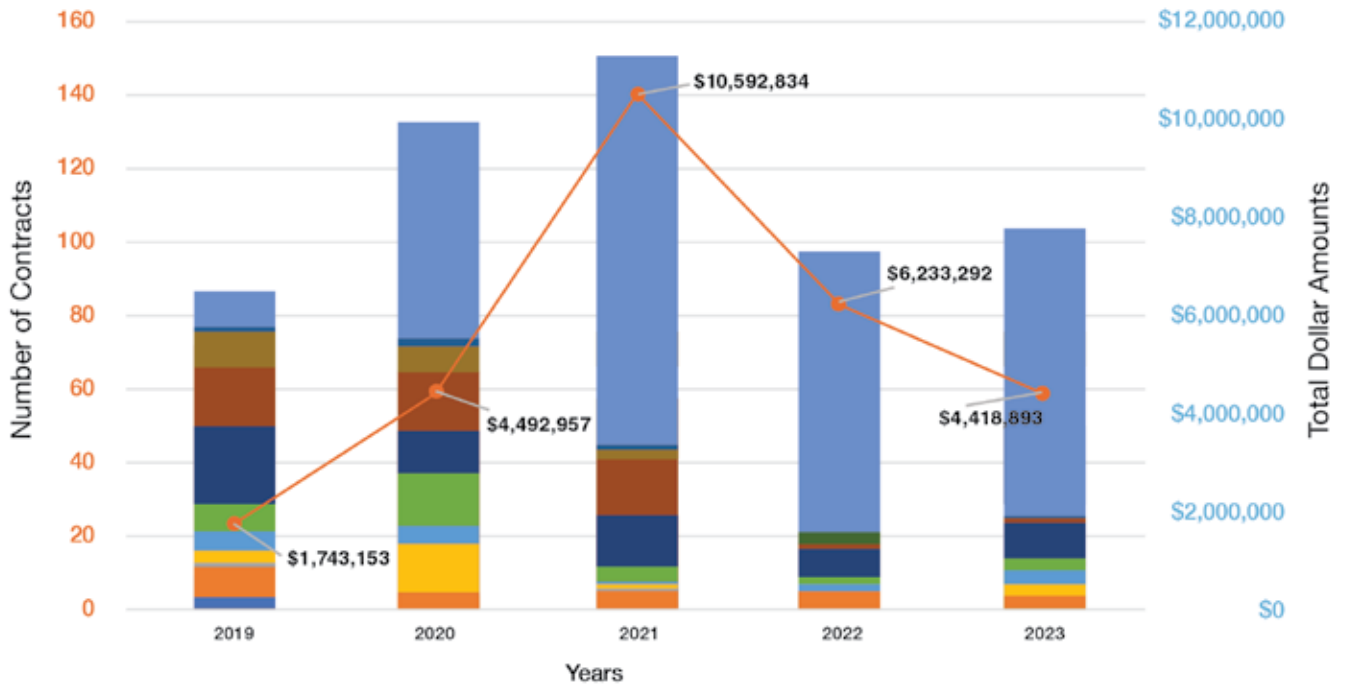


NON-INVESTMENT TRANSACTIONS
YEARLY COMPARISON 2019-2023

NON-INVESTMENT TRANSACTIONS 2019-2023

YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	121	\$1,743,153
2020	162	\$4,492,957
2021	151	\$10,592,834
2022	98	\$6,233,292
2023	104	\$4,418,893

NON-INVESTMENT TRANSACTIONS
2019-2023

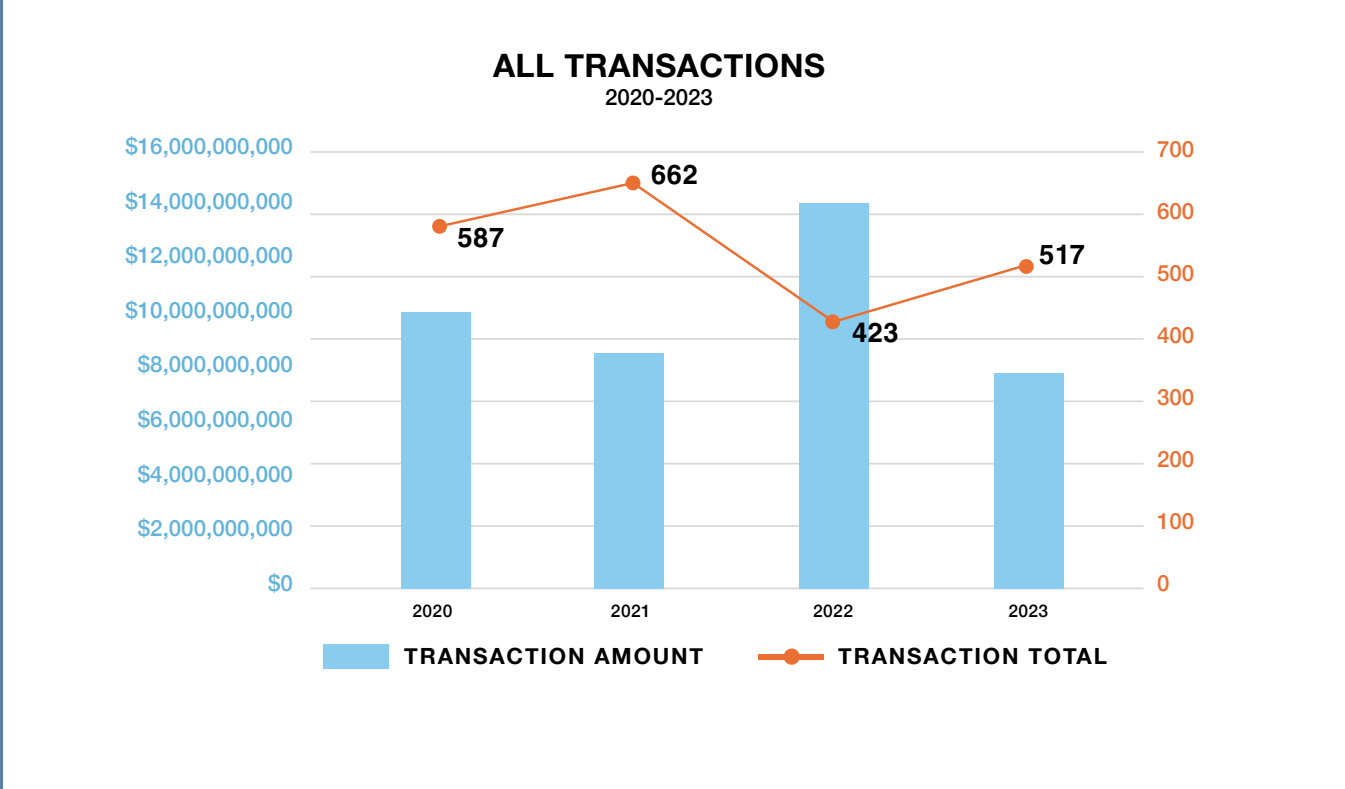


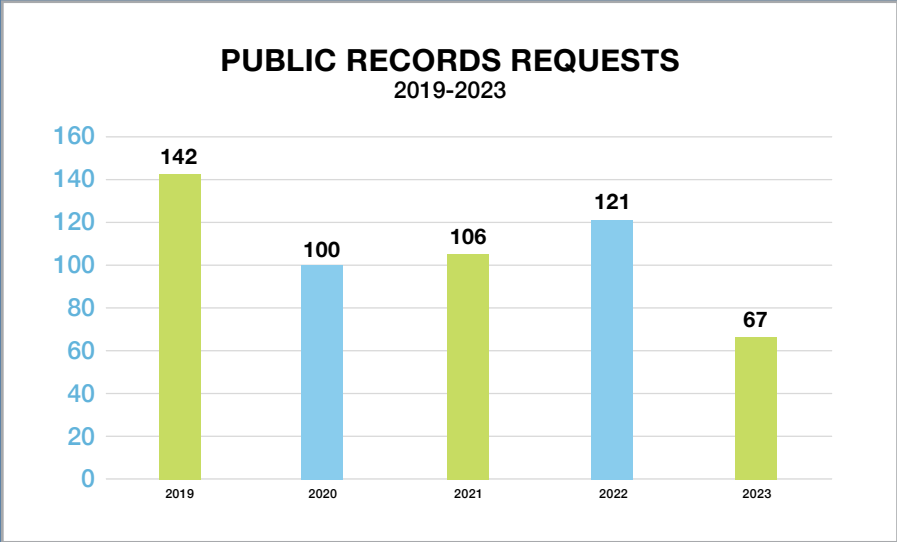
- Accounting
- Administrative Services
- Benefits
- Communications
- Disability
- Executive
- Human Resources
- Internal Audit
- Legal
- Quality Assurance
- Retiree Healthcare
- Systems
- Dollar Amounts
- Total

ALL TRANSACTIONS
YEARLY COMPARISON 2019-2023

ALL TRANSACTIONS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019 ⁵	N/A	N/A
2020	587	\$10,030,959,791
2021	662	\$8,756,982,907
2022	423	\$14,100,390,428
2023	517	\$7,828,796,636

⁵This data has only been tracked since 2020 and therefore, prior years do not exist for comparison.





TRENDS & OBSERVATIONS

Legal support for investment activity fluctuates from year to year within a band. In 2023, while the volume of work was up, the value of transactions saw a decrease. The higher volume is attributable mostly to increased activity in the Real Assets, Real Estate and Portfolio Analytics space. In line with the Investment work plan and strategic initiatives for 2023, a focus on operational effectiveness and cost effectiveness resulted in increased co-investment activity in private equity and an expansion of that activity to other asset classes such as Real Assets. That focus was also evident in the continued buildout of a dedicated managed account (“DMA”) program in the Credit space with the aim of obtaining better terms and reduced fees. These initiatives, in turn, resulted in the need for increased legal support to negotiate favorable terms for a growing number of co-investments and assist the buildout of the DMA structure, which involved the onboarding of several new managers. Legal has also supported LACERA’s T.I.D.E. initiative and strategic goal of maximizing stewardship and ownership rights

through the negotiation of contractual obligations that provide access to data necessary for investment staff to monitor and report on T.I.D.E related activities, which now includes an expansion into climate risk analysis in the private markets. In addition, as part of the same initiative, legal support included the onboarding of managers in the emerging manager program for Equities and Private Equity. Furthermore, following the Board of Investment’s decision to expand OPEB Trust investments into the private markets, there was an elevated need for legal assistance in onboarding new managers focused on those markets for the OPEB Trust. In accordance with another strategic initiative to reduce or avoid uncompensated complexity and investment risk, legal support was also required for the sale and refinancing of an increasing number of assets from LACERA’s separate account real estate portfolio which is being phased out. This period also saw an uptick in real assets that are in distress and as such required additional legal resources to address such issues. Finally, the Real Assets team continued to build out its

platform by onboarding new managers, necessitating additional legal assistance.

In 2024, we anticipate the need for the same or an increased level of legal support as the new target asset allocation approved by the Board of Investments this year will lead to some portfolio rebalancing, with the Hedge Fund and Credit teams likely bringing on new managers to meet their increased allocations. Staff anticipates that future legal needs and support will likely stay at this elevated level given that activity in the Investment space is projected to be strong as the fund has grown in the last few years from \$70 billion to almost \$80 billion, investment structures are becoming more complex and sophisticated and compliance requirements are more stringent. Fortunately, with the addition of new investment attorneys to the Transactions team, staff believes they will be able to meet this increased demand.

For commercial transactions, the volume of work was slightly below average during this period. Most of the activity centered around the acquisition of or maintenance of technology that supports operations. This is a product of LACERA's strategic plan to modernize its technology, improve its operations and continue providing tools necessary for a hybrid workspace. This plan includes a digital strategy to provide a superior member experience and innovation through technology focusing on enterprise knowledge management and a business intelligence platform, which includes the addition of new budget, accounting and contract management software. Furthermore, there has been a focus on the creation of an enterprise training program for employee development as well as bolstering information security as part of risk management. These activities require legal support in terms of negotiating vendor agreements, providing advice on compliance and risk related issues as well as participation on committees that focus on strategic plan implementation and conduct the vendor searches. Staff expects the transaction volume to remain at these levels given that the Systems Division continues to work towards implementing LACERA's strategic initiatives and

expand the network of specialty vendors to support an organization having constituents with varying needs and going through a period of rapid change.

Finally, Public Records requests have trended down since LACERA began posting more information on its website. Most requests are from investment related data aggregators and reporters. Since staff has moved to publish a lot of frequently requested materials on LACERA's website, there has been less activity in this space. However, while the number of responses has decreased, the requests that do come in tend to be more complex and labor intensive as they involve information gathering for data that is not yet compiled and requires additional legal attention to ensure compliance with confidentiality obligations and the Public Records Act to produce responsive, non-exempt records. Staff expects Public Records requests to maintain this level of activity for the foreseeable future and will continue posting readily available reports on the LACERA website to ensure full transparency and create operational efficiencies. Staff's continued goal is to provide the highest level of service to the public and LACERA members.






Legal Transactions Year End Report

LACERA
Los Angeles County Employees
Retirement Association

FOR INFORMATION ONLY

June 18, 2024

TO: Each Trustee
Board of Retirement

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: July 3, 2024 Board of Retirement Meeting

SUBJECT: **Monthly Status Report on Legislation**

Attached is the monthly report on the status of legislation that staff is monitoring. Bills from 2023 that were enacted or are dead are no longer being monitored. Bills on which LACERA has adopted a position are highlighted in yellow.

Reviewed and Approved:



Luis Lugo, Deputy Chief Executive Officer

Attachments

LACERA Legislative Report Index
LACERA Legislative Report

cc: Santos H. Kreimann
Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jon Gabel
Scott Zdrazil
Tony Roda, Williams & Jensen
Naomi Padron, MKP Government Relations

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1.

California Assembly Bill 148 (2023-2024)

CAA 148 | Budget | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Senate Budget & Fiscal Review Committee

State Employment: State Bargaining Units: Agreements

Provides that existing law provides that a provision of a memorandum of understanding reached between the State employer and a recognized employee organization representing State civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act. Approves provisions of agreements entered into by the State employer and State Bargaining Units 1, 3, 4, 5, 11, 12, 13, 14, 15, 17, 19, 20, and 21. Appropriates funds.

Code:

An act ~~relating to the Budget Act of 2023.~~ to amend Sections 7522.34, 19829.9851, 19829.9852, 19829.9853, 19878.5, and 22944.5 of, and to add Sections 19829.9854, 20677.61, 20677.92, 20677.93, 20677.94, and 22871.10 to, the Government Code, relating to public employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

Status:

Sep 13, 2023: Re-referred to SENATE Committee on BUDGET AND FISCAL REVIEW.

[+ Show full status history](#)



PUBLIC_RETIREMENT

Commentary:

Comment:

Apr 23, 2024 - 12:01 P.M. (PDT)

Amends PEPR section 7522.34 as it relates to state employees.

2.

California Assembly Bill 817 (2023-2024)

CAA 817 | [Blanca Pacheco \(D-064\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Senate Local Government Committee

Open Meetings: Teleconferencing: Subsidiary Body

Authorizes a subsidiary body to use certain alternative teleconferencing provisions. Requires at least one staff member of the local agency to be present at a designated primary physical meeting location during the meeting. Requires the local agency to post the agenda at the primary physical meeting location. Requires the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform.

Code:

An act to add and repeal Section 54953.05 of the Government Code, relating to local government.

Status:

June 5, 2024: In SENATE Committee on LOCAL GOVERNMENT: Reconsideration granted.

June 5, 2024: In SENATE Committee on LOCAL GOVERNMENT: Failed passage.

[+ Show full status history](#)

 BROWN_ACT

| No tags, commentary, or attachment applied

3.

California Assembly Bill 1246 (2023-2024)

CAA 1246 | [Stephanie Nguyen \(D-010\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Third Reading File

Public Employees' Retirement System Optional Settlement

Provides that existing law permits a member of the Public Employees' Retirement System to elect from among several other optional settlements for the purpose of structuring their retirement allowance. Permits a member who elected to receive a specified optional settlement at retirement, if the member's former spouse was named as beneficiary and a legal judgment awards only a portion of the interest in the retirement system to the member, to elect to add their new spouse as the beneficiary.

Code:

An act to amend Sections ~~21462 and 21481~~ 21462, 21481, and 75523 of the Government Code, relating to retirement.

Status:

May 20, 2024: In SENATE. Read second time. To third reading.
[+ Show full status history](#)

Hearing Dates:

06/18/2024 Senate Third Reading File



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

4.

California Assembly Bill 1997 (2023-2024)

CAA 1997 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Senate Appropriations Committee

Teachers' Retirement Law

Relates to the State Teachers' Retirement System. Requires the Teachers' Retirement Board to determine a date when STRS has the capacity to implement the specified changes and to post the date on the STRS internet website no later than the specified date. Relates to the Teachers' Retirement Fund. Appropriates funds.

Code:

An act to amend and repeal Section 22119.2 of, to amend, repeal, and add Sections 22104.8, 22115, 22119.3, 22119.5, 22121, 22170, 22317.5, 22701, and 22905 of, and to add Sections 22156.07, 22156.08, and 22324.5 to, the Education Code, relating to retirement, and making an appropriation therefor.

Status:

June 12, 2024: From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

Hearing Dates:

06/24/2024 Appropriations



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

5.

California Assembly Bill 2153 (2023-2024)

CAA 2153 | [Josh Lowenthal \(D-069\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Judiciary Committee

California Public Records Act: Public Agency Employees

Requires each agency, upon receipt of a request for a copy of, or the inspection of, any personnel, medical, or similar records of a public agency employee or any record that would disclose a public agency employee's personal identity in connection with the performance of that employee's work duties, to promptly and prior to the release of the records, provide written notice of the request to that public agency employee.

Code:

An act to amend Section 7922.535 of the Government Code, relating to public records.

Status:

Feb 20, 2024: To ASSEMBLY Committee on JUDICIARY.

[+ Show full status history](#)



PUBLIC_RECORDS_ACT

| No tags, commentary, or attachment applied

6.

California Assembly Bill 2183 (2023-2024)

CA A 2183 | [Reginald B. Jones-Sawyer \(D-057\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

Public Employees' Retirement Benefits: Compensation

Makes a nonsubstantive change to a provision of the California Public Employees' Pension Reform Act of 2013 (PEPRA).

Code:

An act to amend Section 7522.32 of the Government Code, relating to public employees' retirement.

Status:

Feb 7, 2024: INTRODUCED.

 PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

7.

California Assembly Bill 2283 (2023-2024)

CAA 2283 | [Blanca Pacheco \(D-064\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (Yes) |
Senate Judiciary Committee

Civil Actions: Electronic Service

Provides that existing law authorizes the service of documents in a civil action by electronic means pursuant to rules adopted by the Judicial Council. Provides that existing law requires a court to electronically transmit documents to a party who is subject to mandatory electronic service, or who has consented to accept electronic service. Extends the deadline for courts to comply with the requirement. Clarifies that court electronic transmittal of documents constitutes service. Declares urgency of bill.

Code:

An act to amend Section 1010.6 of the Code of Civil Procedure, relating to civil ~~actions.~~
actions, and declaring the urgency thereof, to take effect immediately.

Status:

May 29, 2024: To SENATE Committee on JUDICIARY.

[+ Show full status history](#)

Hearing Dates:

06/25/2024 Judiciary



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

8.

California Assembly Bill 2284 (2023-2024)

CA A 2284 | [Timothy S. Grayson \(D-015\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

County Employees' Retirement: Compensation

Relates to the County Employees Retirement Law of 1937 and the California Public Employees' Pension Reform Act of 2013. Authorizes a retirement system, to the extent it has not defined grade, to define grade to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related group or class.

Code:

An act to amend Section 31461 of the Government Code, relating to retirement.

Status:

June 10, 2024: In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

June 10, 2024: From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.

[+ Show full status history](#)

PUBLIC_RETIREMENT

Tags:

Staff_Recommendation:

IBLC_Recommendation:

9.

California Assembly Bill 2301 (2023-2024)

CAA 2301 | [Stephanie Nguyen \(D-010\)](#) and 6 Co-sponsors | To Governor | Fiscal Committee (No) | Urgency Clause (Yes) | To enrollment

Sacramento Area Sewer District Pension Protection Act

Enacts the Sacramento Area Sewer District Pension Protection Act of 2024. Provides that the sewer district would assume the rights, obligations, and status previously occupied by the County of Sacramento with regard to the portion of the county safety plan, which is that portion of the county's defined benefit plan attributed to retirement system members and beneficiaries of the Sacramento Area Sewer District to, among other things, the replacement benefits program.

Code:

An act to add Article 4.6 (commencing with Section 31574) to Chapter 3 of Part 3 of Division 4 of Title 3 of the Government Code, relating to public employee retirement, and declaring the urgency thereof, to take effect immediately.

Status:

June 13, 2024: In SENATE. Read third time, urgency clause adopted. Passed SENATE. To enrollment.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

10.

California Assembly Bill 2302 (2023-2024)

CAA 2302 | [Dawn Addis \(D-030\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) |
Senate Third Reading File

Open Meetings: Local Agencies: Teleconferences

Relates to existing law which imposes prescribed restrictions on remote participation by a member of a legislative body of a local agency under alternative teleconferencing provisions. Revises the limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.

Code:

An act to amend Section 54953 of the Government Code, relating to local government.

Status:

June 6, 2024: In SENATE. Read second time. To third reading.

[+ Show full status history](#)

Hearing Dates:

06/18/2024 Senate Third Reading File

 BROWN_ACT

| No tags, commentary, or attachment applied

11.

California Assembly Bill 2335 (2023-2024)

CAA 2335 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Public Employment: Compensation and Classification

Expands the purpose of the State Civil Service Act to include that the compensation relationship between State civil positions with comparable duties and responsibilities is maintained.

Code:

An act to amend Sections ~~8248~~, 18500, 19797, 19826, and 19827.2 of the Government Code, relating to public employment.

Status:

June 12, 2024: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

12.

California Assembly Bill 2350 (2023-2024)

CAA 2350 | [Josh Hoover \(R-007\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Senate Education Committee

Open Meetings: School Boards: Emergencies: Notification

Provides that existing law authorizes a legislative body to hold an emergency meeting without complying with specified 24-hour notice and posting requirements. Authorizes a school board holding an emergency meeting to fulfill the premeeting notification requirement by email instead of by telephone. Provides that if the internet and telephone services are not functioning, the bill would similarly waive the premeeting notification requirement and require the post meeting notification.

Code:

An act to amend Section 54956.5 of the Government Code, relating to open meetings.

Status:

June 5, 2024: From SENATE Committee on LOCAL GOVERNMENT: Do pass to Committee on EDUCATION.

[+ Show full status history](#)

 BROWN_ACT

| No tags, commentary, or attachment applied

13.

California Assembly Bill 2362 (2023-2024)

CAA 2362 | [Tom Lackey \(R-034\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

County Fire Service Retirement Law: Report

Requires the County Foresters, Firewardens, and County Fire Protection District Firemen's Retirement Board to report to the board of supervisors on or before February 1 each year.

Code:

An act to amend Section 32266 of the Government Code, relating to public retirement.

Status:

Feb 26, 2024: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

14.

California Assembly Bill 2421 (2023-2024)

CAA 2421 | [Evan Low \(D-026\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Employer-Employee Relations: Confidential Communication

Prohibits a local public agency employer, a state employer, a public school employer, a higher education employer, or the district from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation.

Code:

An act to amend Sections 3506.5, 3519, 3524.71, 3543.5, and 3571 of the Government Code, and to amend ~~Section 28858~~ Sections 28858, 98169, 99563.7, and 102406 of the Public Utilities Code, relating to employer-employee relations.

Status:

June 17, 2024: In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

June 17, 2024: From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.

[+ Show full status history](#)



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

15.

California Assembly Bill 2455 (2023-2024)

CA A 2455 | [Jesse Gabriel \(D-046\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Local Government Committee

Whistleblower Protection: State and Local Government

Authorizes a city, county, or city and county auditor or controller to maintain a whistleblower hotline to receive calls from persons who have information regarding improper governmental activity. Recasts information regarding fraud, waste, or abuse by local government employees as improper governmental activity. Revises the definition of fraud, waste, or abuse to also define improper governmental activity. Expands the scope of those terms to include activity by a local agency, employee, or contractor.

Code:

An act to amend Sections 8547.2, 8547.5, 8547.7, 8547.8, and 53087.6 of the Government Code, relating to whistleblower protection.

Status:

June 13, 2024: In SENATE. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

[+ Show full status history](#)

Hearing Dates:

06/26/2024 Local Government



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

16.

California Assembly Bill 2474 (2023-2024)

CAA 2474 | [Tom Lackey \(R-034\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Consent Calendar - Second Legislative Day

Retirement: County Employees Retirement Law of 1937

Relates to the County Employees Retirement Law of 1937. Authorizes the Board of Retirement for the County of Los Angeles to have the monthly warrant, check, or electronic fund transfer for the retirement allowance or benefit be delivered to a prepaid account in accordance with certain procedures.

Code:

An act to amend Section 31452.6 of, to add Section 31680.9 to, and to add and repeal Sections 31452.61 and 31590.2 of, the Government Code, relating to retirement.

Status:

June 13, 2024: In SENATE. Read second time and amended. To Consent Calendar.

[+ Show full status history](#)

Hearing Dates:

06/18/2024 Senate Consent Calendar - Second Legislative Day



PUBLIC_RETIREMENT

Tags:

Staff_Recommendation: Support

Sponsor

IBLC_Recommendation: Support

Sponsor

17.

California Assembly Bill 2489 (2023-2024)

CA A 2489 | [Christopher Ward \(D-078\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Local Agencies: Contracts for Special Services

Requires a county board of supervisors or a representative, at least a specified number of months before beginning a procurement process to contract with persons for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify, in writing, the exclusive employee representative of the workforce affected. Provides that this notice requirement does not apply in the event of an emergency.

Code:

An act to amend Sections 31000, 31000.4, 37103, and 53060 of the Government Code, relating to local government.

Status:

May 16, 2024: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

May 16, 2024: In ASSEMBLY. Joint Rule 62(a) suspended.

[+ Show full status history](#)

PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

18.

California Assembly Bill 2557 (2023-2024)

CAA 2557 | [Liz Ortega \(D-020\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Local Agencies: Contracts for Special Services

Requires each person who enters into a specified contract for special services with the board of supervisors to submit semiannual performance reports every specified number of days, to the board of supervisors and the employee organization. Requires such a contract to include prescribed provisions relating to the submission of semiannual performance reports and oversight of contract compliance by the board of supervisors or its representative.

Code:

An act to add Sections 31000.01, 31000.4.5, 37103.1, and 53060.01 to the Government Code, relating to local agencies.

Status:

June 17, 2024: In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

 PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

19.

California Assembly Bill 2561 (2023-2024)

CAA 2561 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Local Public Employees: Vacant Positions

Provides that the Meyers-Milias-Brown Act authorizes local public employees to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. Requires each public agency with bargaining unit vacancy rates exceeding a specified percent for more than a specified number of days to meet and confer with a representative of the recognized employee organization to implement a plan to fill all vacant positions.

Code:

An act to ~~amend Section 11546 of~~ add Section 3502.3 to the Government Code, relating to ~~state government administration.~~ public employment.

Status:

June 5, 2024: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

20.

California Assembly Bill 2631 (2023-2024)

CAA 2631 | [Mike Fong \(D-049\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Elections and Constitutional Amendments...

Local Agencies: Ethics Training

Requires the Fair Political Practices Commission, in consultation with the Attorney General, to create, maintain, and make available to local agency officials an ethics training course.

Code:

An act to amend Section 53235 of the Government Code, relating to local government.

Status:

June 5, 2024: To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

21.

California Assembly Bill 2715 (2023-2024)

CAA 2715 | [Tasha Boerner \(D-077\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) |
Senate Judiciary Committee

Ralph M. Brown Act: Closed Sessions

Provides that existing law authorizes a legislative body to hold a closed session with specified individuals on, among other things, matters posing a threat to the security of essential public services. Authorizes a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

Code:

An act to amend Section 54957 of the Government Code, relating to local government.

Status:

June 5, 2024: From SENATE Committee on LOCAL GOVERNMENT: Do pass to Committee on JUDICIARY.

[+ Show full status history](#)

Hearing Dates:

06/25/2024 Judiciary

 **BROWN_ACT**

| No tags, commentary, or attachment applied

22.

California Assembly Bill 2770 (2023-2024)

CA A 2770 | Public Employment and Retirement | Pending | Fiscal Committee (Yes) | Urgency Clause (No)
| Senate Consent Calendar

Public Employees Retirement

Relates to the Teachers Retirement System. Provides that existing law authorizes a member to request to purchase additional service credit and to redeposit accumulated retirement contributions returned to the member. Provides that existing law requires additional regular interest to be added to the contributions if the member is not employed to perform creditable service subject to coverage by the Defined Benefit Program on the date of the request to purchase additional credit. Revises interest calculation.

Code:

An act to amend Sections 22801, 23200, 23201, 23202, 24600, and 26004 of the Education Code, and to amend Sections 31628, 31720.91, 31783.5, 75521, 75553, 75570, and 75571.5 of the Government Code, relating to public employees' retirement.

Status:

June 18, 2024: In SENATE. Read second time. To Consent Calendar.

[+ Show full status history](#)

Hearing Dates:

06/18/2024 Senate Second Reading File

PUBLIC_RETIREMENT

Tags:

Staff_Recommendation: Support

IBLC_Recommendation: Support

BOR_Position: Support

23.

California Assembly Bill 3025 (2023-2024)

CA A 3025 | [Avelino Valencia \(D-068\)](#) and 2 Co-sponsors | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Judiciary Committee

County Employees' Retirement: Disallowed Compensation

Relates to the County Employees Retirement Law. Requires the retirement system, for a retired member, survivor, or beneficiary whose final compensation was predicated upon a disallowed compensation, to credit the employer contributions made on the disallowed compensation against future contributions, to the benefit of the employer that reported the disallowed compensation, to return any member contributions paid by, or on behalf of, that member, to the member directly, and to permanently adjust the benefit.

Code:

An act to add Section 31541.2 to the Government Code, relating to county employees' retirement.

Status:

June 12, 2024: From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on JUDICIARY.

[+ Show full status history](#)

Hearing Dates:

06/25/2024 Judiciary



PUBLIC_RETIREMENT

Tags:

Staff_Recommendation: Neutral

IBLC_Recommendation: Neutral

24.

California Senate Bill 252 (2023-2024)

CAS 252 | [Lena A. Gonzalez \(D-033\)](#) and 3 Co-sponsors | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

Public Retirement Systems: Fossil Fuels: Divestment

Prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company. Requires the boards to liquidate investments in a fossil fuel company on or before specified date. Suspends, temporarily, the liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets.

Code:

An act to amend Section 16642 of, and to add Section 7513.76 to, the Government Code, relating to public retirement systems.

Status:

June 8, 2023: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

Hearing Dates:

06/19/2024 Public Employment and Retirement



PUBLIC_INVESTMENT

| No tags, commentary, or attachment applied

25.

California Senate Bill 537 (2023-2024)

CAS 537 | [Josh Becker \(D-013\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) |
Assembly Governmental Organization Committee

Department of General Services: Memorial

Authorizes a nonprofit organization representing Mexican Americans or Mexican immigrants, in consultation with the Department of General Services, to plan, construct, and maintain a memorial to Mexican Americans and Mexican immigrants who were forcibly deported from the United States during the Great Depression. Requires the nonprofit organization to submit a plan for the memorial to the department for its review and approval.

Code:

~~An act to amend Section 54953 of, and to add and repeal Section 54953.4 of, the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.~~

An act to add Section 14638 to the Government Code, relating to memorials.

Status:

June 10, 2024: Re-referred to ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION.

June 10, 2024: In ASSEMBLY. Assembly Rule 77.2 suspended.

June 10, 2024: In ASSEMBLY. Read third time and amended. To third reading.

[+ Show full status history](#)

 BROWN_ACT

| No tags, commentary, or attachment applied

26.

California Senate Bill 962 (2023-2024)

CAS 962 | [Steve Padilla \(D-018\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (Yes) | Assembly Public Employment and Retirement...

San Diego Unified Port District: Public Employee

Provides that the California Public Employees' Pension Reform Act permits a public employer to adopt a new defined benefit formula that is not consistent with PEPRRA, if that formula is determined and certified by the chief actuary and the board of that employer's retirement system to not have a greater risk or greater cost to the sponsoring employer than the defined benefit formula required by PEPRRA. Approves a specified defined benefit formula applicable to employees of the San Diego Unified Port District.

Code:

An act relating to the public employee pension benefits, and declaring the urgency thereof, to take effect immediately.

Status:

June 3, 2024: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

Hearing Dates:

06/19/2024 Public Employment and Retirement

 PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

27.

California Senate Bill 1034 (2023-2024)

CAS 1034 | [Kelly Seyarto \(R-032\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

California Public Records Act: State of Emergency

Revises the unusual circumstances under which the time limit may be extended to include the need to search for, collect, and appropriately examine records during a state of emergency, as defined, proclaimed by the Governor in the jurisdiction where the agency is located when the state of emergency currently affects, due to the state of emergency, the agency's ability to timely respond to requests due to staffing shortages or closure of facilities where the requested records are located, except as specified.

Code:

An act to amend Section 7922.535 of the Government Code, relating to public records.

Status:

June 5, 2024: In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

[+ Show full status history](#)

Hearing Dates:

06/19/2024 Appropriations



PUBLIC_RECORDS_ACT

| No tags, commentary, or attachment applied

28.

California Senate Bill 1189 (2023-2024)

CAS 1189 | [Monique Limon \(D-019\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

County Employees Retirement Law of 1937

Authorizes a board of retirement to appoint a chief technology officer.

Code:

An act to amend Section 31522.10 of the Government Code, relating to retirement.

Status:

May 6, 2024: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

Hearing Dates:

06/19/2024 Public Employment and Retirement



RETIREMENT_PERSONNEL

| No tags, commentary, or attachment applied

29.

California Senate Bill 1240 (2023-2024)

CAS 1240 | [Marie Alvarado-Gil \(D-004\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) | Assembly Public Employment and Retirement...

Public Employees Retirement System: Contracting

Relates to the Public Employees' Retirement System. Authorizes a successor agency for the El Dorado County Fire Protection District and the Diamond Springs-El Dorado Fire Protection District to provide employees the defined benefit plan or formula that those employees received from their respective employer prior to the annexation.

Code:

An act to add Section 20508.3 to the Government Code, relating to public employees' retirement, and declaring the urgency thereof, to take effect immediately.

Status:

May 8, 2024: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

May 8, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.

[+ Show full status history](#)

Hearing Dates:

06/19/2024 Public Employment and Retirement



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

31.

California Senate Bill 1379 (2023-2024)

CAS 1379 | [Bill Dodd \(D-003\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) |
Assembly Public Employment and Retirement...

Public Employees' Retirement Law: Reinstatement

Provides that under the Public Employees' Retirement System and the California Public Employees' Pension Reform Act, a retired member is generally subject to a specified hour limit of employment within a year for specified employers without reinstating in the system. Creates an exception from the limit by a retired person for the Solano County Sheriff's Department to perform functions regularly performed by a deputy sheriff, evidence technician, or communications operator, subject to certain requirements.

Code:

An act to amend, repeal, and add Sections ~~7522.56, 21221~~, [7522.56](#) and 21224 of the Government Code, relating to public retirement, and declaring the urgency thereof, to take effect immediately.

Status:

May 28, 2024: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

Hearing Dates:

06/19/2024 Public Employment and Retirement



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

32.

California Senate Bill 1441 (2023-2024)

CAS 1441 | [Ben Allen \(D-024\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Assembly Elections Committee

Examination of Petitions: Time Limitations

Provides that existing law authorizes the proponents of a petition found to be insufficient or their designated representative to examine the petition. Requires the examination to conclude no later than a specified number of days. Requires the proponent to reimburse all costs incurred by the county elections official due to the examination. Provides that the State Constitution requires the State to reimburse local agencies and school districts for certain costs. Provides that no reimbursement is required.

Code:

An act to amend Section 7924.110 of the Government Code, relating to petitions.

Status:

June 11, 2024: From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on ELECTIONS.
[+ Show full status history](#)

Hearing Dates:

06/26/2024 Elections



PUBLIC_RECORDS_ACT

| No tags, commentary, or attachment applied

33.

California Proposition TBD (2024)

CA 2024 6 | State ID: 1935.(21-0042A1) | Eligible for Ballot: 02/02/2023 | Qualification: 02/02/2023 | Election: 11/05/2024

Taxpayer Protection and Government Accountability Act

Requires, for new or increased state taxes currently enacted by two-thirds vote of Legislature, a statewide election and majority voter approval. Limits voters' ability to pass voter-proposed local special taxes by raising vote requirement to two-thirds. Eliminates voters' ability to advise how to spend revenues from proposed general tax on same ballot as the proposed tax. Expands definition of taxes.

BALLOT_INITIATIVES

Tags:

Staff_Recommendation:

IBLC_Recommendation:

34.

United States House Bill 82 (2023-2024)

US H 82 | [Garret Graves \(R-LA 06\)](#) and 322 Co-sponsors | Pending | House Ways and Means Committee

Pension Offset and Windfall Elimination Repeal

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

Status:

Jan 9, 2023: To HOUSE Committee on WAYS AND MEANS.

Jan 9, 2023: INTRODUCED.

[+ Show full status history](#)

Related:

[US H 4583](#) |

[US S 597](#) |

[US S 2280](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation: Support

IBLC_Recommendation: Support

BOR_Position: Support

35.

United States House Bill 957 (2023-2024)

US H 957 | [Abigail A. Spanberger \(D-VA 07\)](#) and 17 Co-sponsors | Pending | House Ways and Means Committee

Internal Revenue Code Retirement Plan Exclusion

Amends the Internal Revenue Code of 1986 to increase the amount excluded from gross income by reason of distributions from governmental retirement plans for health and long-term care insurance for public safety officers.

Status:

Feb 9, 2023: To HOUSE Committee on WAYS AND MEANS.

Feb 9, 2023: INTRODUCED.

[+ Show full status history](#)

HEALTHCARE

Tags:

Staff_Recommendation: [Watch](#)

IBLC_Recommendation: [Watch](#)

BOR_Position: [Watch](#)

36.

United States House Bill 4260 (2023-2024)

US H 4260 | [Richard E. Neal \(D-MA 01\)](#) and 103 Co-sponsors | Pending | House Ways and Means Committee

Equitable Social Security Formula

Amends specified title of the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

Status:

June 21, 2023: To HOUSE Committee on WAYS AND MEANS.

June 21, 2023: INTRODUCED.

[+ Show full status history](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation:

IBLC_Recommendation:

BOR_Position:

37.

United States House Bill 5241 (2023-2024)

US H 5241 | [Gregory F. Murphy \(R-NC 03\)](#) and 6 Co-sponsors | Pending | House Ways and Means Committee

Governmental Pension Plans

Amends the Internal Revenue Code of 1986 to provide that governmental pension plans may include certain firefighters, emergency medical technicians, and paramedics.

Status:

Aug 18, 2023: To HOUSE Committee on WAYS AND MEANS.

Aug 18, 2023: To HOUSE Committee on EDUCATION AND THE WORKFORCE.

Aug 18, 2023: INTRODUCED.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

38.

United States House Bill 5342 (2023-2024)

US H 5342 | [Jodey Cook Arrington \(R-TX 19\)](#) and 35 Co-sponsors | Pending |
House Ways and Means Committee

Windfall Elimination Provision Replacement

Amends title II of the Social Security Act to replace the windfall elimination provision with a formula equalizing benefits for certain individuals with noncovered employment.

Status:

Sep 5, 2023: To HOUSE Committee on WAYS AND MEANS.

Sep 5, 2023: INTRODUCED.

[+ Show full status history](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation: Support

IBLC_Recommendation: Support

BOR_Position: Support

39.

United States Senate Bill 597 (2023-2024)

USS 597 | [Sherrod Brown \(D-OH\)](#) and 58 Co-sponsors | Pending | Senate Finance Committee

Government Pension Offset Repeal

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

Status:

Mar 1, 2023: To SENATE Committee on FINANCE.

Mar 1, 2023: In SENATE. Read second time.

Mar 1, 2023: INTRODUCED.

[+ Show full status history](#)

Related:

[US H 82](#) |

[US H 4583](#) |

[USS 2280](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation:

IBLC_Recommendation:

BOR_Position:

FOR INFORMATION ONLY

June 12, 2024

TO: Trustees – Board of Retirement

FROM: Jean J. Kim 
Senior Staff Counsel

DATE: Board of Retirement Meeting of July 3, 2024

SUBJECT: **REPORT OF REVISED PAY ITEMS**

This memorandum addresses existing pay items, for which pensionability determinations have previously been made by the Board. Because these pay items have been modified since the previous determinations, we have conducted another review, as explained below.

ITEMS OF COMPENSATION

The Board of Retirement (the “Board”) is charged with determining which items of compensation qualify as pensionable earnings includable in a member’s retirement allowance. Items of compensation are analyzed as “pensionable” (i) for “legacy members” under the definition of “compensation earnable” in Government Code §31461 of the County Employees Retirement Law of 1937 (CERL), and (ii) for “new members” or “PEPRA members” under the definition of “pensionable compensation” in Government Code §7522.34 of the California Public Employees’ Pension Reform Act of 2013 (PEPRA). A “legacy member” refers to any individual who became a member of LACERA, or a reciprocal system, prior to January 1, 2013; and a “new member” (otherwise referred to as a “PEPRA member”) of LACERA is generally defined as anyone who first becomes a member of LACERA on or after January 1, 2013 and was not previously a member of another public retirement system prior to that date. (CA Govt. Code §7522.04(f)) Based on the criteria set forth in these statutes, LACERA staff reviewed and analyzed the pay items at issue to determine whether the item should be included in a member’s final compensation when calculating a retirement benefit and provide a recommendation to the Board.

For the pay items at issue, the Board has already made determinations of pensionability under both CERL, for legacy members, and PEPRA, for PEPRA members. However, as these pay item have been modified, staff reviewed the revised pay items to ensure that the prior legal analysis and determination of pensionability was still applicable. A summary of these revised pay items, with the

Trustees – Board of Retirement
June 12, 2024
Re: Report of Revised Pay Items
Page 2

changes in bold, is attached as Attachment A and the applicable original analysis of pensionability for this pay item is attached as Attachment B.

Specifically, the pay items at issue have been modified solely to either (i) increase the rate of the pay item or (ii) to add a new eligible class of employees who may receive the pay item. Because these changes do not impact the original analysis of pensionability for these items, the original underlying analysis and determination by the Board remain relevant and applicable to each revised pay item.

Therefore, no additional determination by the Board is necessary.

For reference, the complete list of pay codes that have been determined by the Board to be pensionable or not pensionable under CERL (for legacy members) and under PEPRA (for new members) are located at <https://www.lacera.com/active-service/cerl-pay-codes> (CERL) and <https://www.lacera.com/active-service/pepra-pay-codes> (PEPRA).

Reviewed and Approved



Steven P. Rice
Chief Counsel

JJK/et
Attachments

Legal/BOR Memos, FIO, Resolutions/Board Memos

Attachment A

Revised Pay Codes

reviewed under Sections 31461 (CERL/Legacy) and 7522.34 (PEPRA)

Pay Event	Description	Earnings Code Description	Original Analysis (BOR Date)
INCLUDED under Sections 31461 and 7522.34			
247	DISPATCHER EMD CERTIFICATION BONUS	<p>This pay event is being revised to increase the rate pursuant to County Code Section 6.76.020U1 for the classification of Head Fire Dispatcher (Item 2437).</p> <p>Any person employed as a Head Fire Dispatcher (Item 2437) shall, if certified as an Emergency Medical Dispatcher, receive a bonus provided that all of the following conditions have been met:</p> <ol style="list-style-type: none"> 1. Proof that Emergency Medical Dispatcher Certification has been provided; 2. Proof that continuing education requirements have been met; 3. A rating of "Competent" or higher on the employee's most recent performance evaluation. New hires shall receive the bonus, as long as they maintain a competent level of performance; and 4. The employee is not on plan for improvement as part of an overall Improvement Needed performance evaluation. <p>Rates Effective 10/1/2007: 22 levels (5.6468%) Effective 12/1/2015: 6.7072% Effective 6/1/2016: 7.5096% Effective 6/1/2022: 9.4051%</p> <p>In the event the Tiered Dispatch Program is discontinued, the bonus shall be 6.7072%, under the same conditions as approved by the Board of Supervisors for represented employees in the fire dispatch series.</p>	11/8/2012
INCLUDED under Section 31461 and EXCLUDED under 7522.34			
388	ICHS-HEALTH SERVICES INTEGRATED CORRECTIONAL HEALTH SERVICE	<p>This pay event is being revised to increase the rate pursuant to County Code Section 6.78.350J.</p> <p>Any person employed in a full-time position of Pharmacy Supervisor I (Item No. 5516), Pharmacy Supervisor II (Item No. 5517), Pharmacy Services Chief I (Item No. 5528), Pharmacy Services Chief II (Item No. 5529), or Pharmacy Services Chief III (Item No. 5530), assigned to a detention or correctional facility on a full-time permanent basis shall receive additional compensation of 2.5% while so assigned, effective November 15, 2018.</p> <p>Effective October 1, 2023, the additional compensation shall increase to 5.5%.</p>	3/3/2017
654	INTERMEDIATE POST - ASSISTANT CHIEF, MEDICAL EXAMINER'S INVESTIGATIONS	<p>This pay event is being revised to extend eligibility for payment to a non-represented classification pursuant to County Code Section 6.52.020E1.</p> <p>Eligibility Criteria:</p> <ul style="list-style-type: none"> • Members of Bargaining Units 631 and 632 (Coroner Investigators and Supervising Coroner Investigators) that possess any Intermediate POST certificate. • Any person employed in the position of Assistant Chief, Medical Examiner's Investigations (Item 1638). <p>The additional pay is \$150 per month (or \$75 per pay period) effective March 1, 2023, upon receipt of verification.</p> <p>An eligible employee may receive either the POST Intermediate OR POST Advanced Bonus, but not both bonuses simultaneously.</p>	9/6/2023

Revised Pay Codes

reviewed under Sections 31461 (CERL/Legacy) and 7522.34 (PEPRA)

Pay Event	Description	Earnings Code Description	Original Analysis (BOR Date)
INCLUDED under Section 31461 and EXCLUDED under 7522.34			
655	<p>ADVANCED POST - ASSISTANT CHIEF, MEDICAL EXAMINER'S INVESTIGATIONS</p>	<p>This pay event is being revised to extend eligibility for payment to a non-represented classification pursuant to County Code Section 6.52.020E2.</p> <p>Eligibility Criteria:</p> <ul style="list-style-type: none"> • Members of Bargaining Units 631 and 632 (Coroner Investigators and Supervising Coroner Investigators) that possess any Advanced POST certificate. • Any person employed in the position of Assistant Chief, Medical Examiner's Investigations (Item 1638). <p>The additional pay is \$250 per month (or \$125 per pay period) effective March 1, 2023, upon receipt of verification.</p> <p>An eligible employee may receive either the POST Intermediate OR POST Advanced Bonus, but not both bonuses simultaneously.</p>	9/6/2023

Attachment B

Original Analysis of Pay Code 247 (Reviewed by BOR on 11/8/2012)

Attachment A: Pensionable Compensation INCLUDED
Resolution No. 12-002 Under Government Code Section 7522.34

Event	Description	Interpretive Manual Description	7522.34 Reference	ANALYSIS
247	DISPATCHER EMD CERTIFICATION BONUS	Paid to full-time permanent employees in the Fire Dispatching series who are certified as Emergency Medical Dispatchers, who have met continuing education requirements, and who have been rated as Competent or higher. Bonus is paid at 22 levels on the public pay schedule. Open to all in Fire Dispatcher Series (2432 - Fire Dispatcher I; 2433 - Fire Dispatcher II; 2434 - Supervising Fire Dispatcher; 2435 - Fire Dispatcher Specialist; 2437 - Head Fire Dispatcher).	(a)	Essential function of job. EMD certificate is required for classifications of 2433 - Fire Dispatcher II; 2434 - Supervising Fire Dispatcher; 2435 - Fire Dispatcher Specialist; 2437 - Head Fire Dispatcher. These earnings are included under 7522.34(a), as it is in the public pay schedule, applies to all similarly situated employees in this unit, and is for work that takes place during normal working hours.

Original Analysis of Pay Code 388 (Reviewed by BOR on 3/3/2017)

Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34					
Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
INCLUDED under Section 31461					
388	SHERIFF DETENTION FACILITY ASSIGNMENT BONUS	<p>Effective on the date the Board of Supervisors approves this MOU, any person in the Sheriff's Department Physician Assistants bargaining unit who is employed by the L.A. County Sheriff's Department, Medical Services Bureau, in a permanent, full-time position and who is permanently assigned to work within a Sheriff's Custody facility, will be provided a 5.5% bonus.</p> <p>Upon the integration of the L.A. County Sheriff's Department, Medical Services Bureau, into the Department of Health Services, qualifying persons in this bargaining unit permanently assigned to work within a Sheriff's Custody facility will continue to receive a 5.5% bonus.</p> <p>Upon the integration of the Los Angeles County Sheriff's Department, Medical Services Bureau, integration into the Department of Health Services, Physician Specialist, Family Practice, and Physician Specialist, Internal Medicine/General – Endocrinology, permanently assigned to work in a Los Angeles County detention or correctional facility shall receive an additional 5.5 percent above the compensation provided in Article 7. Compensation pursuant to this section does not constitute a base rate.</p> <p>Any person employed by the Department of Mental Health in a position of Mental Health Psychiatrist (Item No. 4735) and who is permanently assigned to work in a Los Angeles County detention or correctional facility shall receive an additional 5.5 percent above compensation provided for in Article 7.</p> <p>Upon the integration of the Department of Mental Health, Jail Mental Health Services into the Department of Health Services, qualifying classifications permanently assigned to work within a Los Angeles County detention or correctional facility shall continue to receive the 5.5 percent above compensation.</p> <p>Upon the integration of the LA County Sheriff's Department, Medical Services Bureau and the Department of Mental Health Jail Mental Health Services, into the Department of Health Services, Dentist (Item No. 4763), Senior Dentist (Item No. 4766), Dental Specialist (Item No. 4767), and Dental Hygienist (Item No. 4751), permanently assigned to a Los Angeles County detention or correction facility will receive an additional 5.5 percent above compensation. Compensation pursuant to this section does not constitute a base rate.</p>	(a)	—	<p>Additional pay to any person employed by L.A. County Sheriff's Department, Medical Services Bureau, in a permanent, full-time position as a Physician Assistant, Physician, Mental Health Psychiatrist, Dentist, and Dental Hygienist, permanently assigned to a Los Angeles County detention or correction facility shall receive an additional 5.5 percent above compensation provided for in this Article 7.</p> <p>Upon the integration of the L.A. County Sheriff's Department, Medical Services Bureau, into the Department of Health Services, qualifying persons in this bargaining unit permanently assigned to work within a Sheriff's Custody facility will continue to receive a 5.5% bonus.</p> <p>This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a).</p>
EXCLUDED under Section 7522.34					
388	SHERIFF DETENTION FACILITY ASSIGNMENT BONUS	<p>Effective on the date the Board of Supervisors approves this MOU, any person in the Sheriff's Department Physician Assistants bargaining unit who is employed by the L.A. County Sheriff's Department, Medical Services Bureau, in a permanent, full-time position and who is permanently assigned to work within a Sheriff's Custody facility, will be provided a 5.5% bonus.</p> <p>Upon the integration of the L.A. County Sheriff's Department, Medical Services Bureau, into the Department of Health Services, qualifying persons in this bargaining unit permanently assigned to work within a Sheriff's Custody facility will continue to receive a 5.5% bonus.</p> <p>Upon the integration of the Los Angeles County Sheriff's Department, Medical Services Bureau, integration into the Department of Health Services, Physician Specialist, Family Practice, and Physician Specialist, Internal Medicine/General – Endocrinology, permanently assigned to work in a Los Angeles County detention or correctional facility shall receive an additional 5.5 percent above the compensation provided in Article 7. Compensation pursuant to this section does not constitute a base rate.</p> <p>Any person employed by the Department of Mental Health in a position of Mental Health Psychiatrist (Item No. 4735) and who is permanently assigned to work in a Los Angeles County detention or correctional facility shall receive an additional 5.5 percent above compensation provided for in Article 7.</p> <p>Upon the integration of the Department of Mental Health, Jail Mental Health Services into the Department of Health Services, qualifying classifications permanently assigned to work within a Los Angeles County detention or correctional facility shall continue to receive the 5.5 percent above compensation.</p> <p>Upon the integration of the LA County Sheriff's Department, Medical Services Bureau and the Department of Mental Health Jail Mental Health Services, into the Department of Health Services, Dentist (Item No. 4763), Senior Dentist (Item No. 4766), Dental Specialist (Item No. 4767), and Dental Hygienist (Item No. 4751), permanently assigned to a Los Angeles County detention or correction facility will receive an additional 5.5 percent above compensation. Compensation pursuant to this section does not constitute a base rate.</p>	—	(c)(11)	<p>Additional pay to any person employed by L.A. County Sheriff's Department, Medical Services Bureau, in a permanent, full-time position as a Physician Assistant, Physician, Mental Health Psychiatrist, Dentist, and Dental Hygienist, permanently assigned to a Los Angeles County detention or correction facility shall receive an additional 5.5 percent above compensation provided for in this Article 7.</p> <p>Upon the integration of the L.A. County Sheriff's Department, Medical Services Bureau, into the Department of Health Services, qualifying persons in this bargaining unit permanently assigned to work within a Sheriff's Custody facility will continue to receive a 5.5% bonus.</p> <p>This is location assignment bonus paid in addition to the normal monthly rate of pay. Although this bonus applies to all similarly situated Physician Assistants, Physicians, Mental Health Psychiatrists, Dentists, and Dental Hygienists, permanently assigned to a Los Angeles County detention or correction facility, the bonus is not included in the Public Pay Schedule and is excluded under 7522.34(c)(11).</p>

Original Analysis of Pay Code 654 (Reviewed by BOR on 9/6/2023)


Attachment: Newly Created Pay Codes reviewed under Sections 31461 (CERL/Legacy) and 7522.34 (PEPRA)					
Event	Description	Earnings Code Description	31461 (CERL/Legacy) Reference	7522.34 (PEPRA) Reference	Analysis
Newly Created and INCLUDED under Section 31461 and EXCLUDED under 7522.34					
654	<p>POST BONUS INTERMEDIATE</p>	<p>This pay event is being created to provide additional pay for an Intermediate POST certificate. A new pay event is being created because the current pay event for POST Intermediate is a percentage pay code while this is a flat rate code.</p> <p>Eligibility Criteria:</p> <ul style="list-style-type: none"> • Members of Bargaining Units 631 and 632 (Coroner Investigators and Supervising Coroner Investigators) that possess any Intermediate POST certificate. <p>The additional pay is \$150 per month (or \$75 per pay period) effective March 1, 2023, upon receipt of verification.</p> <p>An eligible employee may receive either the POST Intermediate <u>OR</u> POST Advanced Bonus, but not both.</p>	<p>(a)</p>	<p>(c)(10) (c)(11)</p>	<p>This payment is available to all similarly situated members in the same grade or class and at the same rate of pay. The recommendation is to INCLUDE this payment in compensation earnable for LEGACY members.</p> <p>This payment is a flat rate bonus in addition to the normal rate of base pay under Section 7522.34 (c)(10). The Intermediate POST certificate is not a minimum job requirement for similarly situated members of the same group or class and does not appear on a Public Pay Schedule. It is inconsistent with the requirements of subdivision (a) under (c)(11). The recommendation is to EXCLUDE this payment from pensionable compensation for PEPRA members.</p>

Original Analysis of Pay Code 655 (Reviewed by BOR on 9/6/2023)

Attachment: Newly Created Pay Codes reviewed under Sections 31461 (CERL/Legacy) and 7522.34 (PEPRA)					
Event	Description	Earnings Code Description	31461 (CERL/Legacy) Reference	7522.34 (PEPRA) Reference	Analysis
Newly Created and INCLUDED under Section 31461 and EXCLUDED under 7522.34					
655	POST BONUS ADVANCED	<p>This pay event is being created to provide additional pay for an Advanced POST certificate. A new pay event is being created because the current pay event for POST Advanced is a percentage pay code while this is a flat rate code.</p> <p>Eligibility Criteria:</p> <ul style="list-style-type: none"> Members of Bargaining Units 631 and 632 (Coroner Investigators and Supervising Coroner Investigators) that possess any Advanced POST certificate. <p>The additional pay is \$250 per month (or \$125 per pay period) effective March 1, 2023, upon receipt of verification.</p> <p>An eligible employee may receive either the POST Intermediate OR POST Advanced Bonus, but not both.</p>	(a)	(c)(10) (c)(11)	<p>This payment is available to all similarly situated members in the same grade or class and at the same rate of pay. The recommendation is to INCLUDE this payment in compensation earnable for LEGACY members.</p> <p>This payment is a flat rate bonus in addition to the normal rate of base pay Section 7522.34 (c)(10). The Advanced POST certificate is not a minimum job requirement for similarly situated members of the same group or class and does not appear on a Public Pay Schedule. It is inconsistent with the requirements of subdivision (a) under (c)(11). The recommendation is to EXCLUDE this payment from pensionable compensation for PEPRA members.</p>

FOR INFORMATION ONLY

June 24, 2024

TO: Each Trustee
Board of RetirementFROM: Tamara Caldwell, Division Manager 
Disability Retirement Services

FOR: July 3, 2024 Board of Retirement Meeting

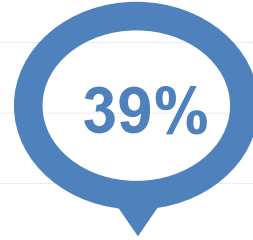
SUBJECT: **Disability Retirement Application Processing Time Snapshot Reports**

The following chart shows the total processing time from receipt of the application to the first Board action for all cases on the July 3, 2024, Disability Retirement Applications Agenda.

Consent & Non-Consent Calendar		
Number of Applications	46	
Average Processing Time (in Months)	14.46	
Revised/Held Over Calendar		
Number of Applications	2	
Processing Time Per Case (in Months)	Case 1 28	Case 2 20

DISABILITY RETIREMENT SERVICES

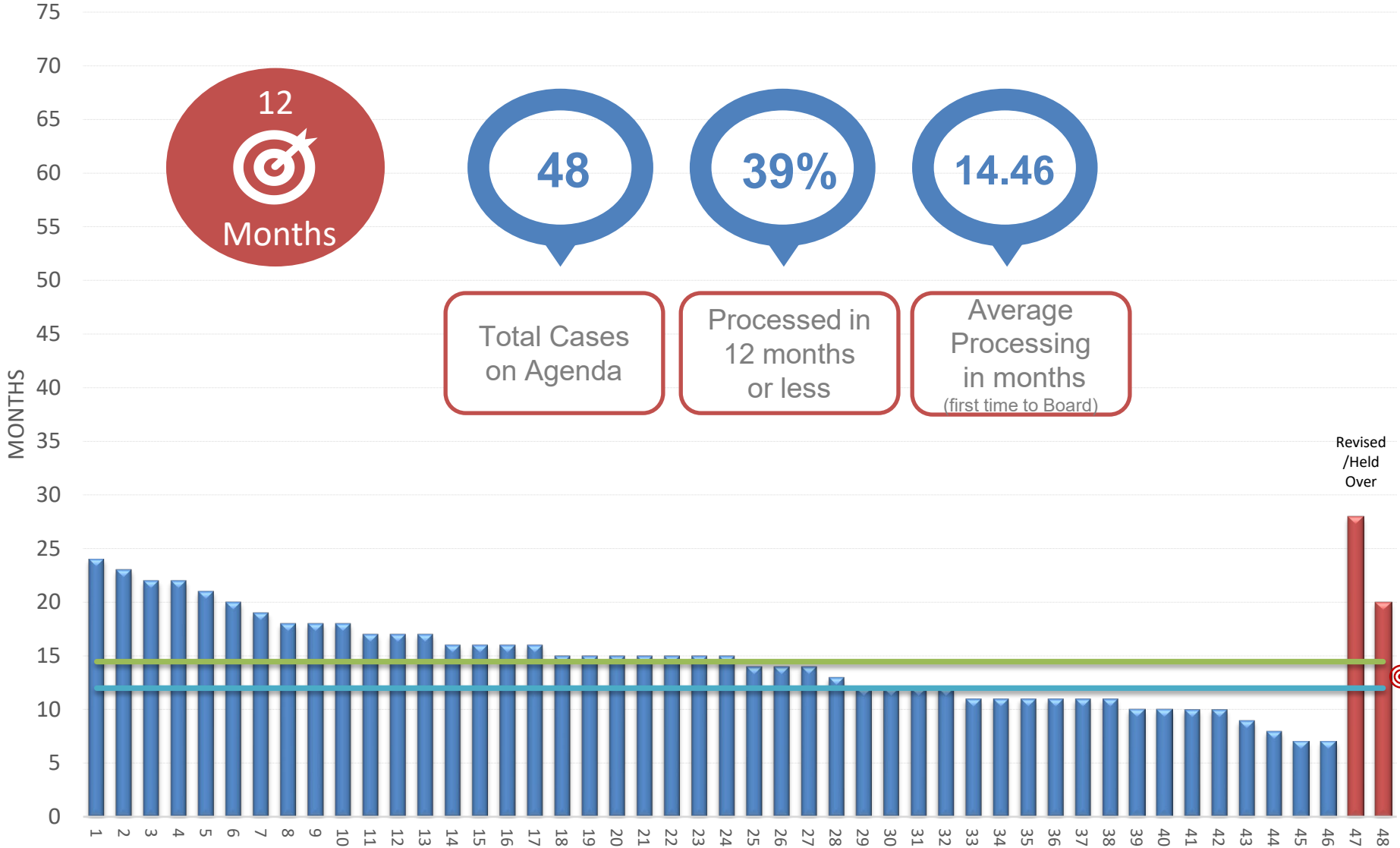
Application Processing Time



Total Cases
on Agenda

Processed in
12 months
or less

Average
Processing
in months
(first time to Board)

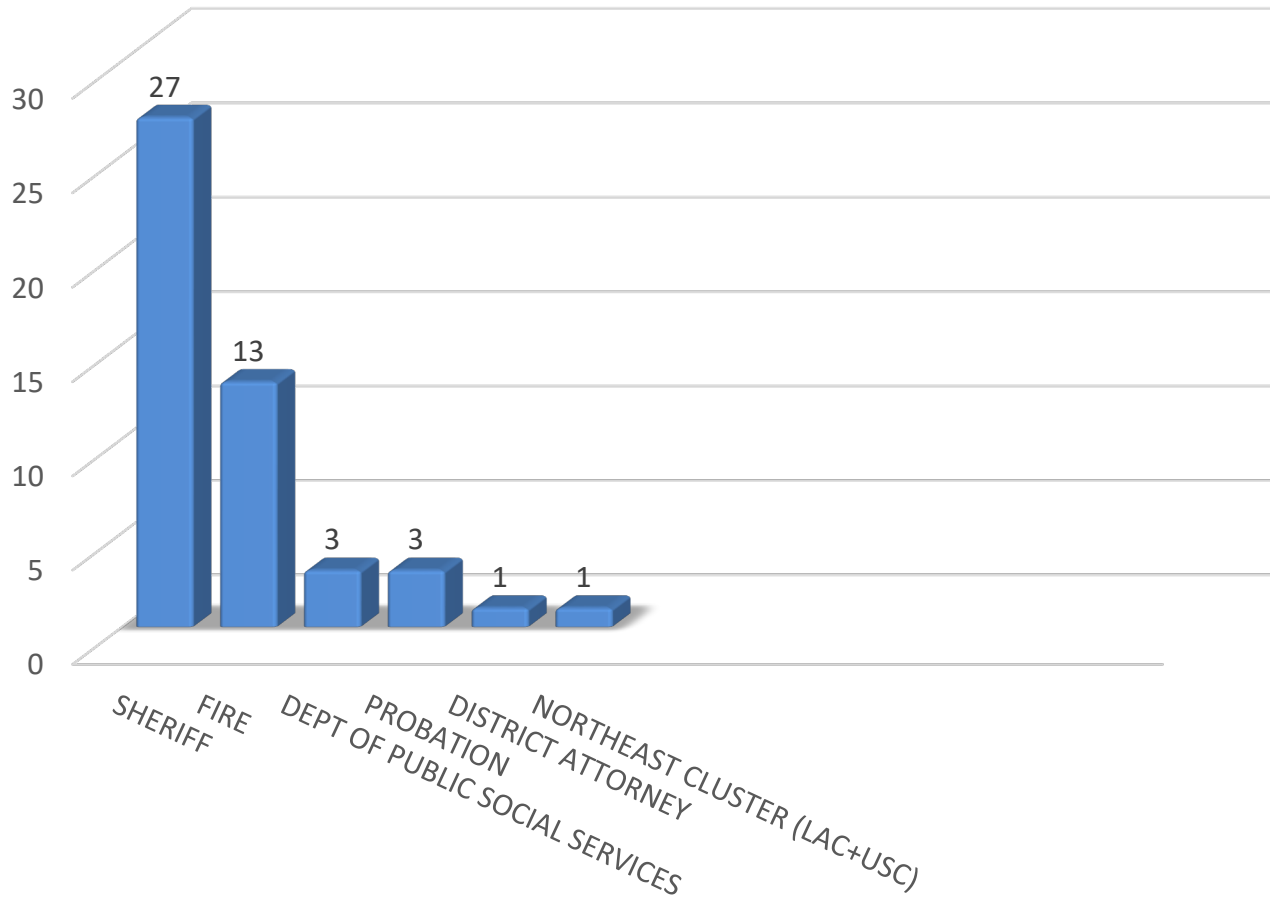


Revised
/Held
Over

July 3, 2024 - Disability Agenda

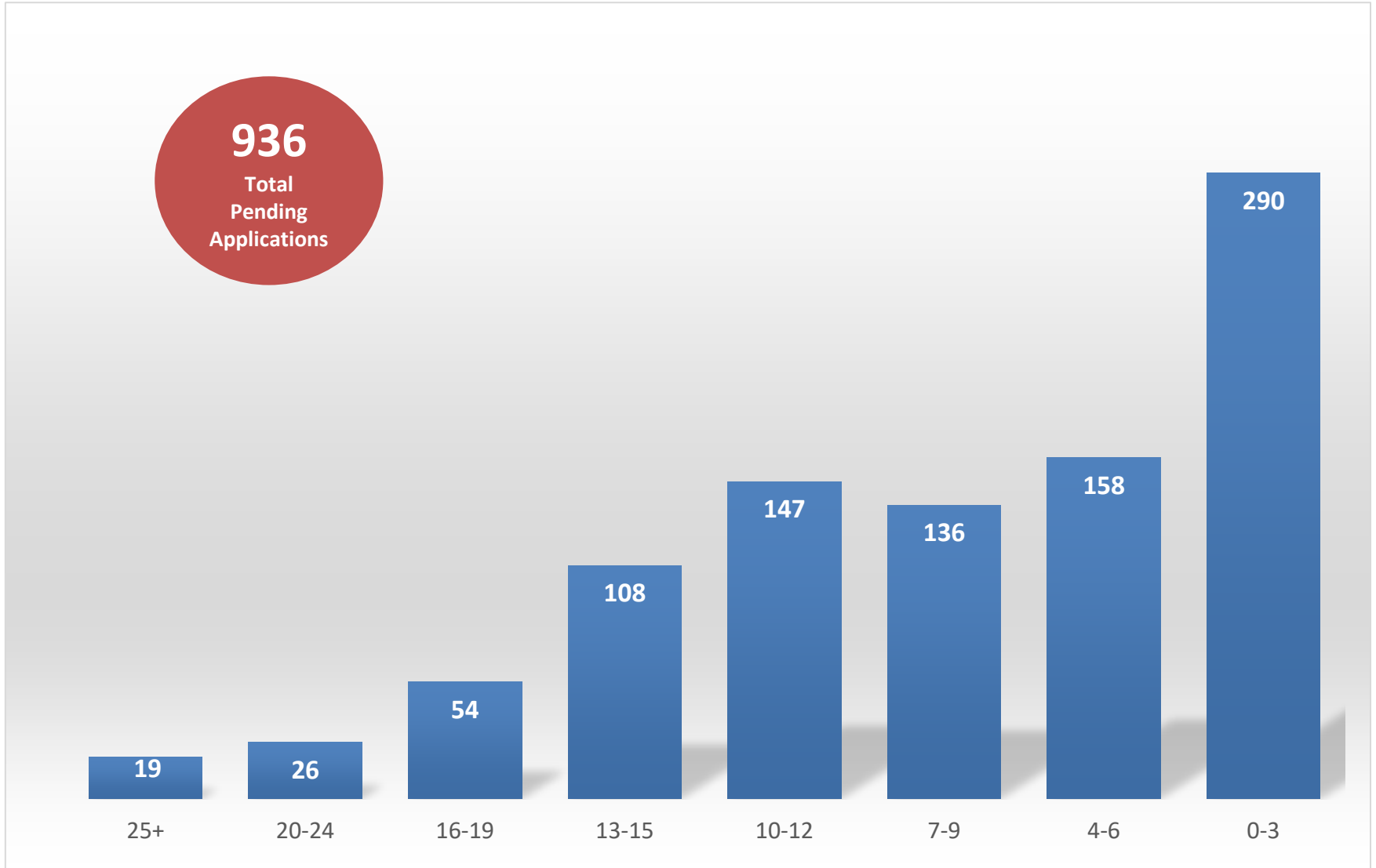
DISABILITY RETIREMENT SERVICES

Total Applications by Department on July 3, 2024 Agenda



DISABILITY RETIREMENT SERVICES

Pending Applications/Months



As of June 24, 2024

*Cases on the July 3, 2024 agenda are not included

Disability Retirement Services

Applications by Department

DEPARTMENT	# of Applications	% of Inventory
SHERIFF	433	46.36%
FIRE	154	16.49%
PROBATION DEPARTMENT	124	13.28%
DEPT OF PUBLIC SOCIAL SERVICES	34	3.64%
CHILDREN & FAMILY SERVICES	25	2.68%
MENTAL HEALTH	16	1.71%
PUBLIC HEALTH PROGRAM	16	1.71%
DISTRICT ATTORNEY	15	1.61%
NORTHEAST CLUSTER (LAC+USC)	15	1.61%
PUBLIC WORKS	13	1.39%
SUPERIOR COURT/COUNTY CLERK	12	1.28%
COASTAL CLUSTER-HARBOR/UCLA MC	9	0.96%
CORRECTIONAL HEALTH	9	0.96%
HEALTH SERVICES ADMINISTRATION	8	0.86%
RANCHO LOS AMIGOS HOSPITAL	6	0.64%
SFV CLUSTER-OLIVE VIEW/UCLA MC	6	0.64%
INTERNAL SERVICES	5	0.54%
PUBLIC DEFENDER	5	0.54%
AMBULATORY CARE NETWORK	4	0.43%
ASSESSOR	3	0.32%
COUNTY COUNSEL	3	0.32%
PARKS AND RECREATION	3	0.32%
ANIMAL CONTROL	2	0.21%
CHIEF EXECUTIVE OFFICE	2	0.21%
CHILD SUPPORT SERVICES	2	0.21%
MEDICAL EXAMINER-CORONER	2	0.21%
ALTERNATE PUBLIC DEFENDER	1	0.11%
AUDITOR - CONTROLLER	1	0.11%
DEPARTMENT OF HUMAN RESOURCES	1	0.11%
JUVENILE COURT HEALTH SERVICES	1	0.11%
PUBLIC LIBRARY	1	0.11%
REGIONAL PLANNING	1	0.11%
REG-RECORDER/COUNTY CLERK	1	0.11%
TREASURER AND TAX COLLECTOR	1	0.11%
Grand Total	936	100.00%

**FOR INFORMATION ONLY**

June 21, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger *TG*
Chief Financial Officer

FOR: July 3, 2024 Board of Retirement Meeting
August 14, 2024 Board of Investments Meeting

SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – MAY 2024

Attached for your review is the Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through May 2024.

Trustees attend monthly Board and Committee meetings at LACERA's office which are considered administrative meetings per the Trustee Travel Policy. In order to streamline report volume and information, these regular meetings are excluded from the monthly travel reports but are included in the quarterly travel expenditure reports.

Staff travel and education expenditure reports are provided to the Chief Executive Officer monthly and to the Boards quarterly.

REVIEWED AND APPROVED:

Santos H. Kreimann
Chief Executive Officer

TG/EW/SC/SE/gj

Attachments

c: L. Lugo
J. Popowich
L. Guglielmo
J. Gabel
S. Rice
R. Contreras

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2023 - 2024
MAY 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Alan Bernstein			
A	1 Edu - PREA's 33rd Annual Institutional Investor Conference - Boston MA	10/18/2023 - 10/20/2023	Attended
B	- Edu - NACD DE&I Deep Dive: A Road Map for Becoming an Inclusion-Focused Board - Laguna Beach CA	08/22/2023 - 08/23/2023	Attended
Trevor Fay			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
	2 Admin - 2024 Toigo Foundation Industry Insight & Anniversary Gala - New York City NY	05/29/2024 - 05/29/2024	Attended
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
Mike Gatto			
A	1 Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
B	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
Vivian Gray			
A	1 Edu - Prosper Africa U.S. Institutional Investors Delegation Trip & GEBF Thought Leadership Conference - Johannesburg and Cape Town South Africa	09/30/2023 - 10/06/2023	Attended
	2 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	3 Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC	02/26/2024 - 02/27/2024	Attended
	4 Edu - NCPERS 2024 Annual Conference & Exhibition - Seattle WA	05/19/2024 - 05/22/2024	Attended
B	- Admin - SACRS Board of Directors and Committee Meeting - San Mateo CA	08/07/2023 - 08/08/2023	Attended
	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	- Admin - TLF Trustee Peer Coaching Program - Boston MA	10/26/2023 - 10/27/2023	Attended
	- Admin - CALAPRS Intermediate Course in Retirement Plan Administration - Burbank CA	11/01/2023 - 11/03/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Admin - NASP New York Symposium - New York City NY	11/14/2023 - 11/15/2023	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
	- Admin - SACRS Board of Directors and Committee Meeting - Santa Barbara CA	03/25/2024 - 03/26/2024	Attended
	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
X	- Edu - Pension Bridge Private Credit Conference - San Diego CA	02/26/2024 - 02/27/2024	Canceled
David Green			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2023 - 2024
MAY 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Jason Green			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended
B	- Edu - CII 2023 Fall Conference Next Frontier in Governance - Long Beach CA	09/11/2023 - 09/13/2023	Attended
James Harris			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
Onyx Jones			
X	- Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Canceled
Patrick Jones			
A	1 Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL	09/19/2023 - 09/20/2023	Attended
	2 Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Attended
	3 Edu - 2024 Infrastructure Investor Global Summit - Berlin, Germany	03/18/2024 - 03/21/2024	Attended
	4 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	- Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
Shawn Kehoe			
B	- Admin - Professional Peace Officers Association (PPOA) Offsite - Carlsbad CA	01/27/2024 - 01/27/2024	Attended
Keith Knox			
A	1 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
Debbie Martin			
X	- Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Canceled

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2023 - 2024
MAY 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Nicole Mi			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	2 Edu - PPI 2024 Leadership Lab - Napa CA	03/05/2024 - 03/06/2024	Attended
	3 Edu - CALAPRS Advanced Principles of Pension Governance for Trustees - Pasadena CA	03/27/2024 - 03/29/2024	Attended
	4 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	- Edu - UCLA Anderson Business School - The Global Economy (Monthly classes: 01/07, 02/04, 03/03) - Los Angeles CA	01/07/2024 - 03/03/2024	Attended
	- Edu - UCLA Anderson Business School - Decoding Today's Financial Markets (Weekly Tuesday classes except: 01/23, 03/05) - Los Angeles CA	01/09/2024 - 03/12/2024	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
C	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
Wayne Moore			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
Les Robbins			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
David Ryu			
A	1 Edu - Impact Investor Global Summit 2024 - London, England	05/14/2024 - 05/15/2024	Attended
Gina Sanchez			
A	1 Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL	09/19/2023 - 09/20/2023	Attended
	2 Edu - Midwest and West Coast Investor Insight Summit - Chicago IL	10/05/2023 - 10/06/2023	Attended
	3 Edu - 2023 LAVCA Week Conference - New York City NY	10/10/2023 - 10/13/2023	Attended
	4 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
B	- Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2023 - 2024
MAY 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Herman Santos			
A	1 Edu - 2023 LAVCA Week Conference - New York City NY	10/10/2023 - 10/13/2023	Attended
	2 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
	3 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	4 Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC	02/26/2024 - 02/27/2024	Attended
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
X	- Edu - 2024 PREA's Spring Conference - Nashville TN	03/21/2024 - 03/22/2024	Canceled

Category Legend:

- A - Pre-Approved/Board Approved Educational Conferences
- B - 1) Board Approved Administrative Meetings and 2) Pre-Approved Educational Conferences in CA where total cost is no more than \$3,000 provided that a Trustee may not incur over \$15,000 for all expenses of attending all such Educational Conferences and Administrative Meetings in a fiscal year per Trustee Travel Policy; Section III.A
- C - Second of two conferences and/or meetings counted as one conference per Trustee Education Policy Section IV.C.2 and Trustee Travel Policy Section IV.
- V - Virtual Event
- X - Canceled events for which expenses have been incurred.



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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**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



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