

IN PERSON & VIRTUAL BOARD MEETING



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.com.

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

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, FEBRUARY 12, 2025

This meeting will be conducted in person and by emergency teleconference under California Government Code Section 54953(e) based on the Board of Investments action at its meeting on January 8, 2025.

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. ELECTIONS OF COMMITTEE MEMBERS
Election of Trustees to Joint Organizational Governance Committee (1 Trustee) and Audit, Compliance, Risk, and Ethics Committee (3 Trustees)
- IV. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of December 11, 2024
 - B. Approval of the Minutes of the Regular Meeting of January 8, 2025
- V. PUBLIC COMMENT
(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request [form](#).)

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 Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

V. PUBLIC COMMENT (Continued)

If you select written comment, please input your written public comment within the form 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. Chief Investment Officer's Report – February 2025
- B. Member Spotlight – February 2025
- C. Chief Executive Officer's Report – February 2025

VII. NON-CONSENT ITEM

A. **2025 Strategic Framework and Initiatives: Towards Best-in-Class Investor**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer: That the Board approve the 2025 Strategic Framework and Initiatives. (Memo dated December 23, 2024)

B. **Real Estate Structure Review**

Recommendation as submitted by Terri Herubin, Senior Investment Officer: That the Board approve the recommendations within the Real Estate Structure Review, which includes amendments to the Real Estate investment guidelines, as outlined on slides 25 and 34 of the attached presentation. (Memo dated December 19, 2024)

C. **2024 Actuarial Valuation of Retirement Benefits**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer, Ted Granger, Chief Financial Officer: That the Board:

1. Accept the June 30, 2024 Actuarial Valuation of Retirement Benefits as submitted by the Plan's consulting actuary, Milliman.
2. Adopt recommended employer contribution rates (all plan tiers) and employee contribution rates (PEPRA plans - General Plan G and Safety Plan C).

VII. NON-CONSENT ITEMS (Continued)

3. Delegate authority to the Chief Executive Officer to communicate the results of the 2024 Actuarial Valuation of Retirement Benefits to the Board of Supervisors on or before May 15, 2025, with a recommendation to implement the employer and employee rates no later than September 29, 2025.

(Presentation) (Memo dated January 24, 2025)

VIII. REPORTS

A. **Responsible Contractor Policy Report**

Scott Zdrazil, Principal Investment Officer

Michael Romero, Senior Investment Analyst

Stephanie Xia, Senior Investment Analyst

(Presentation) (Memo dated January 24, 2025)

B. **Semi-Annual Interest Crediting for Reserves as of December 31, 2024**

Ted Granger, Chief Financial Officer

Michael Huang, Accounting Officer II

(Presentation) (Memo dated January 30, 2025)

C. **LACERA 2025 Election of Fourth Member: Review and Update of The Statement of Powers and Duties of Board of Investments Trustees**

Steven P. Rice, Chief Counsel

(Presentation) (Memo dated February 3, 2025)

D. **Updating LACERA's Code of Ethical Conduct**

Steven P. Rice, Chief Counsel

Allison E. Barrett, Senior Staff Counsel

Jessica Rivas, Staff Counsel

(Presentation) (Memo dated December 17, 2024)

E. **OPEB Master Trust Commingled Account Liquidation Update**

Esmeralda del Bosque, Principal Investment Officer

Soniah Ginoyan, Senior Investment Analyst

(For Information Only) (Memo dated January 15, 2025)

VIII. REPORTS (Continued)

- F. **StepStone Group Private Equity Consultant Self-Evaluation**
Jose Fernandez, Natalie Walker, Daniel Krikorian
StepStone Group LP
(For Information Only) (Memo dated December 6, 2024)
- G. **StepStone Real Estate Consultant Self-Evaluation**
Margaret McKnight, Thomas Hester, Kristen Moore, James Maina
StepStone Real Estate
(For Information Only) (Memo dated December 30, 2024)
- H. **Meketa Investment Group General Investment Consultant Self-Evaluation**
Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid
Meketa Investment Group
(For Information Only) (Memo dated December 20, 2024)
- I. **Albourne Credit, Hedge Fund and Real Assets Consultant- Self-Assessment**
James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
(For Information Only) (Memo dated December 19, 2024)
- J. **ACRE Committee Annual Report to the Boards**
Debbie Martin, 2024 ACRE Committee Chair
Richard P. Bendall, Chief Audit Executive
(For Information Only) (Memo dated December 19, 2024)
- K. **Legal Projects – January 2025**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 31, 2024)
- L. **Legal Projects – February 2025**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated January 31, 2025)
- M. **Real Estate Recoveries Report**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated February 4, 2025)

VIII. REPORTS (Continued)

- N. **Board of Retirement Board Officers: 2025 Calendar Year**
Santos H. Kreimann, Chief Executive Officer
(For Information Only) (Memo dated December 18, 2024)
- O. **Cost-Of-Living Adjustment Effective April 1, 2025**
Ted Granger, Chief Financial Officer
(For Information Only) (Memo dated January 24, 2025)
- P. **Monthly Trustee Travel & Education Reports - November 2024**
Ted Granger, Chief Financial Officer
(Public memo dated December 19, 2024)
- Q. **Monthly Trustee Travel & Education Reports – December 2024**
Ted Granger, Chief Financial Officer
(Public memo dated January 23, 2025)
- R. **Semi-Annual Report on Approved Engagements**
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated December 19, 2024)
- S. **December 2024 Fiduciary Counsel Contact and Billing Report**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated December 20, 2024) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)
- T. **January 2024 Fiduciary Counsel Contact and Billing Report**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated January 27, 2025) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

IX. 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.)

X. 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.)

XI. GOOD OF THE ORDER

(For Information Purposes Only)

XII. EXECUTIVE SESSION

- A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments
(Pursuant to California Government Code Section 54956.81)

1. **Private Equity Investment Update - I**

Derek Kong, Investment Officer

Chery Lu, Investment Officer

(For Information Only) (Memo dated December 7, 2024)

2. **Private Equity Investment Update - II**

Christopher J. Wagner, Principal Investment Officer

Calvin Chang, Senior Investment Analyst

(For Information Only) (Memo dated January 24, 2025)

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

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

Consultation with: LACERA Chief Investment Officer Jon Gabel, Deputy Chief Investment Officer, Jude Perez, Deputy Chief Executive Officer, Luis Lugo, Chief Counsel, Steven Rice, Senior Investment Officer, Dale Johnson, and Information Security Officer Chaitanya Errande, and Other LACERA Staff. (For Information Only) (Memo dated January 31, 2025)

C. **Conference with Legal Counsel – Existing Litigation**

(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. ***CPPIB Credit Investments, Inc. II, et al. v. Lions Gate Entertainment Corp., et al.***

(Supreme Court of the State of New York, Case No. 654398/2024)

(For Information Only) (Memo dated January 31, 2025)

XII. EXECUTIVE SESSION (Continued)

D. **Conference with Legal Counsel – Anticipated Litigation**

Initiation of Litigation (Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

1. **Number of Cases: 1**

(Memo dated December 31, 2024)

XIII. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments 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 Investments Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 8:00 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 from 8:00 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 INVESTMENTS
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, DECEMBER 11, 2024

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

TRUSTEES PRESENT

Patrick Jones, Chair

David Ryu, Vice Chair (Teleconference Due to Just Cause under Section 54953(f))

Jason Green, Secretary (Joined the meeting at 9:22 a.m.)

Trevor Fay

Mike Gatto

Elizabeth Ginsberg

Aleen Langton

Debbie Martin

Nicole Mi

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Santos Kreimann, Chief Executive Officer

Jude Pérez, Deputy Chief Investment Officer

Luis Lugo, Deputy Chief Executive Officer

Steven P. Rice, Chief Counsel

STAFF, ADVISORS, PARTICIPANTS:

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Chief Financial Officer

Scott Zdrazil, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Magdalia Armstrong, Senior Investment Analyst

Terri Herubin, Senior Investment Officer

Quoc Nguyen, Investment Officer

Kathryn Ton, Senior Investment Analyst

Cheryl Lu, Investment Officer

John Kim, Investment Officer

Calvin Chang, Senior Investment Analyst

Carly Ntoya, Director of Human Resources

StepStone Group LP (Equity Consultants)

Jose Fernandez, Partner

StepStone Group LP (Real Assets)

Margaret McKnight, Partner

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

Aysun Kilic, Managing Principal

Albourne (Illiquid Credit, Real Assets and Hedge Funds Consultants)

Steven Kennedy, Partner

I. CALL TO ORDER

The meeting was called to order by Chair Jones at 9:05 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Ms. Martin 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

A physical quorum was present at the noticed meeting location. There was one request received from Trustee Ryu to attend by teleconference for Just Cause (A) Childcare. Trustee Ryu confirmed that there were no individuals 18 years of age or older present at the teleconference location.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of November 13, 2024

A motion was made by Trustee Gatto, seconded by Trustee Martin, to approve the minutes of the Board of Investments meeting on November 13, 2024. The motion passed by following roll call vote:

Yes: Fay, Gatto, Ginsberg, Jones, Langton, Martin, Mi, Ryu

Absent: Green

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

VI. EXECUTIVE UPDATE (Continued)(Trustee Green joined the meeting at 9:22 a.m.)

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

B. Member Spotlight

Mr. Popowich recognized LACERA member, Vera Ashley-Potter.

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.

VII. NON-CONSENT ITEM (This item was held out of order, after XII.B.1, which was advanced, without objection, to before Item VII.)

A. **Chief Executive Officer Compensation**

Recommendation as submitted by Shawn Kehoe, Chair, Board of Retirement and Patrick Jones, Chair, Board of Investments: That the Board 1) Discuss and approve a merit increase for the Chief Executive Officer, Santos H. Kreimann, effective October 1, 2024; and 2) That the Board approve a 3% cost of living adjustment (COLA) for the Chief Executive Officer, Santos H. Kreimann, effective January 1, 2025. (Memo dated November 25, 2024)

At its December 4, 2024 meeting, the Board of Retirement voted to approve a merit adjustment of 5% effective October 1, 2024, a retention increase of 5% effective October 1, 2024 in recognition of the Chief Executive Officer having completed five years of LACERA service, and a cost of living adjustment of 3% effective January 1, 2025, subject to Board of Investments approval, for a total increase in salary as of January 1, 2025 from \$523,971 to \$593,659. (Supplemental Memo dated December 5, 2024)

A motion was made by Trustee Green, seconded by Trustee Langton, to approve a merit adjustment of 5% effective October 1, 2024, a retention increase of 5% effective October 1, 2024 in recognition of the Chief Executive Officer having completed five years of LACERA

VII. NON-CONSENT ITEM (Continued)

service, and a cost-of-living adjustment of 3% effective January 1, 2025, subject to Board of Investments approval, for a total increase in salary as of January 1, 2025 from \$523,971 to \$593,659.

The motion passed by the following roll call vote:

Before the vote on the item was taken, the statement of the proposed salary adjustments for the Chief Executive Officer was read by Director, Human Resources Carly Ntoya, Ph.D. as required by California Government Code Section 54953(c)(3).

Yes: Fay, Gatto, Ginsberg, Green, Jones, Langton, Martin, Mi, Ryu

VIII. REPORTS

A. **Annual Update and Review of LACERA TIDE (Towards Inclusion, Diversity, and Equity)**

Jonathan Grabel, Chief Investment Officer
(Memo dated November 26, 2024)

Mses. Armstrong, Ton, Lu and Messrs. Zdrzil and Nguyen provided a presentation and answered questions from the Board.

This item was received and filed.

B. **Total Fund Investment Cost Report – Fiscal Year 2024**

John Kim, Investment Officer
Calvin Chang, Senior Investment Analyst
(Memo dated December 1, 2024)

Messrs. Kim and Chang provided a presentation and answered questions from the Board.

This item was received and filed.

C. **LACERA Total Fund Quarterly Board Book**

Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated November 25, 2024)

VIII. REPORTS (Continued)

This item was received and filed.

- D. **OPEB Trust Quarterly Board Book**
Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated November 25, 2024)

This item was received and filed.

- E. **Principles for Responsible Investment Signatory Ballot**
Scott Zdrazil, Principal Investment Officer
(For Information Only) (Memo dated November 25, 2024)

This item was received and filed.

- F. **Board of Investments 2025 Meeting Calendar**
Linda El-Farra, Executive Board Assistant
(For Information Only) (Memo dated November 21, 2024)

This item was received and filed.

- G. **Legal Projects**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 3, 2024)

This item was received and filed.

- H. **2025 Brown Act Amendments Regarding Teleconferencing and Information Security**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated November 20, 2024)

This item was received and filed.

- I. **Monthly Trustee Travel & Education Report – October 2024**
Fiscal Year 2024-2025 - 1st Quarter Trustee Travel and Education Expenditure Reports
Fiscal Year 2024-2025 - 1st Quarter Staff Travel Report
Ted Granger, Chief Financial Officer

VIII. REPORTS (Continued)

(For Information Only) (Memo dated November 19, 2024)

This item was received and filed.

J. **Fiduciary Counsel Annual Self-Assessments**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated November 20, 2024)

(Attachments are 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.

K. **November 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated November 18, 2024)

(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.

IX. ITEMS FOR STAFF REVIEW

There was nothing to report.

X. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XI. GOOD OF THE ORDER

(For Information Purposes Only)

The Board thanked Trustee Fay, whose term expires on December 31, 2024, for his service on the Board. Mr. Grabel welcomed Piers Hugh Smith to the Investment Office.

XII. EXECUTIVE SESSION

- A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments (Pursuant to California Government Code Section 54956.81)

1. **Siguler Guff – Credit Investment**

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(For Information Only) (Memo dated November 25, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved an investment of \$500 million with Siguler Guff & Company, LP, a manager which will execute a credit strategy for LACERA structured as a dedicated managed account (DMA) by LACERA's DMA platform manager, Innocap.

2. **Mariner Atlantic Multi-Strategy Fund – Hedge Funds Investment**

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(For Information Only) (Memo dated November 25, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a hedge fund investment of \$600 million in Mariner Atlantic Multi- Strategy Fund, which executes relative value strategies across interest rate, credit, and mortgage securities.

3. **Centerbridge – Credit Investment**

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer

XII. EXECUTIVE SESSION (Continued)

Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(For Information Only) (Memo dated November 25, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved an investment of \$775 million to Centerbridge Partners, L.P., a manager which will manage a credit strategy for LACERA structured as a dedicated managed account (DMA) by LACERA's DMA platform manager, Innocap.

4. **Real Estate Investment Update**

Terri Herubin, Senior Investment Officer
Cindy Rivera, Investment Officer
(For Information Only) (Memo dated November 20, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a secondary acquisition of shares up to \$25 million in net asset value in IDR Core Property Index Trust, which is a core open-end commingled real estate fund investing in diversified United States regions and in which LACERA previously made an investment in 2019.

5. **One Item – I**

Christopher J. Wagner, Principal Investment Officer
Cheryl Lu, Investment Officer
(For Information Only) (Memo dated November 20, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of \$50 million to Jungle Ventures V, L.P., which is a private equity fund investing in early and early-growth stage opportunities primarily in Southeast Asia and India.

XII. EXECUTIVE SESSION (Continued)

6. **One Item – II**

Christopher J. Wagner, Principal Investment Officer
Shelly P. Tilaye, Senior Investment Analyst
(For Information Only) (Memo dated November 20, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of \$150 million to Thoma Bravo XVI, L.P., which is a private equity fund which executes a global buyout strategy primarily in the IT infrastructure, software and applications, and data security sectors in North America, and a commitment of \$100 million to Thoma Bravo Discover V, L.P., which is a private equity fund which executes a middle market buyout strategy primarily in the same sectors and geography.

B. Public Employee Performance Evaluation
(Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

(Without objection, this item was held out of order, before VIII.B.)

Title: Chief Executive Officer

There is nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:46 p.m.

JASON GREEN, SECRETARY

PATRICK JONES, CHAIR

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

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

9:00 A.M., WEDNESDAY, JANUARY 8, 2025

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

TRUSTEES PRESENT

Jason Green, Chair (By Teleconference)

Patrick Jones, Vice Chair (By Teleconference)

David Ryu, Secretary (By Teleconference)

Mike Gatto (By Teleconference)

Elizabeth Ginsberg (By Teleconference)

Debbie Martin (By Teleconference)

Alma K. Martinez (By Teleconference)

Nicole Mi (By Teleconference)

TRUSTEES ABSENT: Aleen Langton

STAFF, ADVISORS, PARTICIPANTS:

Santos Kreimann, Chief Executive Officer (In Person)

Jude Pérez, Deputy Chief Investment Officer (By Teleconference)

Steven P. Rice, Chief Counsel (In Person)

Luis Lugo, Deputy Chief Executive Officer (By Teleconference)

STAFF, ADVISORS, PARTICIPANTS (Continued)

JJ Popowich, Assistant Executive Officer (By Teleconference)

Terri Herubin, Senior Investment Office (By Teleconference)

I. CALL TO ORDER

The meeting was called to order by Vice Chair Jones at 9:02 a.m. in the Board Room of Gateway Plaza.

Trustee Gatto made a motion, Trustee Martinez seconded, that, due to the Governor's Proclamations of a State of Emergency in Los Angeles County, the Board find there is imminent risk to the health and safety of attendees if the meeting if Board and Committee meetings were to proceed in person due to LACERA's proximity to the Eaton Fire and Pasadena's Red Flag warnings currently in effect, that the determination is valid for up to 45 days before it needs to be renewed, and that meetings will be held as emergency teleconference meetings under California Government Code Section 54953(e) of the Brown Act. The motion passed by the following roll call vote:

Yes: Gatto, Ginsberg, Green, Jones, Martin, Martinez, Mi, Ryu

Absent: Langton

II. PLEDGE OF ALLEGIANCE

This item was not held during the meeting.

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

This meeting was held as an emergency meeting under California Government Code Section 54953(e) of the Brown Act.

IV. RATIFICATION OF OFFICERS

A. **Board of Investments Board Officers – 2025 Calendar Year**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board ratify its slate of board officers who will serve their term in the 2025 calendar year under the Board's Board Officer Rotation Policy: Jason E. Green as Chair, Patrick Jones as Vice Chair, and David Ryu as Secretary.
(Memo dated December 18, 2024)

A motion was made by Trustee Ginsberg, seconded by Trustee Martinez, to ratify and approve its slate of board officers for 2025. The motion passed by following roll call vote:

Yes: Gatto, Ginsberg, Green, Jones, Martin, Martinez, Mi, Ryu

Absent: Langton

V. ELECTIONS OF COMMITTEE MEMBERS

Election of Trustees to Joint Organizational Governance Committee (1 Trustee) and Audit, Compliance, Risk, and Ethics Committee (3 Trustees)

A motion was made by Trustee Jones, seconded by Trustee Ryu, to conduct the Election of Trustees to Joint Organizational Governance Committee (1 Trustee) and Audit, Compliance, Risk, and Ethics Committee (3 Trustees) at a future meeting.

Yes: Gatto, Ginsberg, Green, Jones, Martin, Martinez, Mi, Ryu

Absent: Langton

THE FOLLOWING ITEMS WILL BE AGENDIZED AT THE NEXT MEETING

VI. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of December 11, 2024

VII. PUBLIC COMMENT

VIII. EXECUTIVE UPDATE

- A. Chief Investment Officer's Report
- B. Member Spotlight
- C. Chief Executive Officer's Report

IX. NON-CONSENT ITEM

- A. **2025 Strategic Framework and Initiatives: Towards Best-in-Class Investor**
Recommendation as submitted by Jonathan Grabel, Chief Investment Officer: That the Board approve the 2025 Strategic Framework and Initiatives. (Memo dated December 23, 2024)
- B. **Real Estate Structure Review**
Recommendation as submitted by Terri Herubin, Senior Investment Officer: That the Board approve the recommendations within the Real Estate Structure Review, which include amendments to the Real Estate investment guidelines, as outlined on slides 25 and 34 of the attached presentation. (Memo dated December 19, 2024)

X. REPORTS

- A. **Updating LACERA's Code of Ethical Conduct**
Steven P. Rice, Chief Counsel
Allison E. Barrett, Senior Staff Counsel
Jessica Rivas, Staff Counsel
(Presentation) (Memo dated December 17, 2024)
- B. **OPEB Master Trust Commingled Account Liquidation Update**
Esmeralda del Bosque, Principal Investment Officer
Soniah Ginoyan, Senior Investment Analyst
(For Information Only) (Memo dated December 19, 2024)
- C. **StepStone Group Self-Evaluation**
Jose Fernandez, Natalie Walker, Daniel Krikorian
StepStone Group LP
(For Information Only) (Memo dated December 6, 2024)

X. REPORTS (Continued)

D. **StepStone Real Estate Self-Evaluation**

Margaret McKnight, Thomas Hester, Kristen Moore, James Maina
StepStone Real Estate
(For Information Only) (Memo dated December 30, 2024)

E. **Meketa Investment Group Self-Evaluation**

Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid
Meketa Investment Group
(For Information Only) (Memo dated December 20, 2024)

F. **Albourne - Self-Assessment**

James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
(For Information Only) (Memo dated December 19, 2024)

G. **ACRE Committee Annual Report to the Boards**

Debbie Martin, 2024 ACRE Committee Chair
Richard P. Bendall, Chief Audit Executive
(For Information Only) (Memo dated December 19, 2024)

H. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 31, 2024)

I. **Real Estate Recoveries Report**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 24, 2024)

J. **Board of Retirement Board Officers: 2025 Calendar Year**

Santos H. Kreimann, Chief Executive Officer
(For Information Only) (Memo dated December 18, 2024)

K. **Monthly Trustee Travel & Education Reports - November 2024**

Ted Granger, Chief Financial Officer
(Public memo dated December 19, 2024)

X. REPORTS (Continued)

L. **December 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated December 20, 2024) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

XI. 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.)

XII. 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.)

XIII. GOOD OF THE ORDER

(For Information Purposes Only)

XIV. EXECUTIVE SESSION

A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments
(Pursuant to California Government Code Section 54956.81)

1. **Private Equity Investment Update**

Derek Kong, Investment Officer

Chery Lu, Investment Officer

(For Information Only) (Memo dated December 7, 2024)

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

1. **Number of Cases: 1**

(Memo dated December 31, 2024)

January 8, 2025

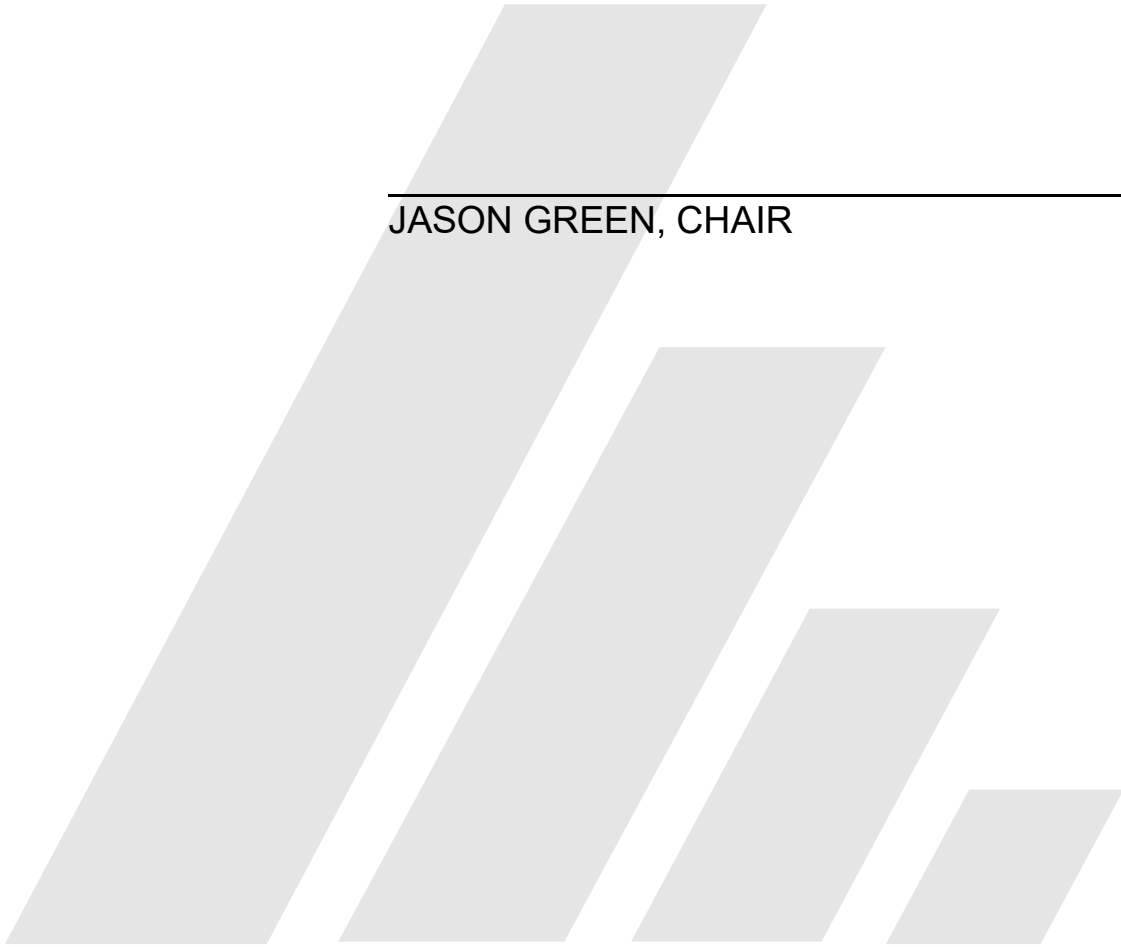
Page 7

XV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:30 a.m.

DAVID RYU, SECRETARY

JASON GREEN, CHAIR





Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

Board of Investments Meeting
February 12, 2025

Table of Contents



1. Market Environment
2. Portfolio Performance & Risk Updates
3. Portfolio Structural Updates
4. Key Initiatives & Operational Updates
5. Commentary
6. Appendix
 - Quiet Period for Search Respondents

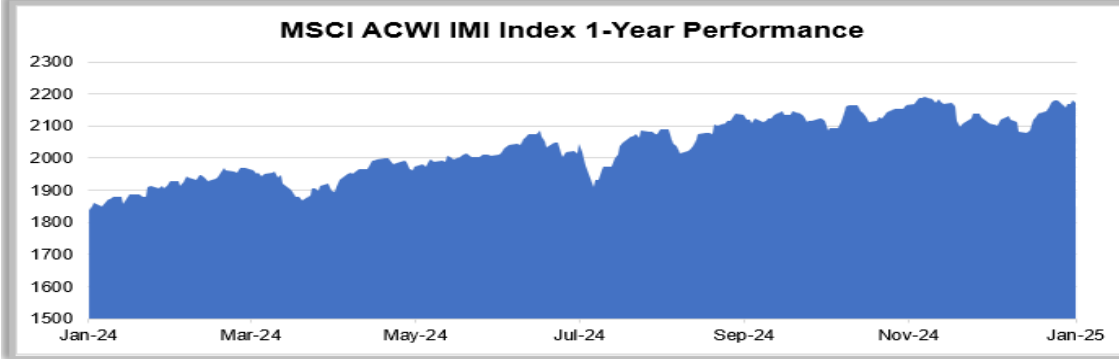


01 Market Environment

Global Market Performance as of January 31, 2025

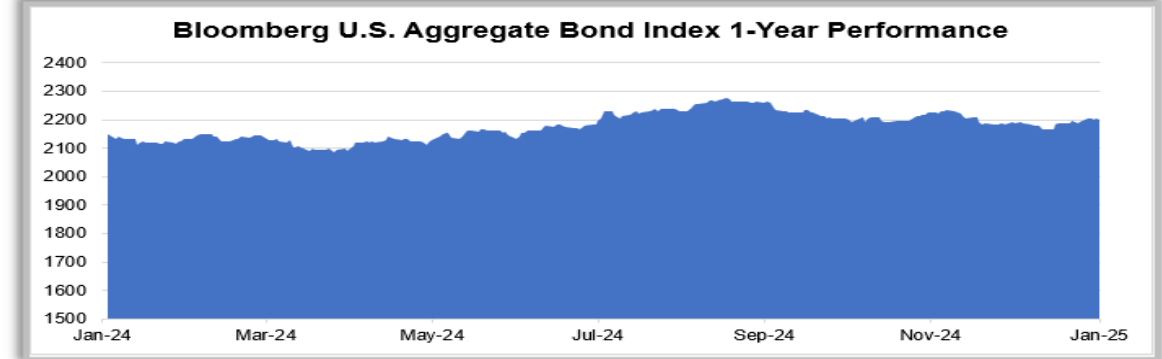


MSCI ACWI IMI Index (Global Equity Market)*							
Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
3.3	4.4	9.0	3.3	19.9	7.9	10.7	9.5



*Global Equity Policy Benchmark - MSCI ACWIIMI Index

Bloomberg U.S. Aggregate Bond Index**							
Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
0.5	-0.1	2.5	0.5	2.1	-1.5	-0.6	1.2

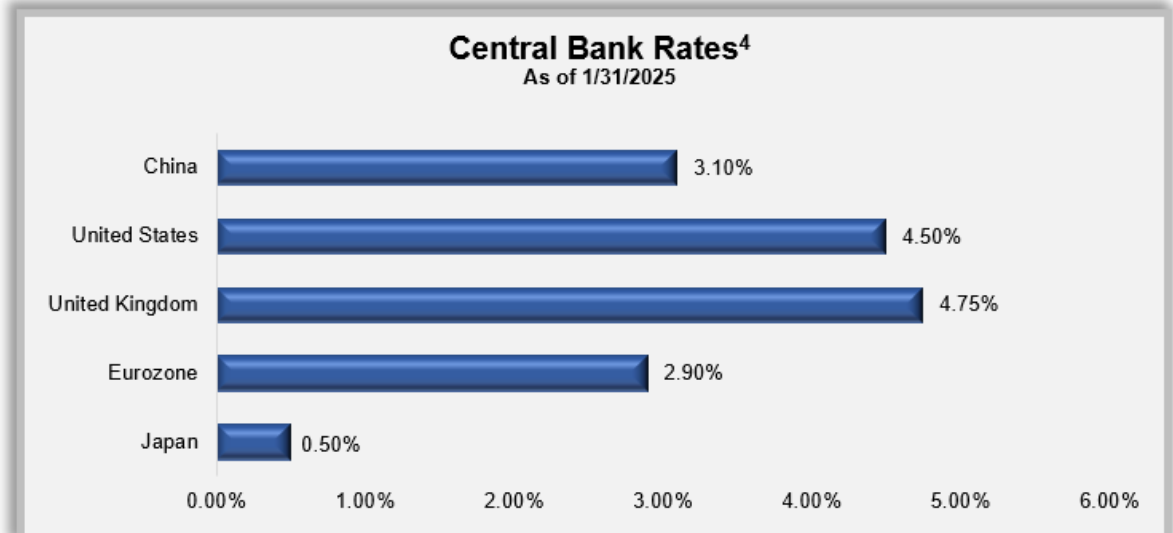
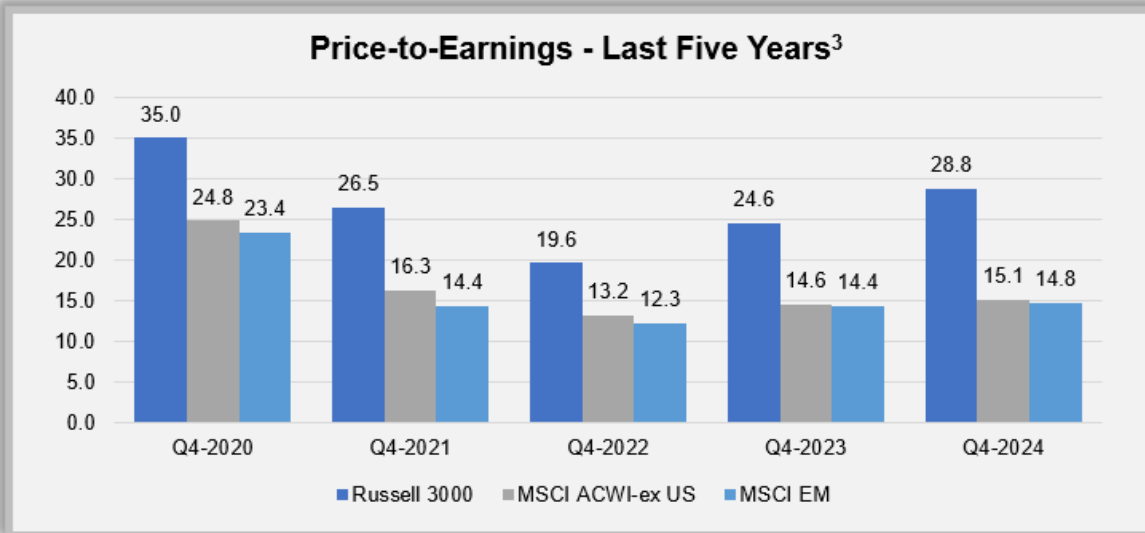
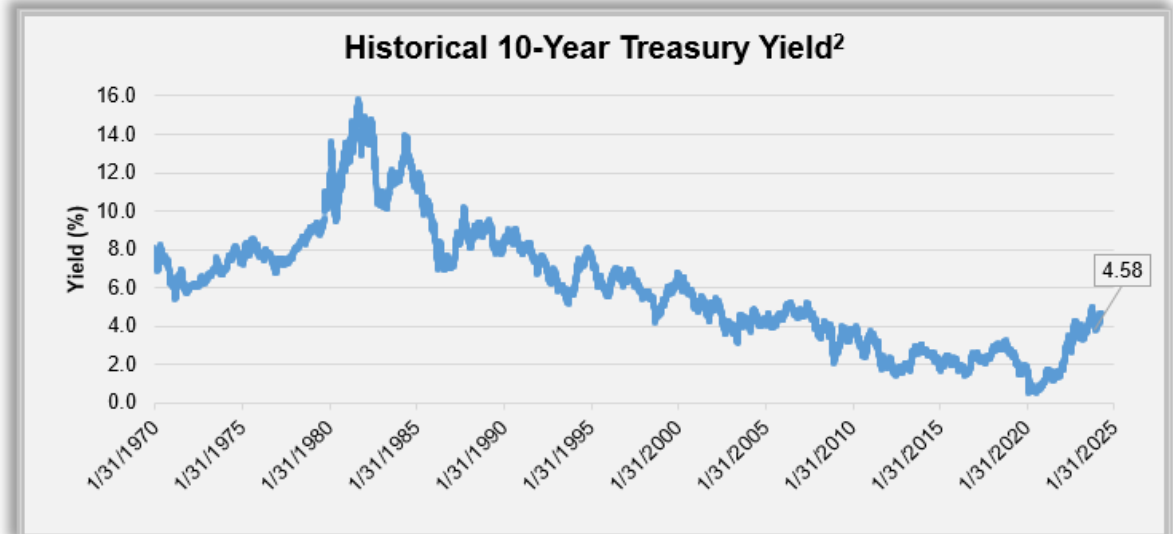
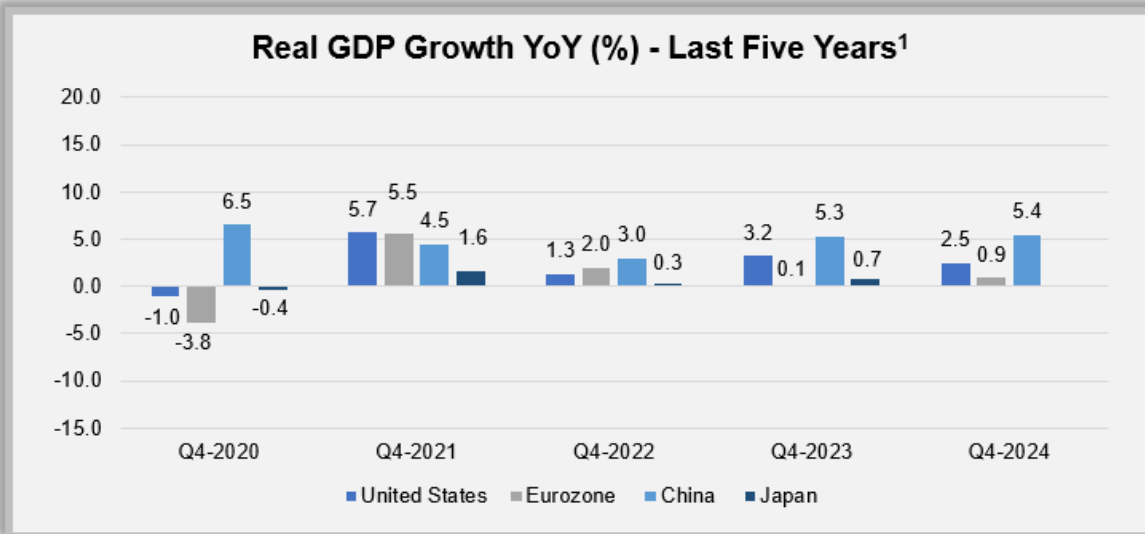


**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

Market	Sub-Category	Index Name	1-Month	3-Month	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	2.2	2.6	6.4	2.2	12.5	4.2	6.3	6.4
Equity	Global All Cap	MSCI ACWI IMI Total Return	3.3	4.4	9.0	3.3	19.9	7.9	10.7	9.5
	U.S. All Cap	Russell 3000 Total Return	3.2	6.7	12.5	3.2	26.3	11.3	14.6	13.2
	U.S. Large Cap	S&P 500 Total Return	2.8	6.2	11.5	2.8	26.4	11.9	15.1	13.7
	U.S. Small Cap	Russell 2000 Total Return	2.6	4.5	12.5	2.6	19.1	5.6	8.7	8.4
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	3.6	0.8	3.6	3.6	10.3	3.1	5.5	5.3
	Emerging Markets	MSCI Emerging Markets Total Return	1.8	-2.0	1.8	1.8	14.8	-0.7	3.0	3.8
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	4.9	6.9	12.3	4.9	33.1	4.4	10.2	11.9
Fixed Income	U.S. Investment Grade Bonds	Bloomberg U.S. Aggregate Index	0.5	-0.1	2.5	0.5	2.1	-1.5	-0.6	1.2
	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	1.4	2.1	6.9	1.4	9.7	4.3	4.5	5.2
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	0.4	-3.2	-1.1	0.4	-3.9	-10.6	-6.4	-1.4
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.7	2.2	5.2	0.7	9.0	7.0	5.8	5.2
	U.S. Treasury Inflation Protected Securities	Bloomberg U.S. Treasury TIPS Total Return Index	1.3	0.2	2.4	1.3	3.0	-1.2	1.7	2.1
	U.S. 3 Month Treasury Bill	FTSE 3 Month Treasury Bill	0.4	1.2	3.0	0.4	5.4	4.2	2.6	1.8
Commodity	Commodity Prices Index	Bloomberg Commodity Index Total Return	4.0	5.4	4.2	4.0	9.1	2.5	9.2	2.0
	Natural Resources	S&P Global LargeMidCap Commodity & Resources Index	4.9	-2.8	-1.9	4.9	6.4	2.9	9.8	6.2
Infrastructure	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	0.7	0.3	11.7	0.7	14.8	4.9	4.1	4.4
Real Estate	U.S. REITs	MSCI U.S. REIT Index	1.0	-2.3	10.1	1.0	14.6	0.5	4.3	5.1

Source: Bloomberg

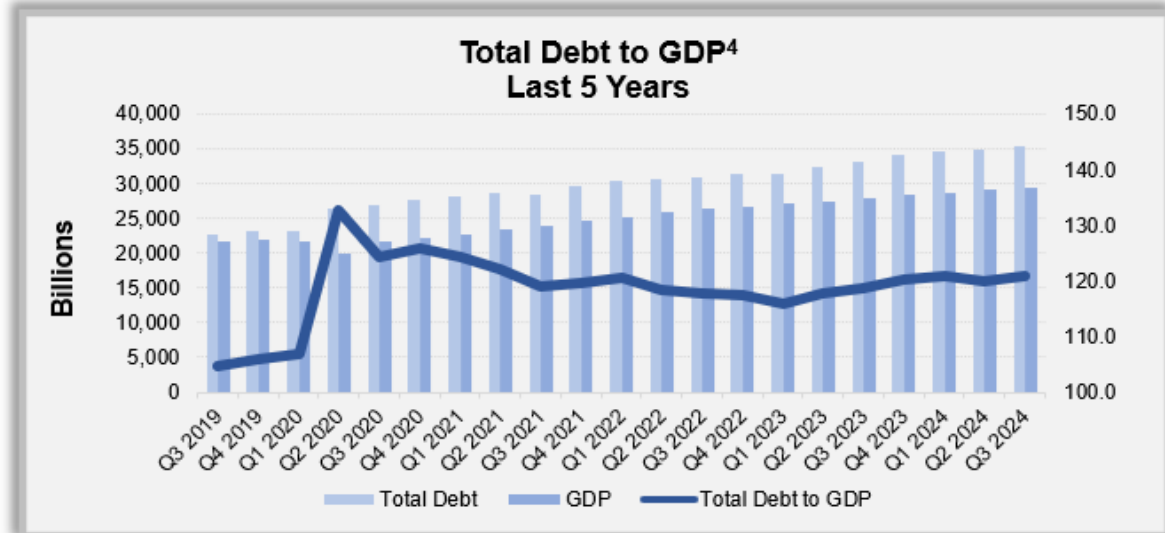
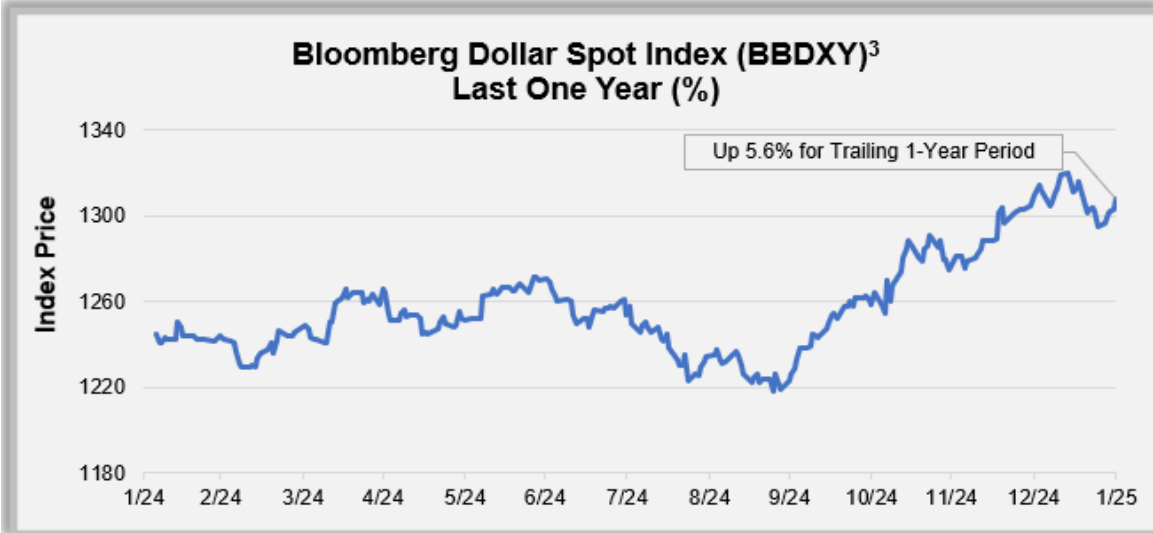
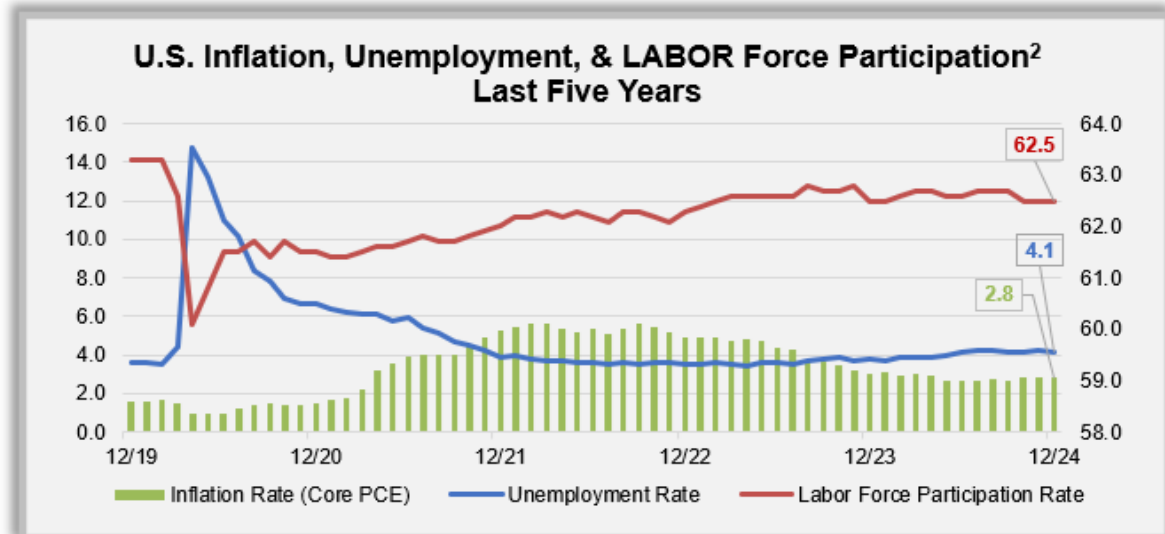
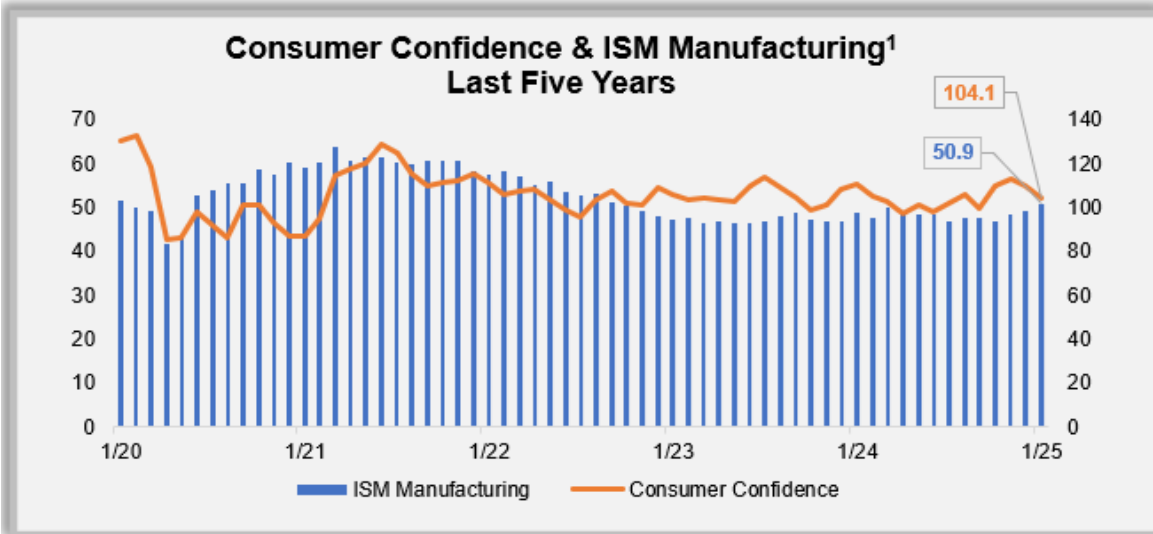
Key Macro Indicators*



*The information on the "Key Macro Indicators" charts is the best available data as of 1/31/2025 and may not reflect the current market and economic environment.

Sources: 1. Bloomberg 3. FactSet
2. St. Louis Federal Reserve 4. FactSet

Key Macro Indicators*



*The information on the "Key Macro Indicators" charts is the best available data as of 1/31/2025 and may not reflect the current market and economic environment.

Sources: 1. Bloomberg 3. Bloomberg
2. Bloomberg 4. Office of Management and Budget; St. Louis Federal Reserve



02 Portfolio Performance & Risk Updates



Recent Themes

- The Federal Reserve decided to maintain the federal funds rate in the target range of 4.25% - 4.50% in January
- Jerome Powell, Chair of the Federal Reserve, noted that inflation has eased significantly over the past two years but remains above the Fed's 2% longer-run goal
- Powell highlighted that labor market conditions remain solid, with nominal wage growth easing and the jobs-to-workers gap narrowing
- Powell mentioned that economic activity has continued to expand at a solid pace
- The U.S. 10-year Treasury yield ended January at 4.58%, unchanged from the end of December
- Global equities (MSCI All Country World Investable Index) increased 3.3% in January

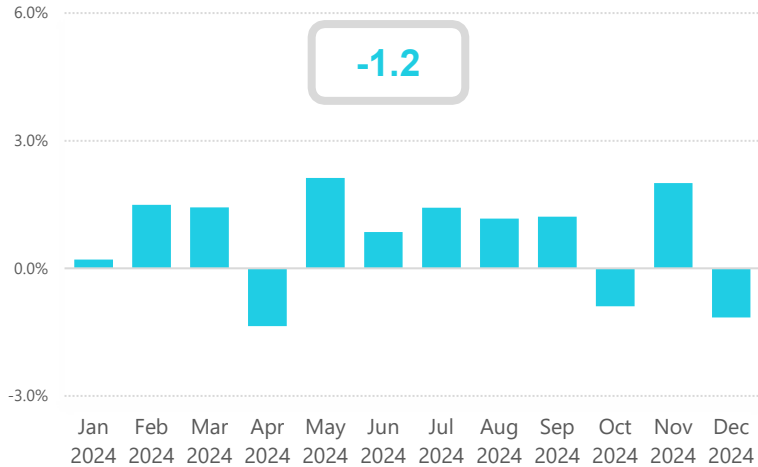
What to Watch

- Interest rates and central bank actions
- Economic data and trends
 - Inflation, supply chains, and labor developments
- Macro conditions and geopolitical activities including tariffs
- Artificial intelligence including research developments, applications, and infrastructure investment
- Corporate governance and stewardship developments
 - Mandatory and voluntary climate risk corporate reporting implementation and global agreements
 - Securities and Exchange Commission guidance on shareholder resolution permissibility

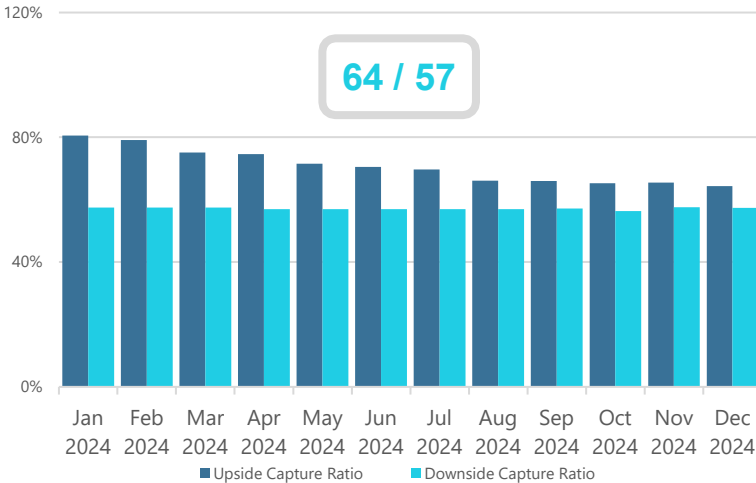
Total Fund Summary as of December 2024



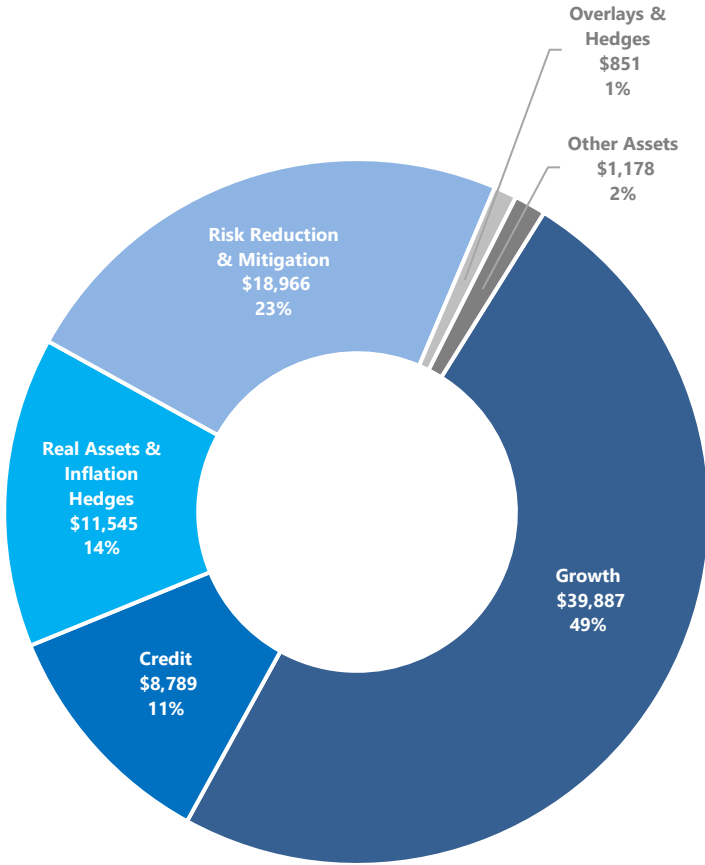
Monthly Net Return (%)



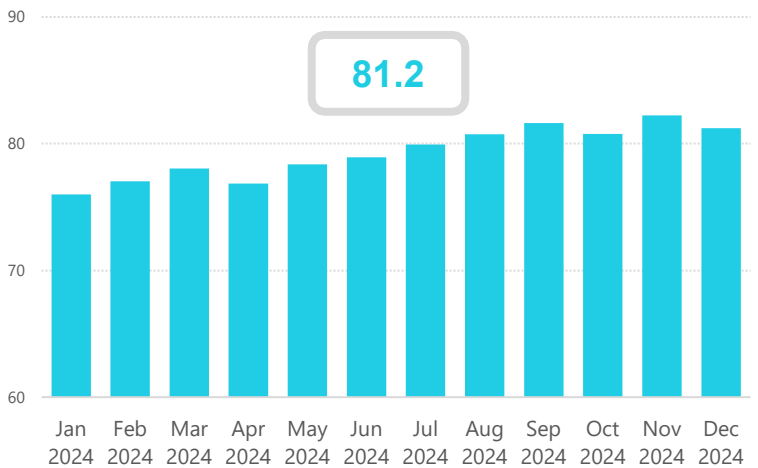
Upside / Downside Capture (%)¹



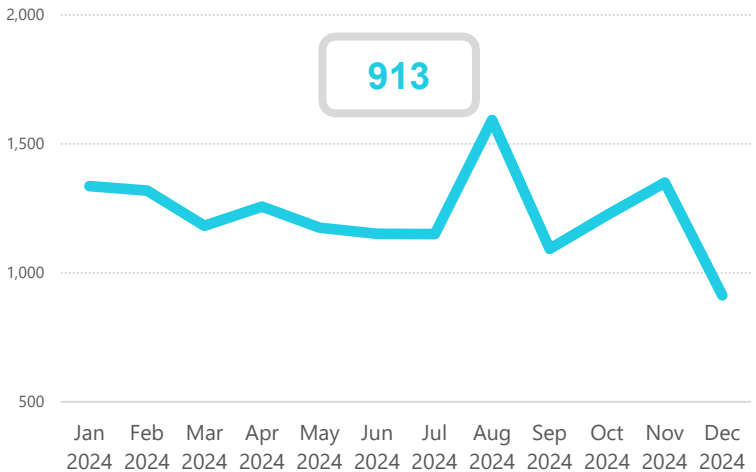
Asset Allocation (\$ millions)²



Total Market Value (\$ billions)



Cash (\$ millions)



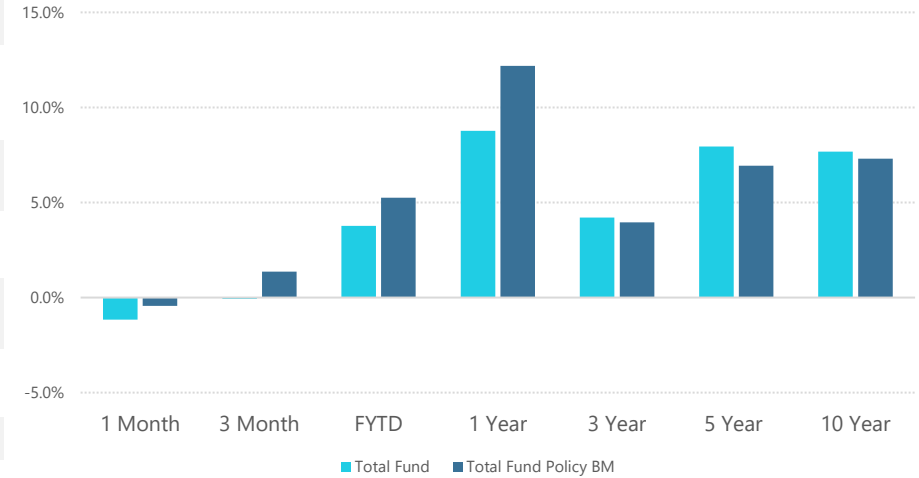
¹ Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index
² Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Historical Net Performance as of December 2024



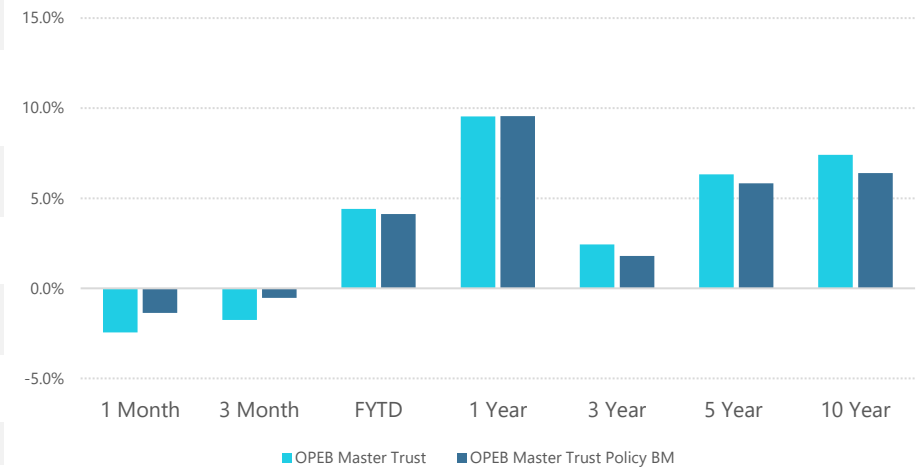
LACERA Pension Fund

	Market Value (\$ mm)	% of Total Fund	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund	81,217	100.0%	100.0%	-1.2%	-0.1%	3.8%	8.8%	4.2%	7.9%	7.7%
Total Fund Policy BM				-0.4%	1.4%	5.3%	12.2%	3.9%	6.9%	7.3%
7% Annual Hurdle Rate				0.6%	1.7%	3.4%	7.0%	7.0%	7.0%	7.0%
Growth	39,887	49.1%	50.5%	-1.8%	-0.6%	4.1%	11.4%	5.0%	11.3%	
Growth Policy BM				-0.8%	1.7%	6.9%	20.1%	6.1%	10.9%	
Credit	8,789	10.8%	12.0%	0.6%	3.0%	6.7%	14.8%	7.2%	7.2%	
Credit Policy BM				1.0%	2.6%	5.5%	10.8%	4.7%	4.6%	
Real Assets & Inflation Hedges	11,545	14.2%	16.0%	-1.8%	-1.1%	1.5%	0.7%	2.1%	4.6%	
RA & IH Policy BM				0.9%	4.1%	4.0%	1.8%	2.0%	4.8%	
Risk Reduction & Mitigation	18,966	23.4%	21.5%	-1.0%	-1.7%	2.4%	2.8%	-0.9%	0.9%	
RR & M Policy BM				-1.4%	-2.2%	2.0%	1.9%	-1.4%	0.3%	
Overlays & Hedges	851	1.0%								
Other Assets	1,178	1.5%								



OPEB Trust

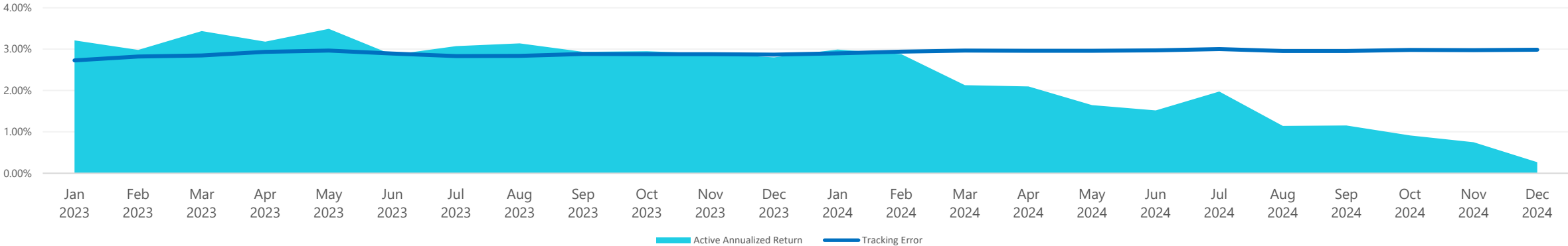
	Market Value (\$ mm)	% of Master Trust	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
OPEB Master Trust	4,434			-2.4%	-1.8%	4.4%	9.5%	2.4%	6.3%	7.4%
OPEB Master Trust Policy BM				-1.4%	-0.5%	4.1%	9.6%	1.8%	5.8%	6.4%
6% Annual Hurdle Rate				0.5%	1.5%	3.0%	6.0%	6.0%	6.0%	6.0%
OPEB Growth	1,996	45.0%	45.0%	-2.8%	-1.0%	5.6%	16.7%	5.1%	9.9%	
OPEB Growth Policy BM				-2.1%	-0.3%	6.1%	18.2%	5.0%	9.8%	
OPEB Credit	768	17.3%	17.0%	0.0%	0.4%	4.5%	6.7%	4.2%	3.5%	
OPEB Credit Policy BM				1.0%	2.6%	5.5%	9.8%	4.6%	4.1%	
OPEB Real Assets & Inflation Hedges	571	12.9%	16.5%	-4.2%	-3.5%	5.0%	5.7%	-2.9%	3.2%	
OPEB RA & IH Policy BM				-0.5%	0.0%	1.0%	-0.5%	-4.2%	2.1%	
OPEB Risk Reduction & Mitigation	1,098	24.8%	21.5%	-2.3%	-4.0%	1.3%	0.0%	-2.0%	-0.2%	
OPEB RR & M Policy BM				-2.3%	-4.0%	1.3%	-0.3%	-2.7%	-0.7%	
OPEB HL PM Cash	0	0.0%								



Active and Excess Return as of December 2024



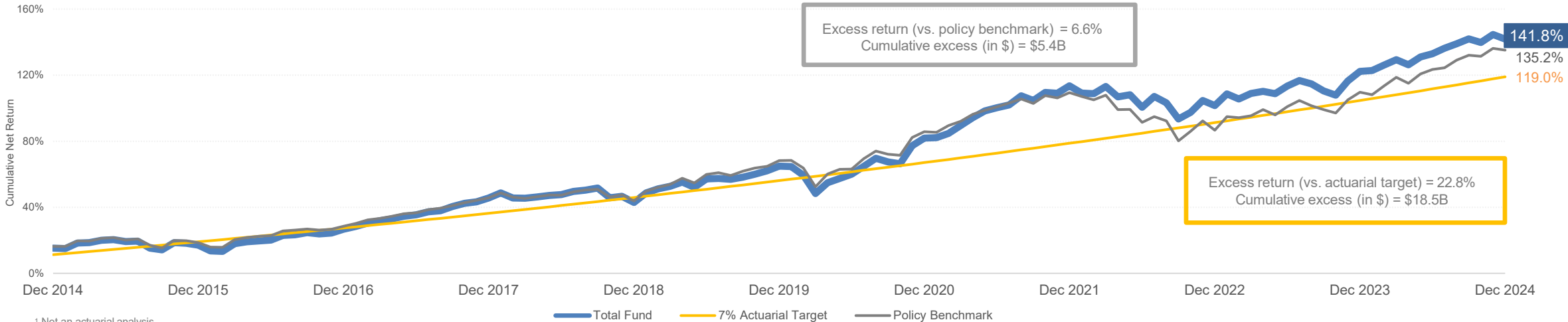
Active Return vs. Tracking Error^{1,2,3}



Period Ending	Annualized Return	Annualized Benchmark Return	Annualized Active Return	Tracking Error
Dec 2024	4.2%	3.9%	0.3%	3.0%

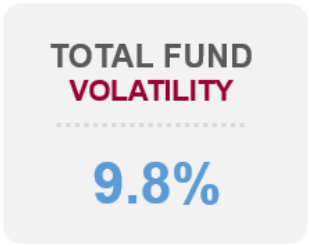
¹ Rolling 36 months.
² Active return equals the difference in return between a portfolio and its benchmark.
³ Tracking error (or active risk) measures the volatility of active returns.

Excess Return¹

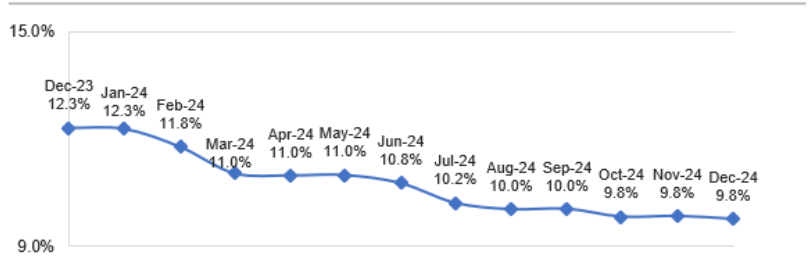


¹ Not an actuarial analysis.

Total Fund Forecast Volatility as of December 2024*

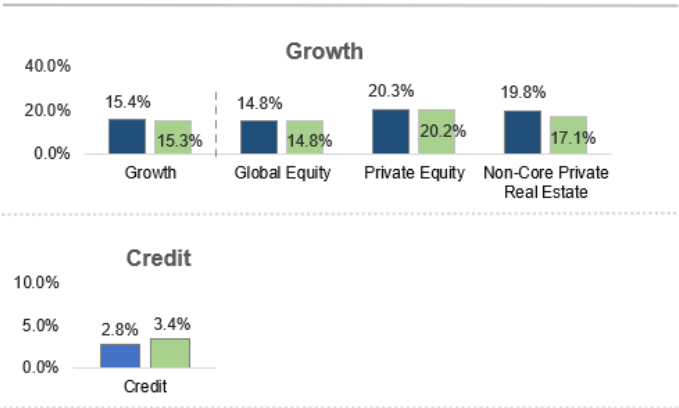


Forecasted Total Fund Volatility Trend

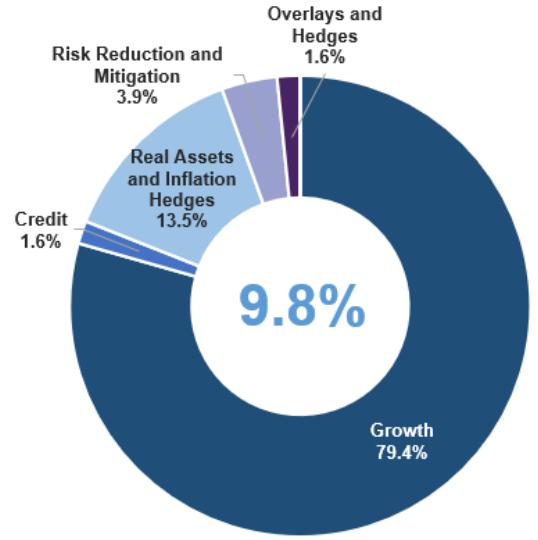


Subcategory Volatility

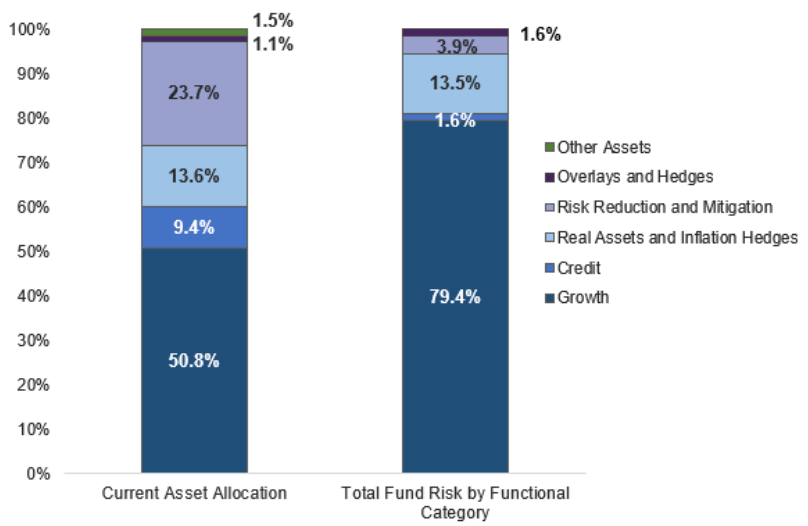
1 Subcategory volatility is on the left bar and benchmark risk is on the right bar.



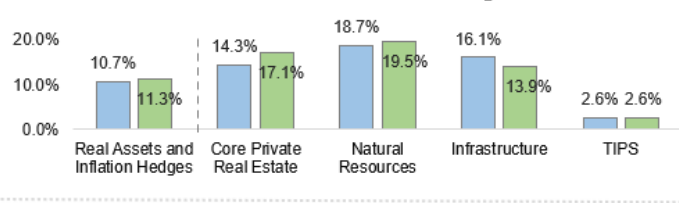
Functional Category Contributions to Total Fund Volatility



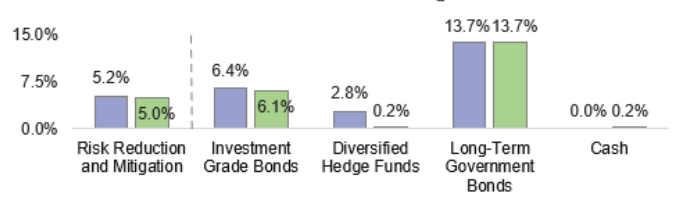
Total Fund Asset Allocation
Capital-based versus Risk-based



Real Assets and Inflation Hedges



Risk Reduction and Mitigation



Source: MSCI BarraOne

* Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.

Total Fund Forecast Tracking Error as of December 2024*



TOTAL FUND TRACKING ERROR

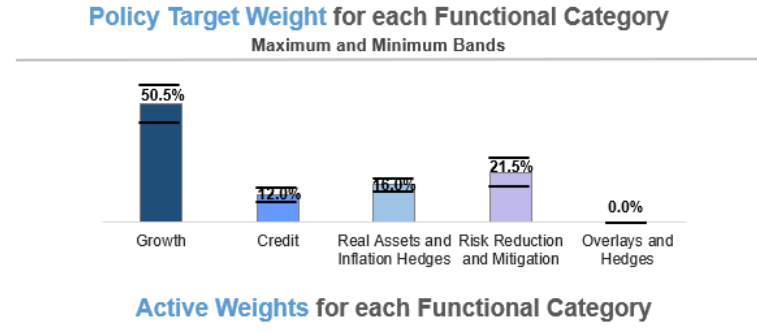
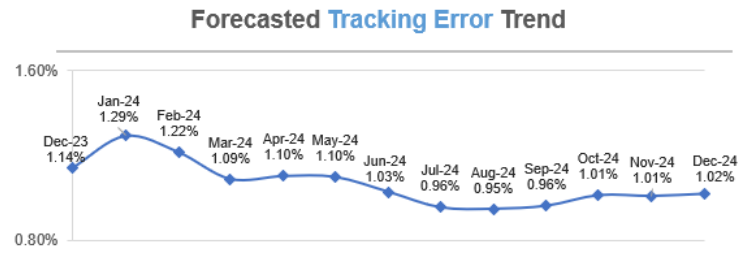
1.02%

ALLOCATION RISK

0.13%

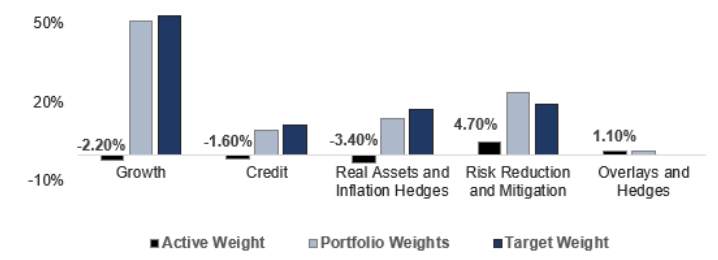
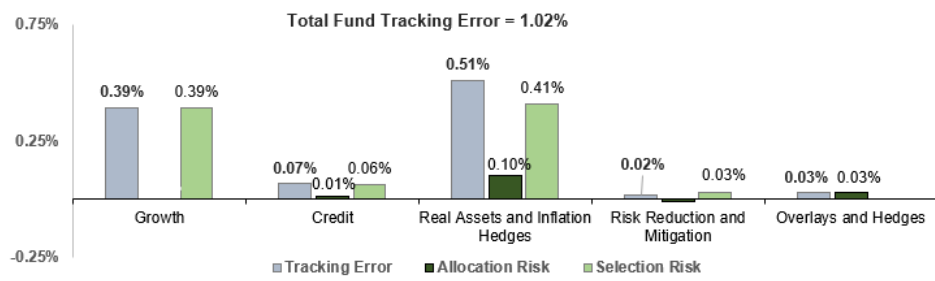
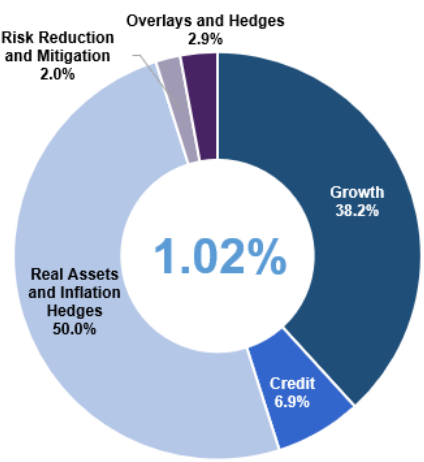
SELECTION RISK

0.89%



Functional Category Contributions to Tracking Error

Tracking Error Attribution



Subcategory Tracking Error

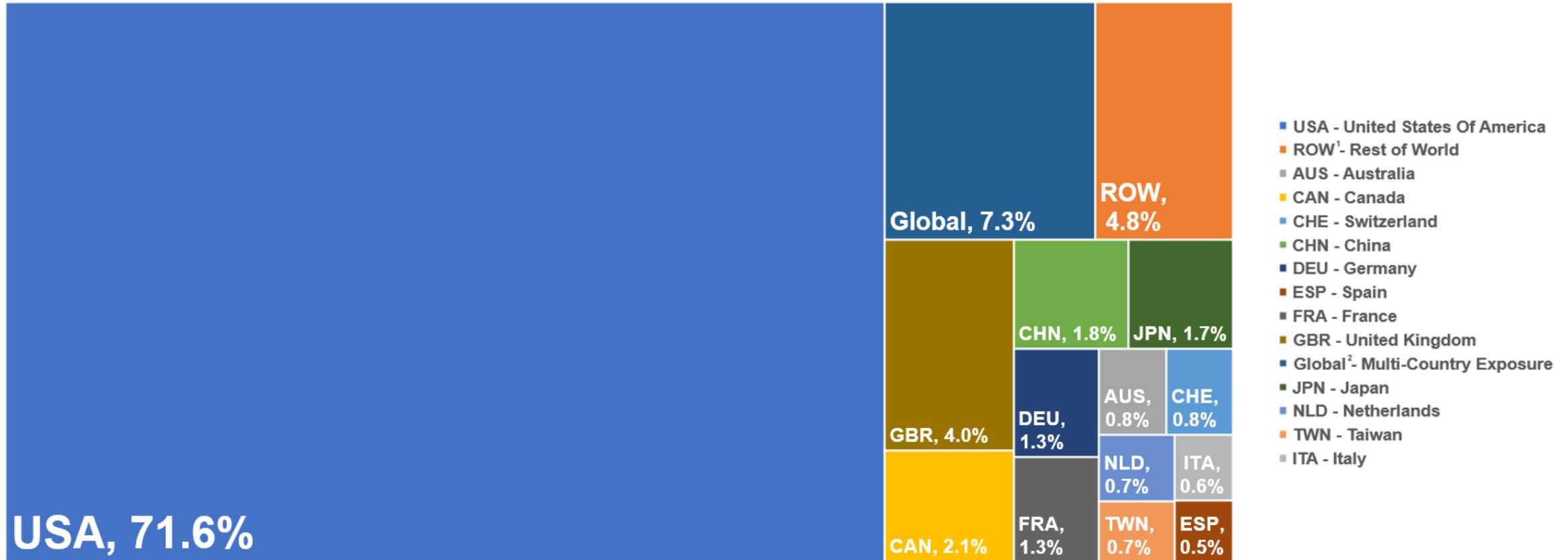
Total Fund	Global					Credit	Real Assets and Inflation Hedges				Risk Reduction and Mitigation				
1.02%	1.09%	0.39%	3.01%	7.05%	0.03%	4.02%	5.01%	3.85%	9.93%	0.07%	0.83%	0.37%	2.75%	0.03%	0.18%
Total Fund	Growth	Global Equity	Private Equity	Non-Core Private Real Estate	Credit	Real Assets and Inflation Hedges	Core Private Real Estate	Natural Resources	Infrastructure	TIPS	Risk Reduction and Mitigation	Investment Grade Bonds	Diversified Hedge Funds	Long-Term Government Bonds	Cash

Source: MSCI BarraOne

* Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.

Geographic Exposures by AUM

Total Fund as of December 2024* Ex-Overlays and Hedges



AUM = Assets under management.

Geographic exposure is based on the domicile country of a given security/asset.

* Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change.

Real Estate and Private Equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.

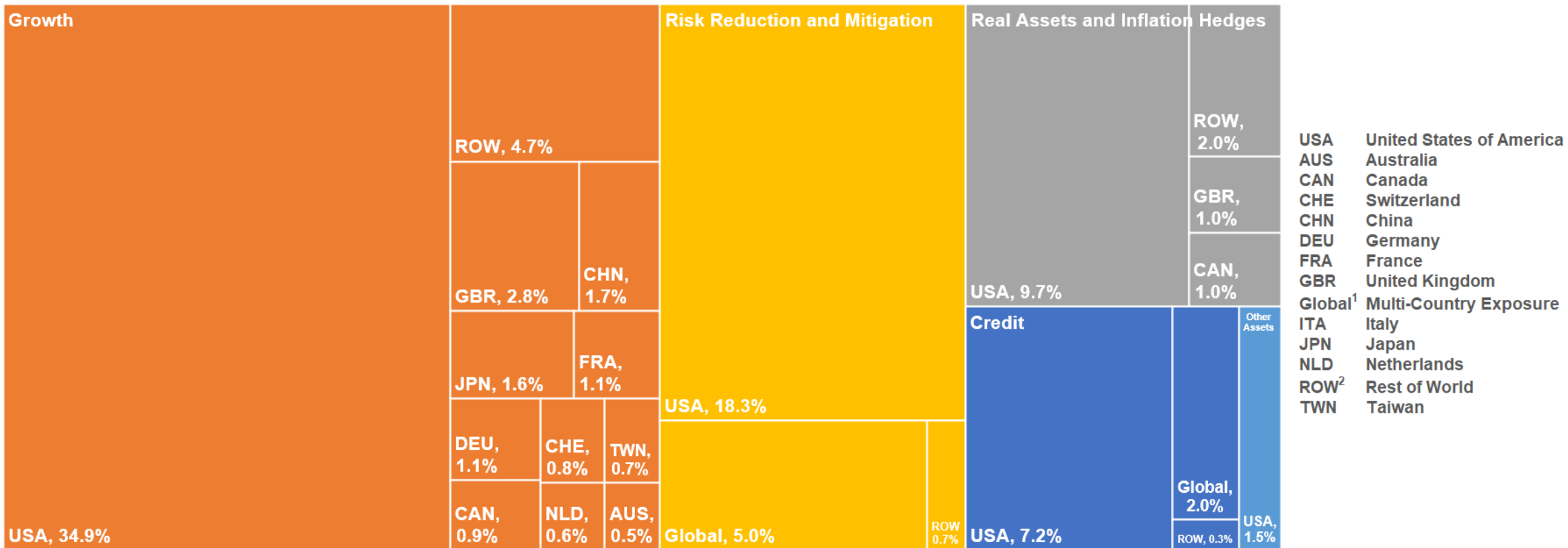
¹ "ROW - Rest of World" is sum of countries with weights below 0.5%.

² Global represents investments made in regions where specific country allocations are not available.

SOURCE: MSCI BarraOne

Geographic Exposures by AUM

Functional Categories as of December 2024* Ex-Overlays and Hedges

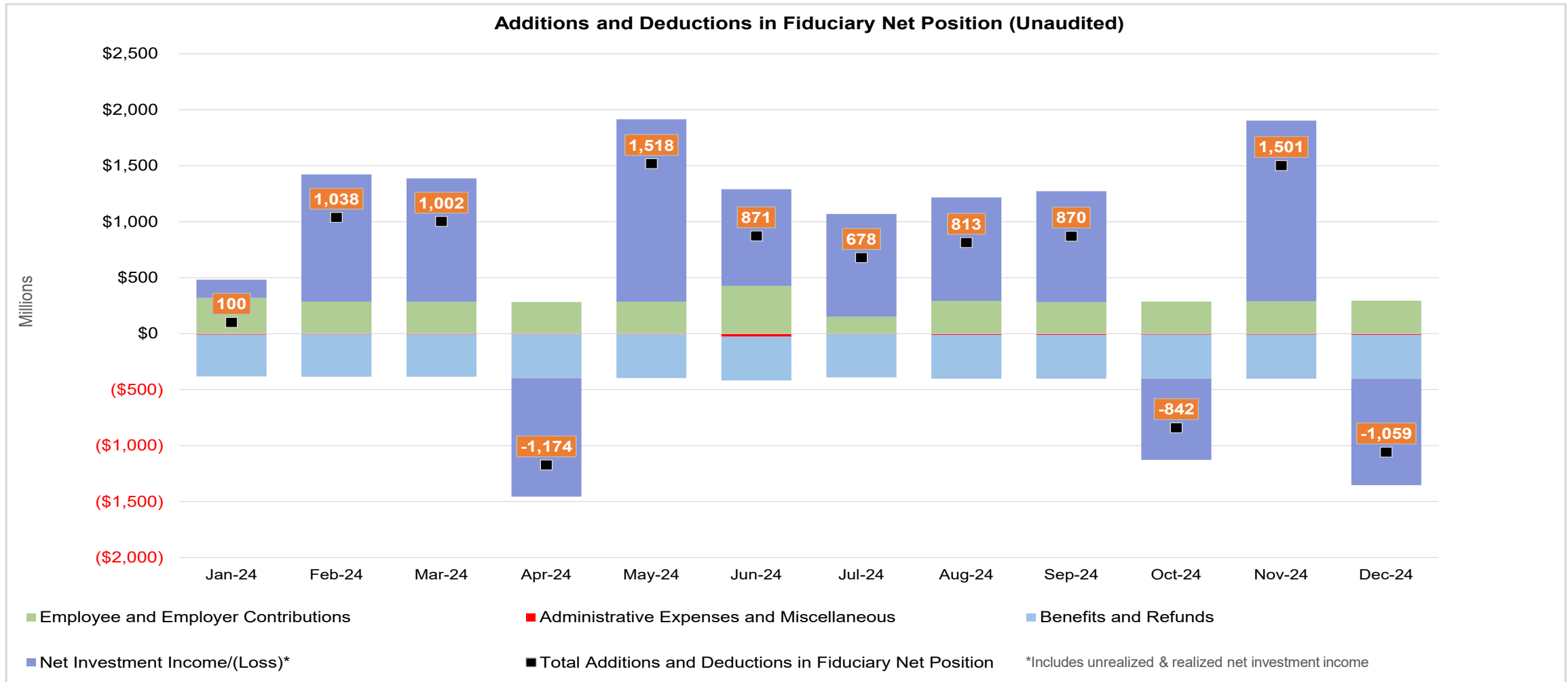


- USA United States of America
- AUS Australia
- CAN Canada
- CHE Switzerland
- CHN China
- DEU Germany
- FRA France
- GBR United Kingdom
- Global¹ Multi-Country Exposure
- ITA Italy
- JPN Japan
- NLD Netherlands
- ROW² Rest of World
- TWN Taiwan

AUM = Assets under management.
 Geographic exposure is based on the domicile country of a given security/asset.
 * Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change.
 Real Estate and Private Equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.
¹ Global represents investments made in regions where specific country allocations are not available.
² "ROW - Rest of World" is sum of countries with weights below 0.5%.

SOURCE: MSCI BarraOne

Change In Fiduciary Net Position



Fiscal Year	Negative Months	Positive Months	Total Net Position Change \$
FY-23	5	7	\$3.3 billion
FY-24	4	8	\$5.2 billion
FY-25	2	4	\$2.0 billion

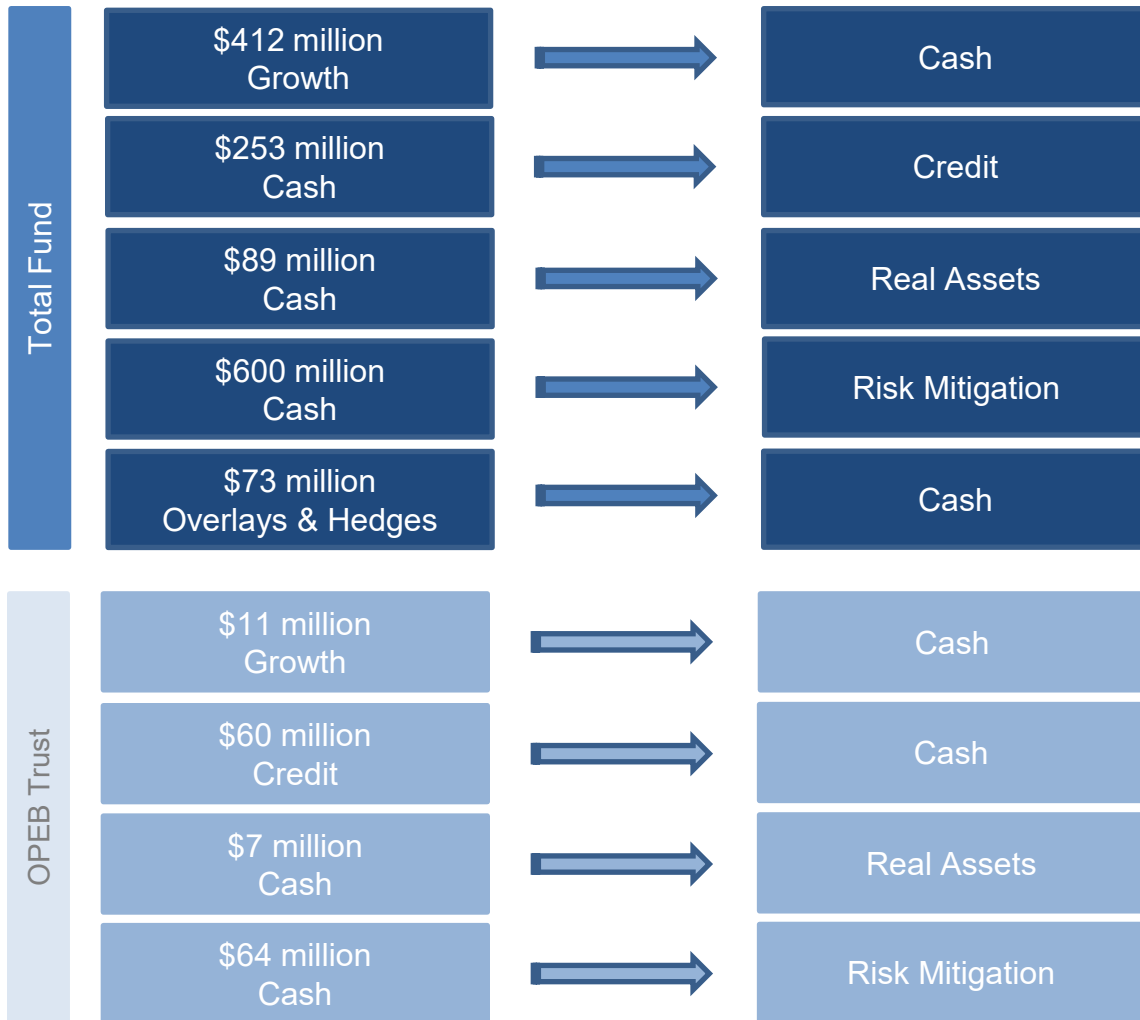


03 Portfolio Structural Updates

Portfolio Structural Updates



Rebalancing Activity



Overlays & Hedges

Monthly Activity

Program	December Return	December Gain/(Loss)	Inception ¹ Gain/(Loss)
Currency Hedge ²	1.5%	\$96.8 Million	\$1.6 Billion
Cash / Rebalance Overlay ³	0.3%	\$2.9 Million	\$577.4 Million

¹ Currency and overlay program inception dates are 8/2010 & 7/2019, respectively.

² LACERA's currency hedge program's 1-month return is calculated monthly whereas the monthly gain/loss amount for the same period is the net realized dollar amount at contract settlement over three monthly tranches.

³ LACERA's overlay program's 1-month return includes interest earned on the cash that supports the futures contracts.

Current Search Activity

Status of Active Searches – Subject to Change

Name	RFP Issued	Due Diligence	Selection/ Review
Real Assets Emerging Manager Program	✓	✓	✓
Discretionary Separate Account Manager Search			



04 Key Initiatives & Operational Updates

Notable Initiatives and Operational Updates



Key Initiative Updates

- The April 2024 approved Strategic Asset Allocation implementation is in progress
 - The allocation shifted from the interim policy targets to final targets on January 1, 2025
- Adhering to the BOI-approved 2025 Strategic Framework and Initiatives
- Financial Analyst I program is under development

Team Searches and Vacancies

- Principal Investment Officer
- 2 – Senior Investment Officer
 - 2 in progress
- 3 – Financial Analyst-III
 - 2 in progress
- 1 – Financial Analyst-II

Operational Updates

- CIO Report update is in progress
- Onboarding workflow management for risk provider

Manager/Consultant Updates

Global Alpha – Global Equities – Notified LACERA that Tracy Li, Portfolio Manager, will leave the firm for personal reasons, effective February 7, 2025. Her responsibilities will be taken over by portfolio managers Qing Ji, Sain Godhil, and Robert Beauregard, until a replacement is found.



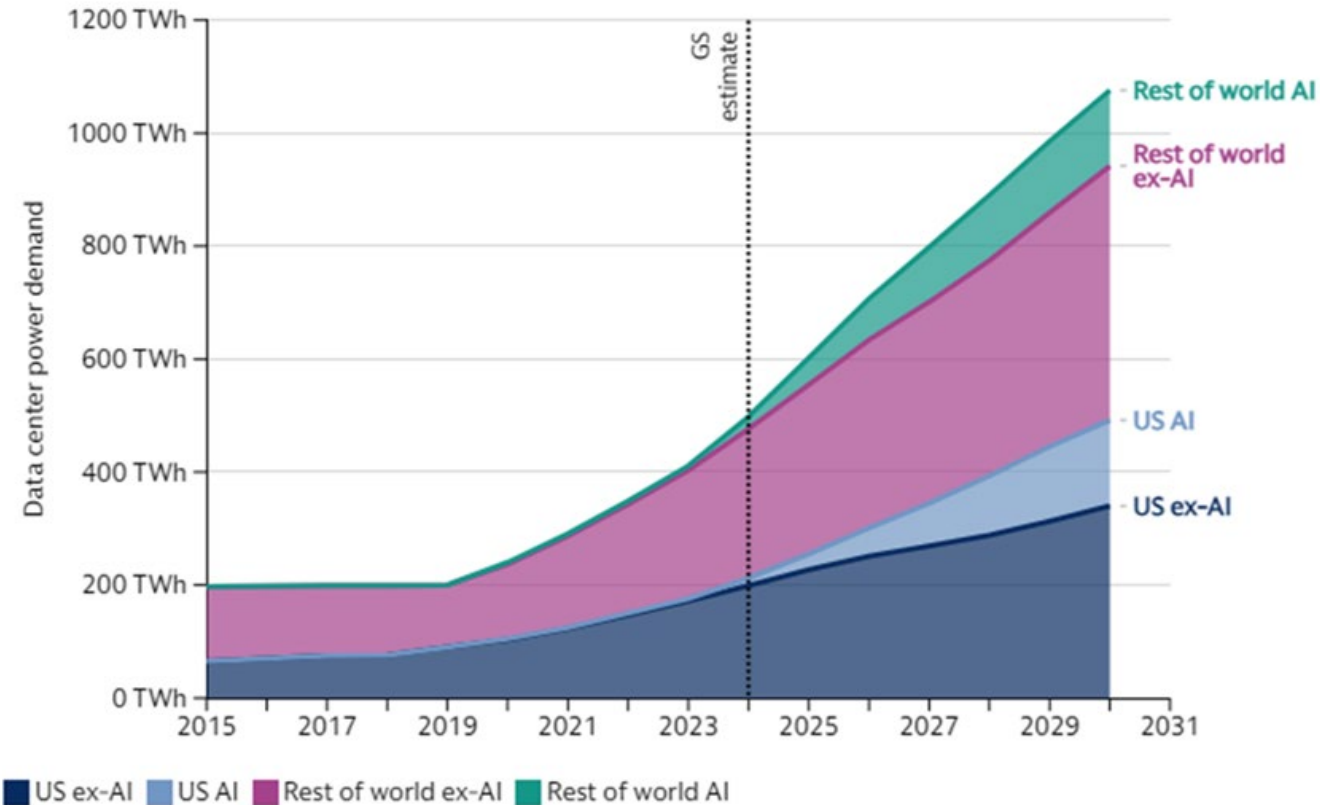
05 **Commentary**

Staff Chart of the Month

Data Center Power Consumption Forecast to Increase Through 2030



Data center power consumption is forecast to increase by more than 160% by 2030



Source: Masanet et al. (2020), Cisco, IEA, Goldman Sachs Research





06 Appendix

Quiet Period for Search Respondents



Real Assets Emerging Manager Program Discretionary Separate Account Manager

- ✓ 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



Recognizing Our Members' Service and Accomplishments

LACERA has nearly 100,000 active members working in dozens of L.A. County departments, many of whom dedicate their entire working lives to serving the community. Meet one of our long-serving members who is on the road to retirement.



Pre-Retiring Member

Anne Nedd-Campo

Children's Social Worker, Department of Children and Family Services

Years of Service: 21

MEMBER SPOTLIGHT

Notable Contributions: Anne Nedd-Campo has served in the L.A. County Department of Children and Family Services for 21 years. Her top priority as a Social Worker is ensuring the safety and well-being of children. Anne has always had a passion for helping others, and this was the guiding force that led her to join the County.

Proudest accomplishment: Earning her master's degree.

Retirement Plans: Anne plans to retire within the next eight years and is looking forward to doing the things she enjoys most—dancing, reading, watching documentaries, and spending time with her husband.





January 27, 2025

TO: Each Trustee,
Board of Retirement
Board of Investments

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

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT – FEBRUARY 2025**

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

Los Angeles Fire Recovery Response

LACERA continues our efforts to help members recover from the devastating fires that continue to impact the greater Los Angeles area. Based on zip code identification, LACERA has identified all members within the impacted fire areas and classified them into the following groups for focused outreach and support:

Retirees/survivors whose benefits are paid by check: LACERA conducted an immediate outreach effort via phone, email, and text where available to connect with these members to ensure their benefit payments could be received. We were able to connect with all members in this group and guarantee arrangements for them to receive their benefits.

Retirees/survivors whose benefits are paid by direct deposit: LACERA reached out to these members via email and mail to let them know we are here to support them. These members were given instructions on what to do if they have been displaced due to the fires to ensure uninterrupted payments.

Deferred members: We reached out to all deferred members to let them know LACERA is here to support them if they have questions about their retirement benefits. This group was contacted by email where possible.

Active Members: As with all members, LACERA sent out email notices and provided information on our website to share information about support resources.

Internally, we have flagged all members living in the impacted zones so that staff is aware they may be impacted by the fires and to offer escalated support if they contact us. We remain ready to assist members in any way we can to help them recover from this tragedy.

We are continuing to update LACERA.com to make it more responsive in emergency events. We updated our emergency alert banners to make them easier to read and allow us to provide more context in our messages. The team has been hard at work revising the home page rotating carousel of pictures to make them interactive. By mid-February we expect the change will be completed. This will improve our ability to bring important

messages and information to the attention of visitors using images and interactive text. This is expected to be in production by mid-February.

LACERA is also partnering with the Los Angeles County Department of Human Resources (DHR) to set up an emergency assistance center for County employees impacted by the fires. At the time of this report, we are scheduled to host DHR and several County agencies, health insurance providers, local agencies, and FEMA at our offices on Thursday, January 30, 2025, and are discussing a possible follow up date in February. LACERA will also be in attendance to answer any retirement or retiree healthcare-related questions members may have. We are pleased to be able to partner with DHR and provide this location in support of the continued recovery efforts.

Changes to Gateway Plaza Parking

LACERA provides free covered parking for our members, staff, trustees, and visitors at our Gateway Plaza headquarters facility in the parking structure adjacent to our building. This parking structure is not operated by LACERA, but is managed by Avison Young, the contracted building manager for Gateway Plaza. LACERA pays the parking costs for our staff, members, trustees, and visitors through our administrative budget. Other Gateway Plaza tenants also pay for parking, but they may or may not validate the parking for their staff members and/or visitors.

For some time now, the garage pay machines have been out of order and the cameras and/or parking gates have not been consistently functioning as intended. In response to tenant complaints, including LACERA as a tenant, Avison Young recently contracted for a new parking system that will go into effect on February 1, 2025. The new system mimics what many other parking garages are now using to more efficiently and effectively manage parking availability and costs. Staff and trustees will be asked to pre-register their vehicles so the system will recognize them and allow a smooth uninterrupted exit. Members and visitors are asked to scan a QR code to download an app and provide their phone and license plate numbers. The new system relies on camera imaging of cars entering the parking structure to identify the make, model, color and license plate numbers of any vehicles, and a sophisticated rear camera system will recognize the vehicle as an authorized LACERA vehicle and allow the vehicle to exit the garage efficiently, or as a visitor.

Management's primary concern relates to the impact on, and the comfort of, our members and data security. Privacy and data concerns are of primary importance as the new system collects car details, photos, and a visitor's phone number. Additionally, many members may not have a smartphone or wish to download an app. Management met with Avison Young and shared our concerns about privacy and security of personal data as well as ease of use and alternatives to support individuals who may not have smartphones and/or be comfortable using this type of technology.

Our concerns about ease of use have largely been allayed, as members and visitors are not required to use the technology to get their parking validated. Visitors will have the option to either use the app or to simply provide their license plate number to LACERA when they check in for their meeting or appointment, or to the building security who would validate the parking in an alternative application. In this circumstance, the license plate number would not be tied to the drivers' name or phone number. The cameras would read

the rear license plate and automatically open the gate to allow the vehicle to exit the garage. We have been assured that cameras will not capture images of the drivers or passengers, but just the rear of the vehicle. Additionally, visitors will be granted a reasonable grace period where no parking charges will be incurred so no data needs to be captured to allow the vehicle to enter and exit, which will help for members just dropping off documents. Anyone who experiences difficulty entering or leaving the garage at any time of the day or night can use a conveniently placed call button that will ring to the security desk. If the driver indicates they were visiting LACERA, the guard will release the gate. We are optimistic that this new parking system will work more efficiently than the current one, although there will be a period of adjustment.

Management remains concerned about the security of data collected. LACERA's Information Security Office will soon be meeting with Avison Young and their parking technology vendor to better understand what data will be captured, how and how long it will be stored, how it will be secured, and other information security risks to LACERA and/or our members, staff, and visitors to ensure the security of this data. We appreciate the partnership and cooperation received from Avison Young to address these concerns promptly and to our satisfaction. Management will continue to update the Trustees on this matter.

Retiree Healthcare

Kaiser Permanente – National Union of Healthcare Workers Strike Update

After a 3-month hiatus, Kaiser Permanente and the National Union of Healthcare Workers (NUHW) returned to the bargaining table to resume contract talks on January 16, 2025. Three new bargaining dates have been scheduled – January 23, January 29, and February 6, 2025. NUHW represents non-physician mental health and addiction primary therapists, as well as other mental health care professionals in Southern California.

Kaiser Permanente continues to communicate that their desire is to reach an agreement that provides fair wages and benefits to their valued NUHW-represented employees while protecting members' continued, timely access to high quality and affordable mental health care.

As more information becomes available, staff will continue to keep the Board informed or if preferred, for the latest Kaiser Permanente statements and any available fact sheets about these continued discussions, the following website kp.org/labor is updated regularly.

*LACERA has no authority or input in health plan contracts, this information is provided for information only.



CEO DASHBOARD



February 5, 2025

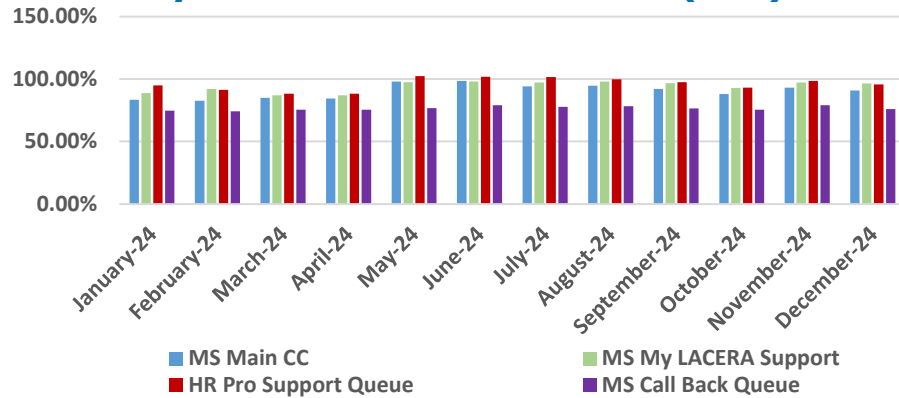


Striving for Excellence

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

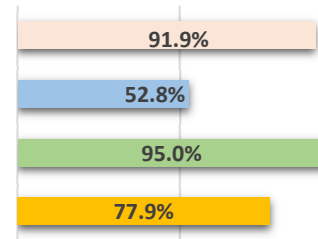
Events / Webinar Attendance Current Mo.: 700 Year-to-Date: 13,281	Events / Webinar Current Mo.: 17 Year-to-Date: 156	Webinar Satisfaction 1-5 Point Scale 4.52	Member Service Center Satisfaction 96.06%	MS Main Queue Total Calls Current Mo. 7,755 3 Month Avg. 7,389				
					Resp. Rate	Change	Resp. Rate	Change
					45.8%	0.14%	25.2%	-2.95%

Member Service Call Center Queue Key Performance Indicators (KPI)

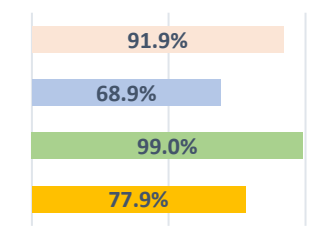


Key Performance Indicator (Components by Queue)

MSCC Main Queue



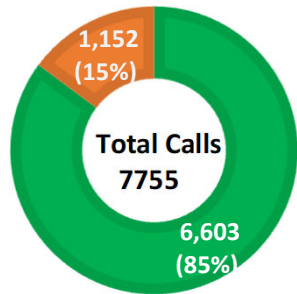
My LACERA Support Queue



Member Services

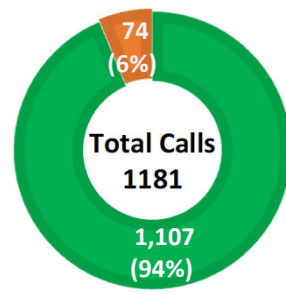
MSCC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned



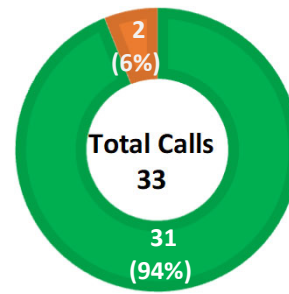
MY LACERA SUPPORT

■ Calls Answered ■ Calls Abandoned



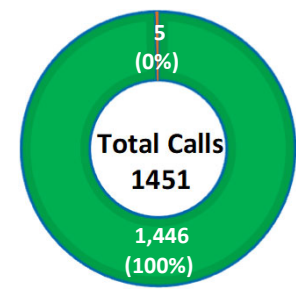
HR PRO SUPPORT

■ Calls Answered ■ Calls Abandoned



MS CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI:	90.80%	Queue KPI:	96.30%	Queue KPI:	95.70%	Queue KPI:	75.84%
Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration
0:07:05	0:16:20	0:01:02	0:12:25	0:01:07	0:15:10	0:17:13	0:27:03



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: December 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. Insurance Benefits

3. Workshops/Appointments

Contact Center Email/Secure Message Performance



Emails (welcome@lacera.com):

376

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA)

1,041

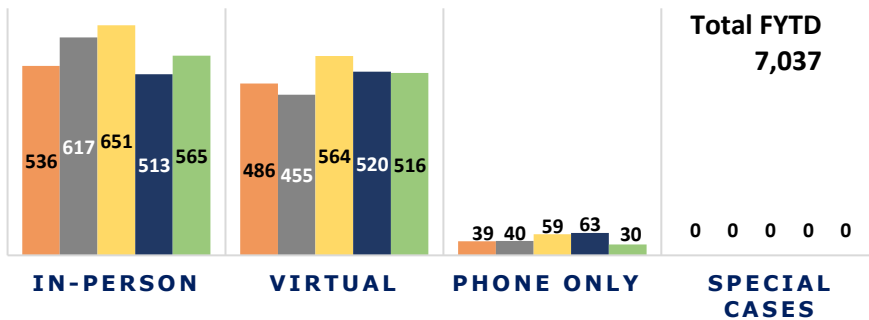
Service Level: 24 Bus. Hours

On Target

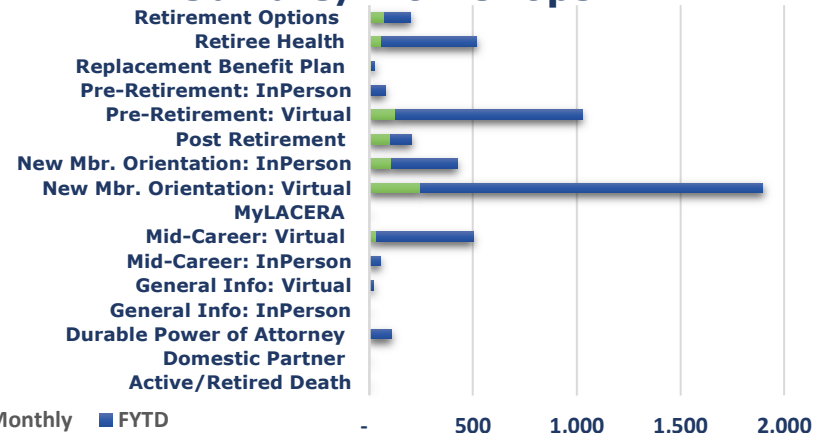
Member Service Center (Outreach)

Member Service Center Appointments

August September October November December



Members Served in Webinars/Workshops



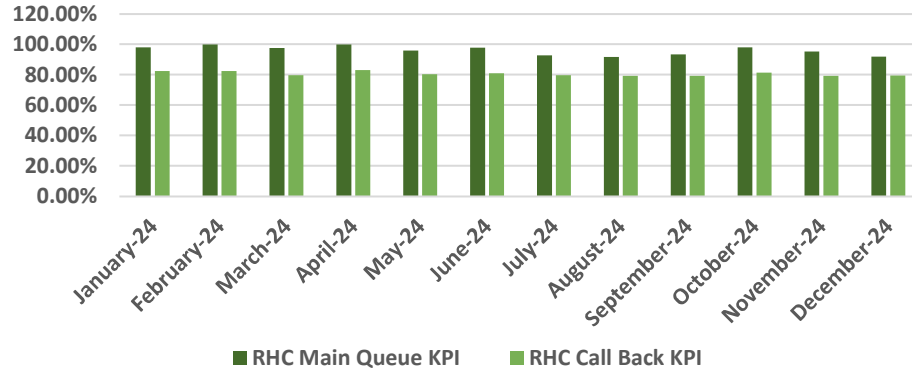
Member Services



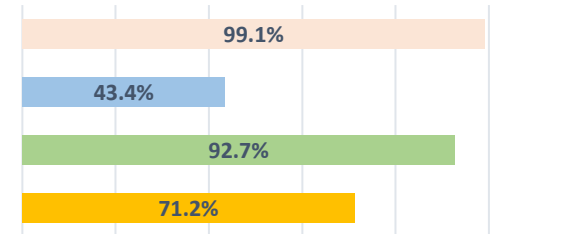
Striving for Excellence

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

RHC Call Center Queue Key Performance Indicator (KPI)



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

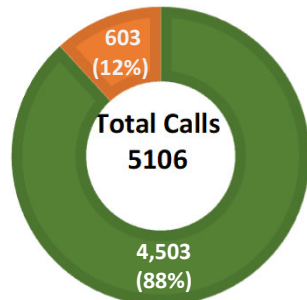


Agent Utilization (Goal:65%)	Grade of Service (Goal: 80% in 60 sec)
After Call Survey (Goal: 90%)	Call Monitoring (Goal: 95%)

Retiree Healthcare

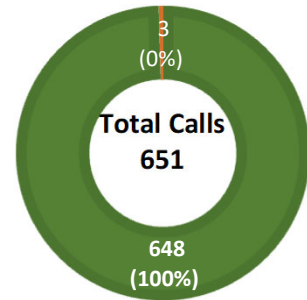
RHC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned



RHC CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



TOP RHC CALL TOPICS

1. Medical/Dental Enrollments
2. Medicare Part B
3. General Inquiries

Queue KPI:	91.90%
Avg. Speed of Answer	Average Duration
0:07:03	0:11:51

Queue KPI:	79.50%
Avg. Speed of Answer	Average Duration
0:39:02	0:09:56

RHC Email/Secure Message Performance



Emails (healthcare@lacera.com): 458

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA) 701

Service Level: 24 Bus. Hours

On Target



Striving for Excellence

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

Disability

Applications

963

Pending: Applications
in Process

69
Received: New Applications

417
Received Year-to-Date

54
To Board - Initial (Presented to BOR)

297
To Board - Initial Year-to-Date

23
Closed (Incomplete/Withdrawn)

100
Closed Year-to-Date

Appeals

86

Pending: Appeals in
Process

1
Received: New Appeals

9
Received Year-to-Date

5
Admin Closed

11
Admin Closed Year-to-Date

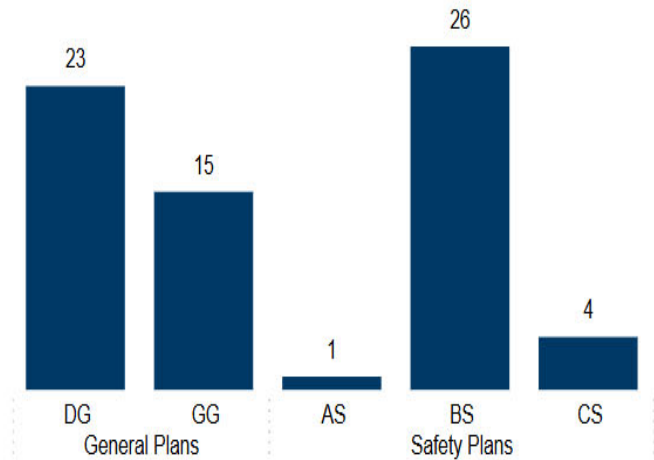
2
Referee Recommendations

7
Referee Recommendations Year-to-Date

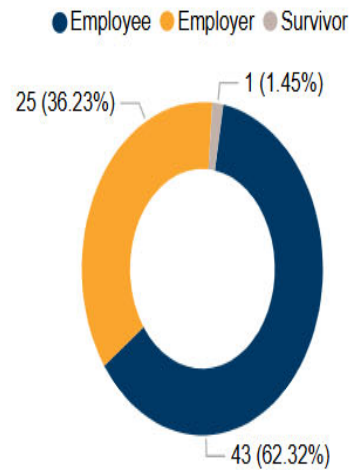
0
DLO Recommendations

0
DLO Recommendations Year-to-Date

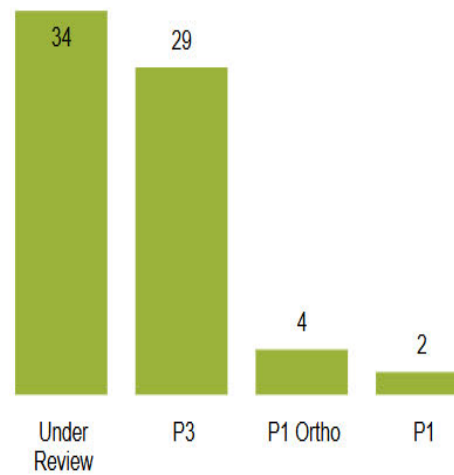
Applications Filed by Plan



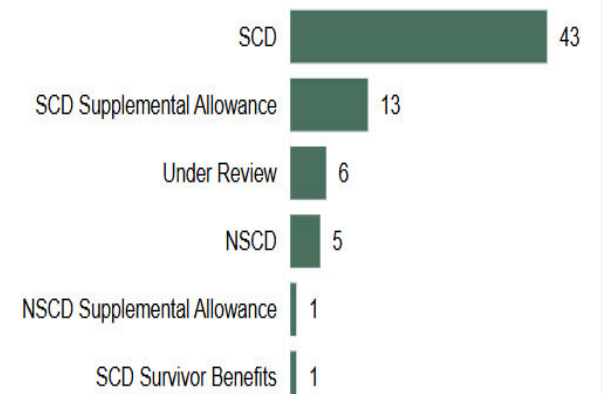
Applications Filed by Source



Applications Filed by Priority Level



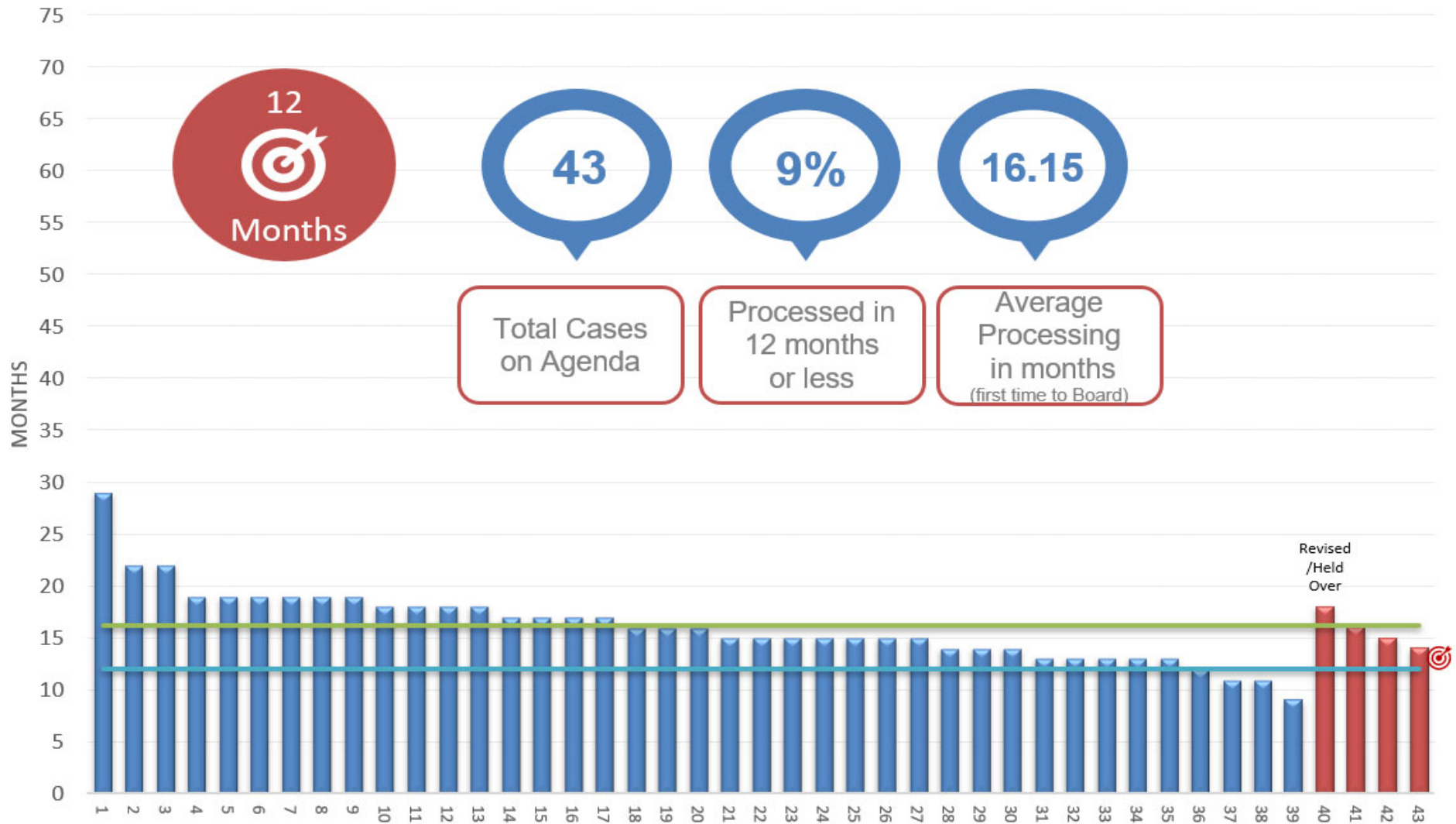
Applications Filed by Type





DISABILITY RETIREMENT SERVICES Application Processing Time

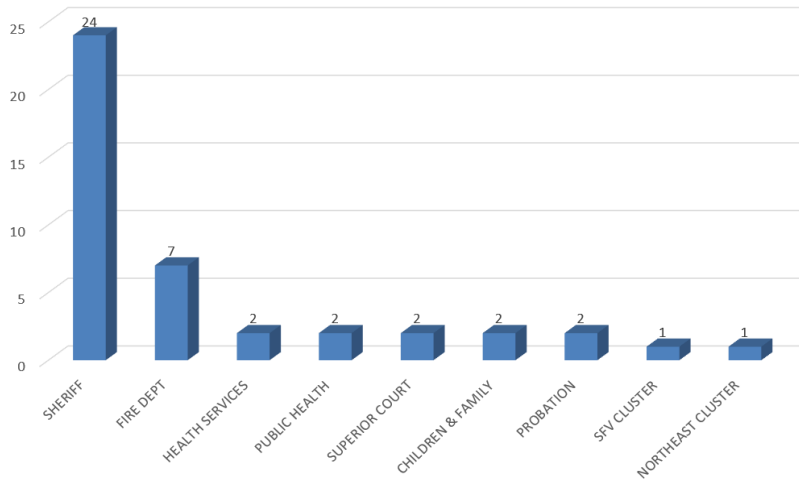
Disability



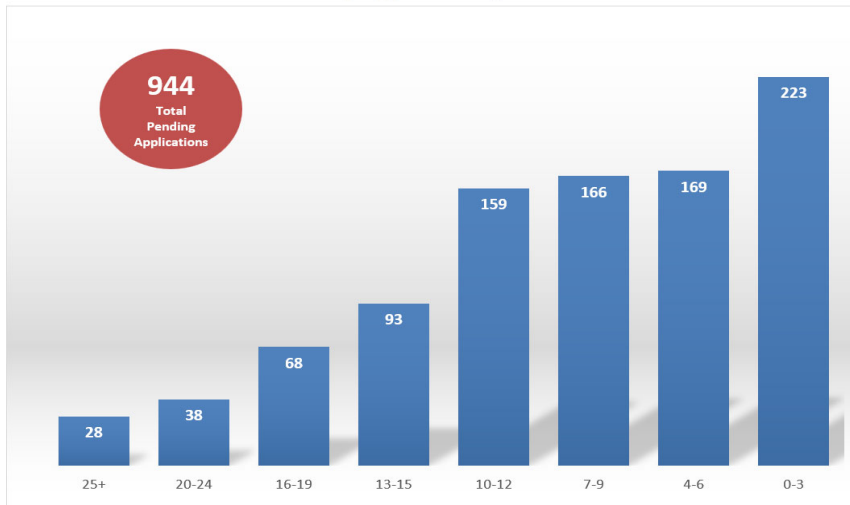
February 5, 2025 - Disability Agenda



DISABILITY RETIREMENT SERVICES
Total Applications by Department on February 5, 2025 Agenda



DISABILITY RETIREMENT SERVICES
Pending Applications/Months



As of January 22, 2025
*Cases on the February 5, 2025 agenda are not included

Disability Retirement Services
Applications by Department

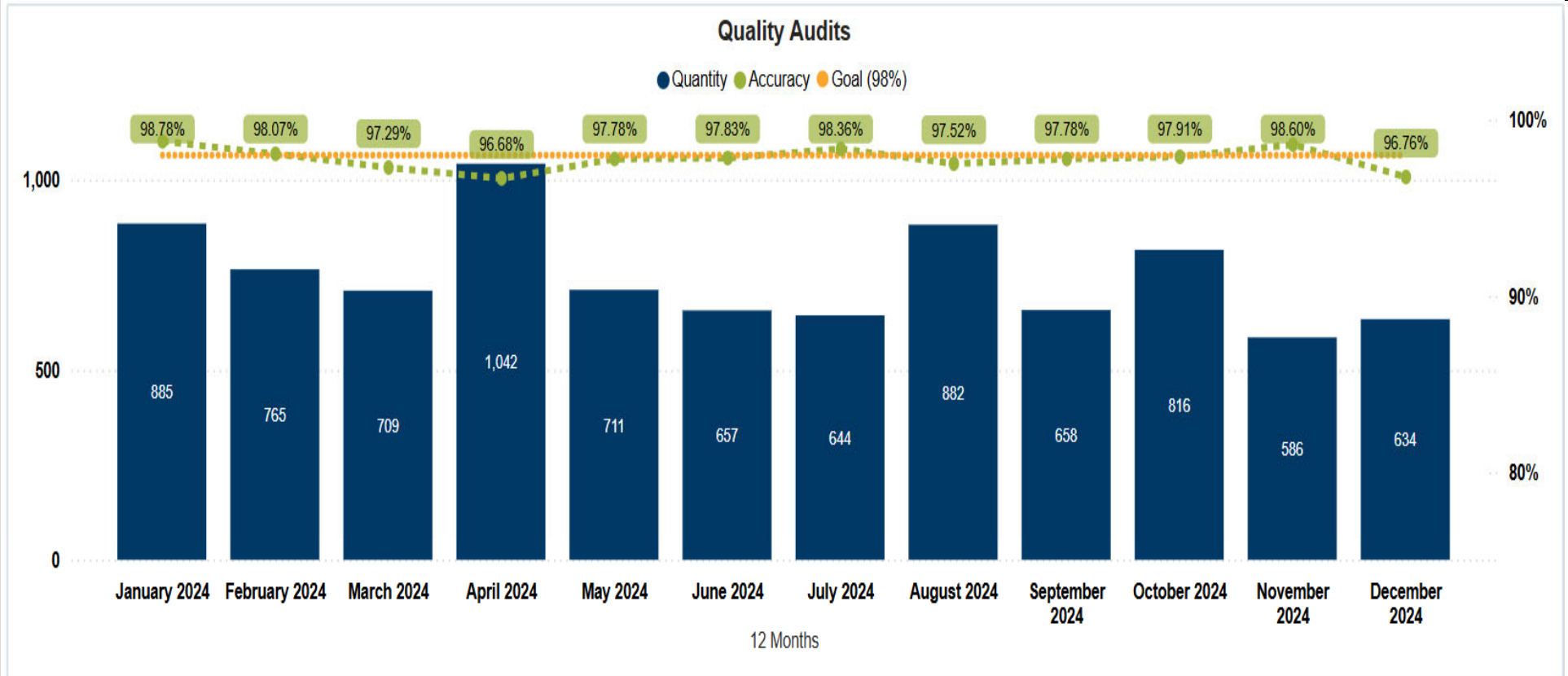
DEPARTMENT	No. of Applications	% of Inventory
SHERIFF	426	45.13%
L A COUNTY FIRE DEPT	169	17.90%
PROBATION DEPARTMENT	158	16.74%
PUBLIC HEALTH PROGRAM	22	2.33%
DEPT OF PUBLIC SOCIAL SERVICES	20	2.12%
CHILDREN & FAMILY SERVICES	17	1.80%
MENTAL HEALTH	13	1.38%
NORTHEAST CLUSTER (LAC+USC)	12	1.27%
PUBLIC WORKS	12	1.27%
HEALTH SERVICES ADMINISTRATION	11	1.17%
SUPERIOR COURT/COUNTY CLERK	9	0.95%
DISTRICT ATTORNEY	9	0.95%
CORRECTIONAL HEALTH	8	0.85%
PUBLIC DEFENDER	8	0.85%
COASTAL CLUSTER-HARBOR/UCLA MC	8	0.85%
AMBULATORY CARE NETWORK	6	0.64%
PARKS AND RECREATION	5	0.53%
INTERNAL SERVICES	5	0.53%
MEDICAL EXAMINER	4	0.42%
RANCHO LOS AMIGOS HOSPITAL	4	0.42%
CHILD SUPPORT SERVICES	2	0.21%
PUBLIC LIBRARY	2	0.21%
SVV CLUSTER-OLIVE VIEW/UCLA MC	2	0.21%
AUDITOR - CONTROLLER	2	0.21%
CHIEF EXECUTIVE OFFICE	2	0.21%
COUNTY COUNSEL	2	0.21%
ASSESSOR	1	0.11%
REG-RECORDER/COUNTY CLERK	1	0.11%
ANIMAL CONTROL	1	0.11%
REGIONAL PLANNING	1	0.11%
AGING DEPARTMENT	1	0.11%
JUVENILE COURT HEALTH SERVICES	1	0.11%
Grand Total	944	100.00%



Striving for Excellence in Quality

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

Quality Assurance



Monthly Recap

December 2024

	Samples	Accuracy
Data Entry	130	96.81%
Payment Contract	350	96.23%
Retirement Election	154	97.92%
Total	634	96.76%

Prior audit values may update due to updated data.

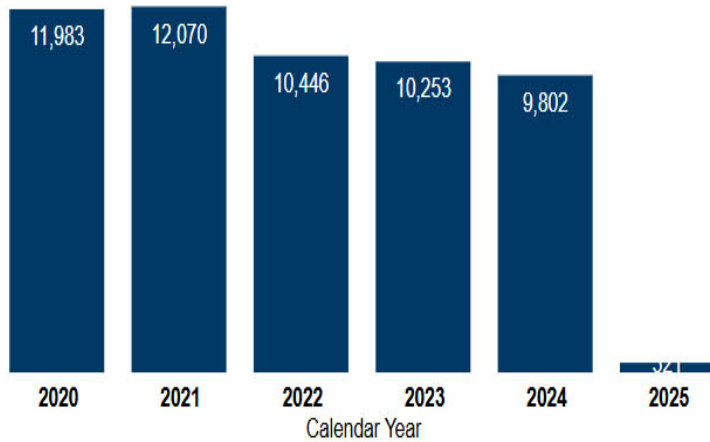


Service Online For All

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

Serving Members Through LACERA.com and MyLACERA

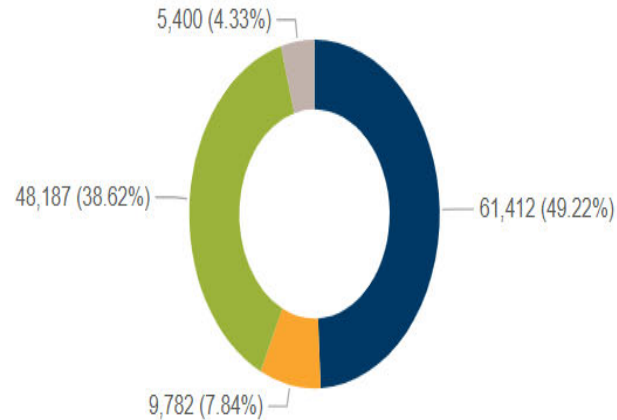
Annual New MyLACERA Accounts*



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

119,381

% of Total Members

61%

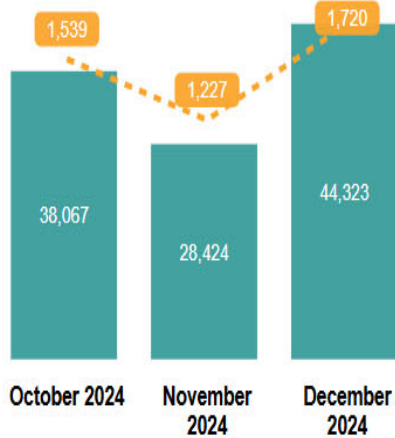
Excludes Non-Members

*Data as of January 15, 2025

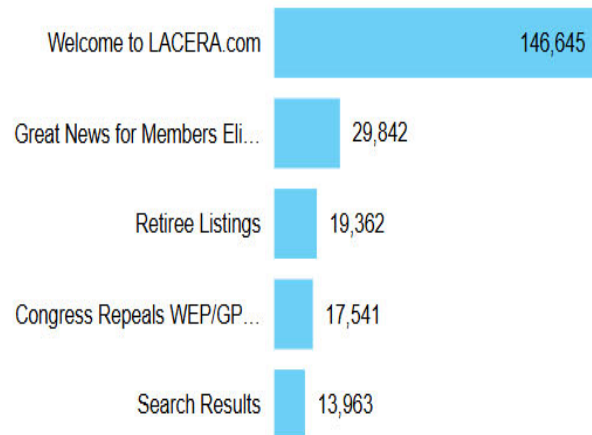
Non-Members include legal split payees and withdrawn members.

LACERA.com User Traffic

First Time Visitors Average Per Day



Top Five LACERA.com Page Views



Busiest Day

12/24/2024

Home Page Tile	Views	% of Change
Resource Center	3,333	43.54%
Ready to Retire	4,583	18.03%
Sign Up for My LACERA!	7,579	8.38%
Board Meetings and Agendas	4,027	7.24%
Careers	3,129	6.86%
Investments	2,576	-5.29%



Member Snapshot

Metrics reported based on January 16, 2025

Membership Count

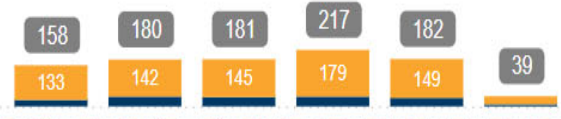
	Active		Inactive		Retired				Total
	Active Vested	Active Non-Vested	Inactive Vested	Inactive Non-Vested	Service Retirement	SCD-Disability Retirement	NSCD-Disability Retirement	Survivors	
General Plans	65,678	21,400	7,907	12,268	48,836	3,091	593	8,321	168,094
AG	36		9	31	10,826	826	137	4,122	15,987
BG	9		5	3	553	34	5	75	684
CG	11		5	7	343	36	6	67	475
DG	31,218	118	3,757	3,698	20,686	2,139	435	2,227	64,278
EG	11,635	4	2,329	342	16,045			1,792	32,147
GG	22,769	21,278	1,802	8,187	383	56	10	39	54,524
Safety Plans	10,111	2,247	541	978	5,114	7,374	78	2,187	28,630
AS			1	2	1,710	2,238	25	1,712	5,688
BS	6,784	52	397	353	3,387	5,103	53	470	16,599
CS	3,327	2,195	143	623	17	33		5	6,343
Total	75,789	23,647	8,448	13,246	53,950	10,465	671	10,508	196,724

Membership Count vesting status excludes reciprocal service credit.

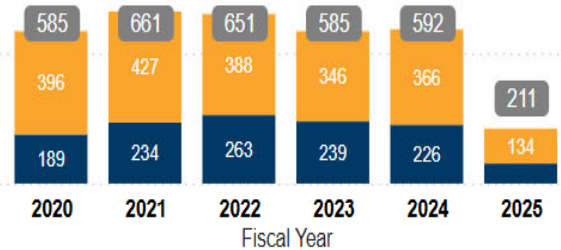
Fire and Sheriff Retirements

● General Plans ● Safety Plans ● Total

L A COUNTY FIRE DEPT

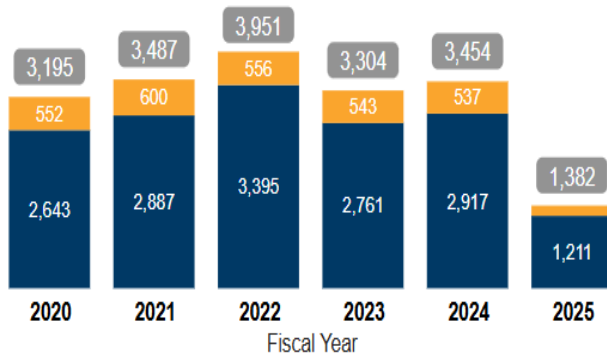


SHERIFF



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	36,125	1,575	37,700
\$4,000 to \$7,999	16,949	4,453	21,402
\$8,000 to \$11,999	5,070	4,736	9,806
\$12,000 to \$15,999	1,450	2,898	4,348
\$16,000 to \$19,999	502	710	1,212
\$20,000 to \$23,999	151	188	339
\$24,000 to \$27,999	46	74	120
> \$28,000	39	14	53
Total	60,332	14,648	74,980

Member Average Monthly Benefit

\$5,384.32

Survivor Average Monthly Benefit

\$3,710.26

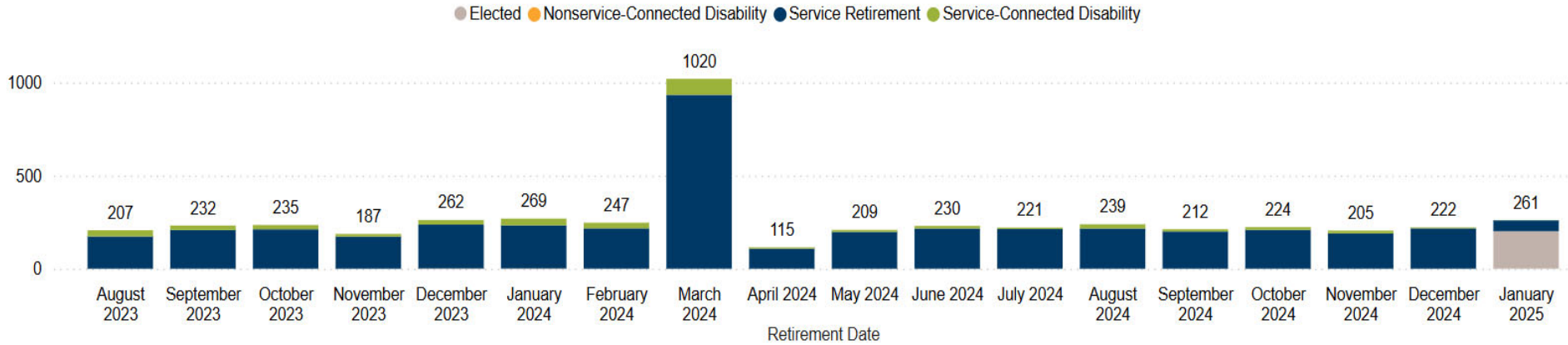
Data labels may not appear for all values

Only includes retirements as of reporting date. Excludes active deaths. Excludes Replacement Benefit Plan benefits.



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 January 16, 2025

Monthly Retirements

Retirement Type	January 2025
Elected	202
Service Retirement	58
Service-Connected Disability	1
Total	261

Retired Members Payroll

(As of 12/31/2024)

Monthly Payroll	\$392.30m
Payroll YTD	\$2.4b
New Retired Payees Added	295
Seamless %	95.25%
New Seamless Payees Added	1,576
Seamless YTD	96.13%
By Check %	2.00%
By Direct Deposit %	98.00%

Healthcare Program

(Mo. Ending: 12/31/2024)

	Employer	Member
Medical	\$351.4	\$24.4
Dental	\$26.0	\$2.4
Part B	\$50.4	\$0.0
Total	\$427.8	\$26.8

Health Care Enrollments

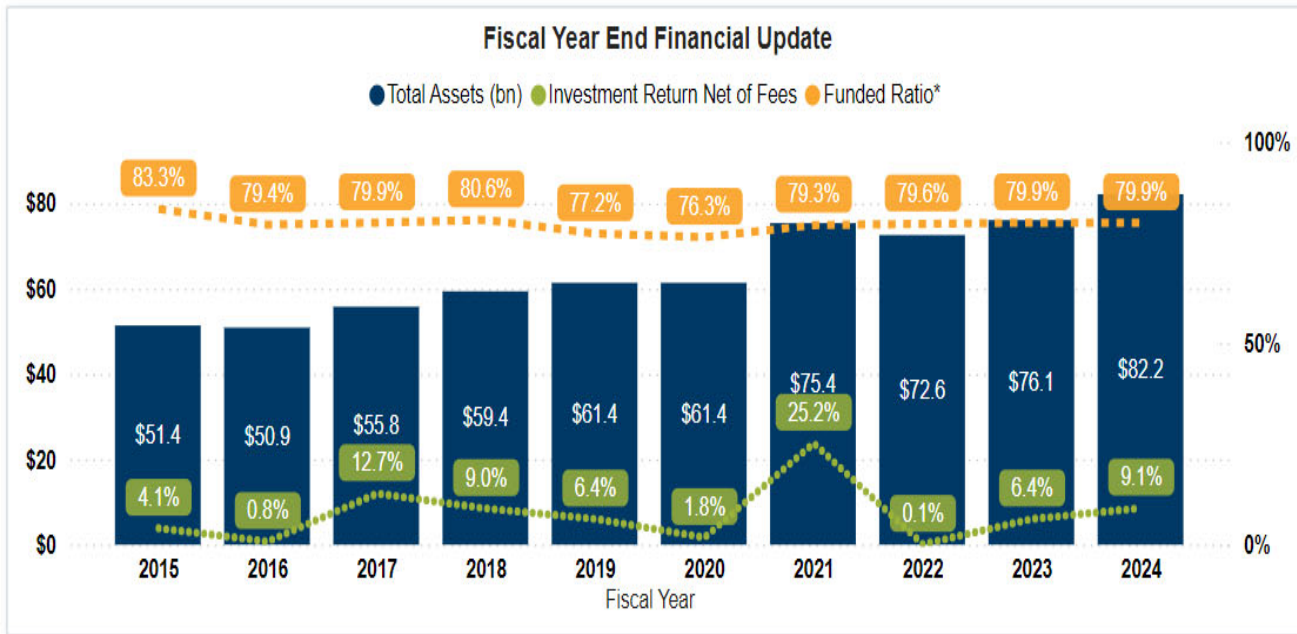
(Mo. Ending: 12/31/2024)

Medical	56,713
Dental	58,883
Part B	39,361
LTC	442
Total	155,399



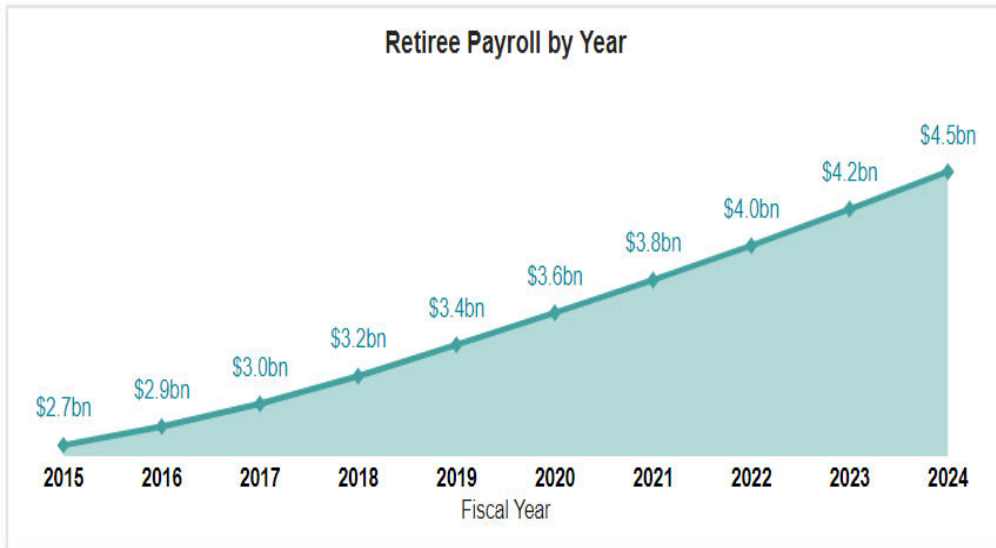
Key Financial Data

(As of June 30, 2024)



Funding Metrics	Contributions
11.01% Employer NC*	\$2.5bn Employer Annual Contribution
14.87% UAAL*	25.88% Employer % of Payroll*
7.00% Assumed Rate	\$861.0m Member Annual Contribution
\$608.6m Star Reserve	8.37% Member % of Payroll*
\$79.2bn Total Net Assets	
	Investment Returns
	9.1% <i>net of fees</i> 1-Year Return
	5.2% 3-Year Return
	7.4% 10-Year Return

*Actuarial data is provided as of June 30, 2023 and will be updated when 2024 data becomes available.

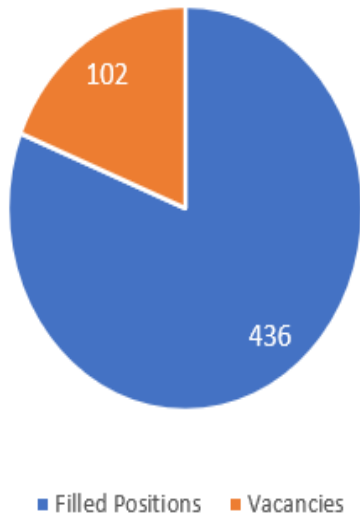




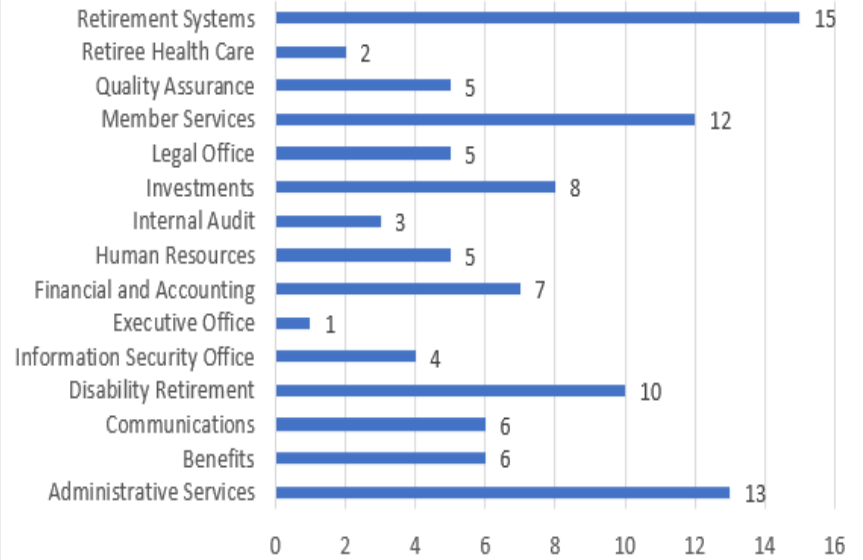
Human Resources

Metrics reported based on January 15, 2025

Vacancy Rate 19%

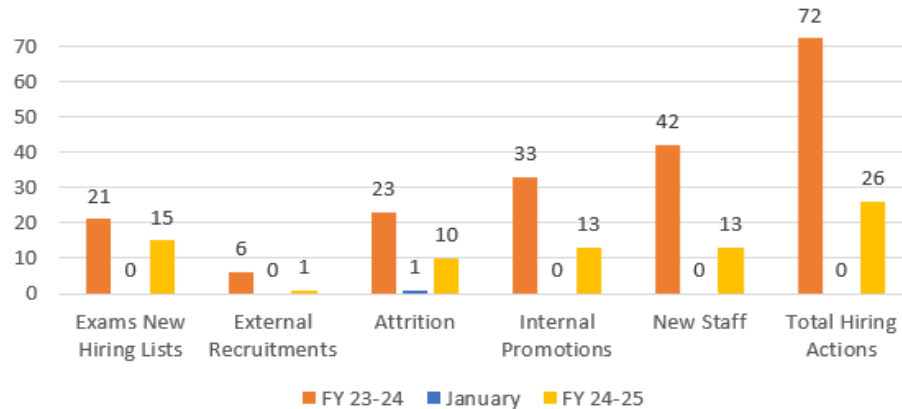


Vacancies by Division



Recruiting for Our Future

HR Key Performance Indicators through 1/15/2025



Current Recruitments

Classification	Division
Disability Retirement Specialist	Dis. Retirement
IT Specialist I	Systems
Senior Internal Auditor	Internal Audit
Legal Analyst	Legal
Legal Secretary	Legal
Special Assistant	Executive



QUIET PERIOD LIST FOR TRUSTEES AND STAFF

Last Update 01/27/2025

ADMINISTRATIVE/OPERATIONS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
RFP: Member Experience Communications Platform (MECP)	Systems	11/6/2023	Contract Development	<ul style="list-style-type: none"> • Genesys/TTEC
RFP: Offsite Records Storage, Shredding, and Scanning Services	Administrative Services	8/30/2024	Bid Review	<ul style="list-style-type: none"> • Corodata • GRM • Iron Mountain • VRC Companies
RFP: Taxonomy & Knowledge Management Consultant	Executive Office	06/14/2024	Contract Development	<ul style="list-style-type: none"> • Enterprise Knowledge, LLC. • Taxonomy Strategies • Accenture
RFQ: eDiscovery	Legal / InfoSec	12/1/2023	Contract Development	<ul style="list-style-type: none"> • GlobalRelay

*Subject to change

INVESTMENTS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
RFP: Risk and Analytics System, and ESG Research Services Search	Investments	3/29/2023	Contract Development	<ul style="list-style-type: none"> • BlackRock Financial Management Inc • Barra, LLC • Bloomberg Finance L.P. • Clearwater Analytics • eVestment Alliance, LLC • FactSet Research Systems Inc. • ISS STOXX GmbH • MSCI ESG



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
				<ul style="list-style-type: none">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
February, 2025	
13	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual
March, 2025	
2-5	CALAPRS (California Association of Public Retirement Systems) General Assembly 2025 Napa, CA
5-7	Pacific Pension Institute (PPI) Winter Roundtable Seattle, WA
10-12	Council of Institutional Investors (CII) Spring Conference and 40 th Anniversary Celebration Washington D.C.
24-27	AHIP (America’s Health Insurance Plans) Medicare, Medicaid, Duals and Commercial Markets Forum Baltimore, MD
26-27	PREA (Pension Real Estate Association) Spring Conference Dallas, TX
April, 2025	
2-3	National Association of Corporate Directors (NACD) Master Class – Technology & Innovation Oversight Arlington, VA
13-16	CRCEA (California Retired County Employees Association) Spring Conference Ventura, CA
14-18	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
28-29	IFEBP (International Foundation of Employment Benefit Plans) Health Care Mgmt. Conference Fort Myers, FL
30-May 1	IFEBP (International Foundation of Employment Benefit Plans) Investments Institute Fort Myers FL
May, 2025	
12-15	thINc360 – The Healthcare Innovation Congress (formerly World Healthcare Congress) Washington D.C.
13-16	SACRS Spring Conference Rancho Mirage, CA

Date	Conference
May, 2025	
17-18	NCPERS (National Conference on Public Employee Retirement Systems) Trustee Educational Seminar (TEDS) Denver, CO
17-18	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Denver, CO
18-21	NCPERS (National Conference on Public Employee Retirement Systems) Annual Conference & Exhibition (ACE) Denver, CO
19-20	IFEBP (International Foundation of Employment Benefit Plans) Washington Legislative Update Washington D.C.
30	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
June, 2025	
2-4	National Association of Securities Professionals (NASP) Annual Financial Services Conference Columbus, OH
16-18	NCPERS (National Conference on Public Employee Retirement Systems) Chief Officers Summit New York, NY
17-19	AHIP (America’s Health Insurance Plans) 2025 Seattle, WA
July, 2025	
17-18	ICGN 30 th Anniversary Conference-Americas New York, NY
23-25	Pacific Pension Institute (PPI) Summer Roundtable Salt Lake City, UT
September, 2025	
8-10	Council of Institutional Investors (CII) Fall Conference San Francisco, CA
October, 2025	
3	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
12-15	National Association of Corporate Directors (NACD) Directors Summit 2025 Washington D.C.

Date	Conference
October, 2025	
22-24	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
22-24	Pacific Pension Institute (PPI) Asia Pacific Roundtable Sydney, Australia
November, 2025	
4-6	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
9-12	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Honolulu, HI
11-14	SACRS Fall Conference Huntington Beach, CA
December, 2025	
11	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual

December 23, 2024

TO: Trustees – Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

FOR: February 12, 2025 Board of Investments Meeting

SUBJECT: **2025 Strategic Framework and Initiatives:
Towards Best-in-Class Investor**

RECOMMENDATION

Approve the 2025 Strategic Framework and Initiatives.

BACKGROUND

Attached is the 2025 Strategic Framework and Initiatives recommendation for approval by the Board of Investments. It reviews strategic initiatives, progress towards objectives, and aspirations. The presentation also outlines a framework to guide implementation of the strategic asset allocation and provides visibility to facilitate oversight and governance by the Board of Investments to exercise its fiduciary duties.

Attachment

2025 Strategic Framework and Initiatives:

Towards Best-In-Class Investor

Board of Investments Meeting
January 8, 2025

2025 Strategic Framework and Initiatives Recommendation and Overview



Recommendation

Approve the 2025 Strategic Framework and Initiatives

Overview

The 2025 Strategic Framework and Initiatives aim to:

1. Fulfill LACERA's mission to members via guiding implementation of the strategic asset allocation
2. Provide visibility into initiatives to facilitate oversight and governance
3. Establish a framework to be process-driven and dynamic
4. Build upon strong foundation to facilitate future success

Objectives

Progress

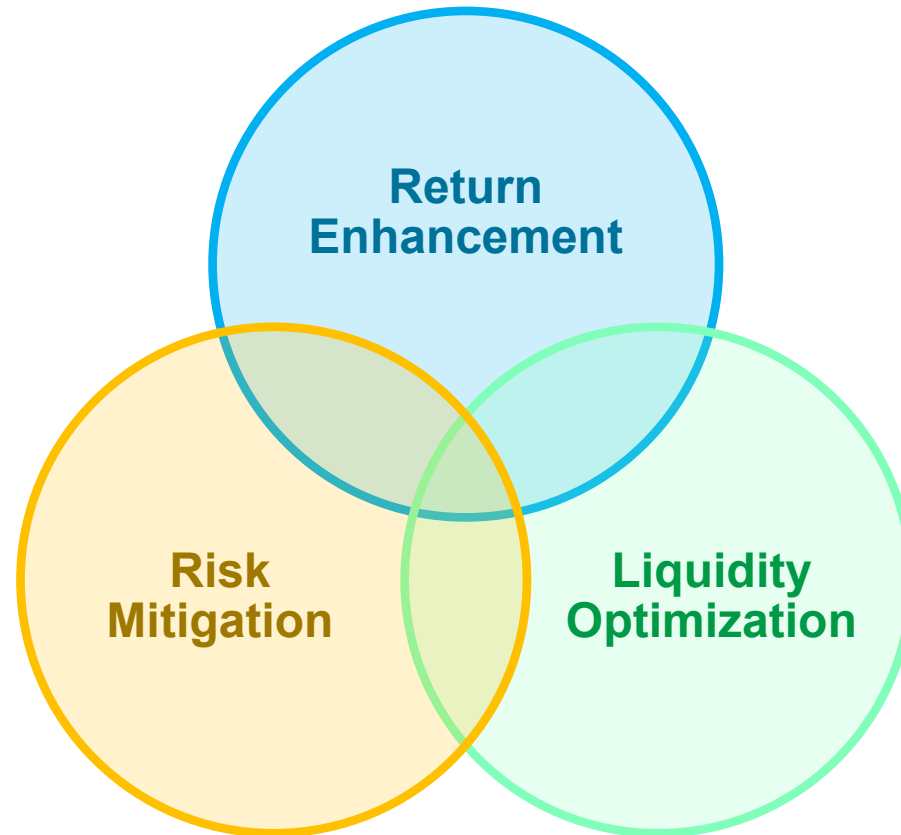
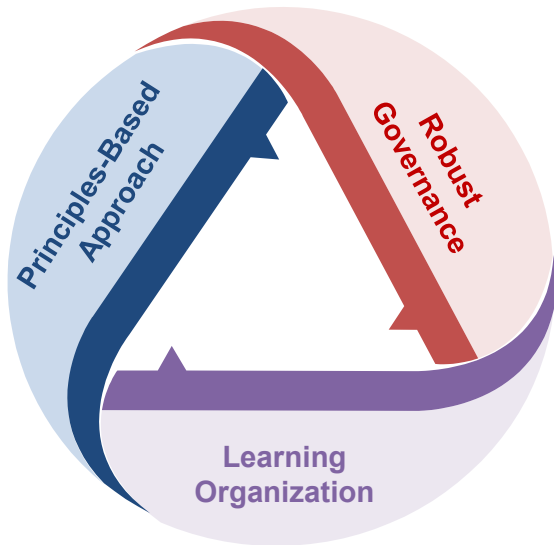
Aspirations

Strategic Framework and Initiatives Towards Best-In-Class Investor



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives



Optimize Investment Model



Maximize Stewardship and Ownership Rights



Strengthen Influence on Fees and Cost of Capital



TIDE (Towards Inclusion, Diversity, and Equity)



Enhance Operational Effectiveness

LACERA Mission: To produce, protect and provide the promised benefits to our members

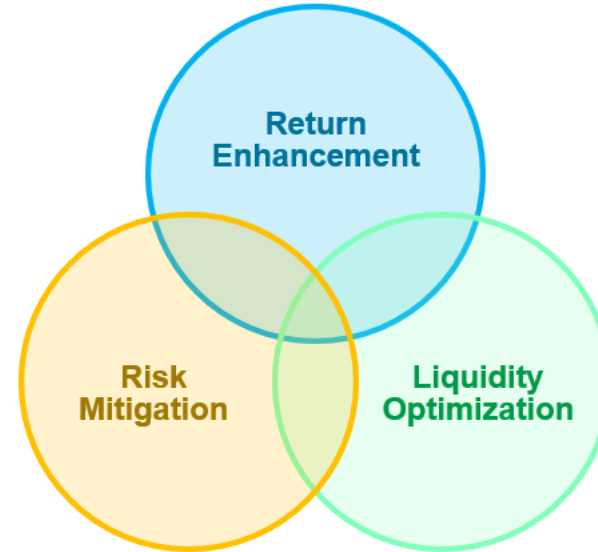
Execute Strategic Asset Allocation

Updated in 2024



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives

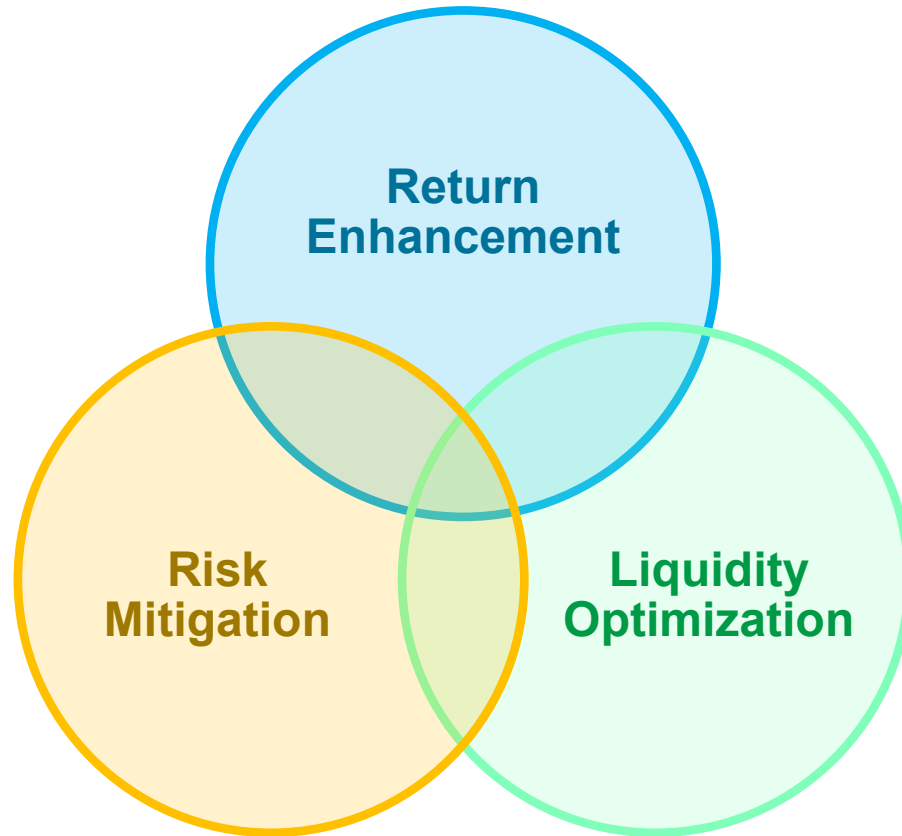


LACERA Mission: To produce, protect and provide the promised benefits to our members

Execute Strategic Asset Allocation Towards Best-In-Class Investor



Execute Strategic Asset Allocation



2025 in Context

- The Board approved a new Strategic Asset Allocation in 2024
- New allocation targets take full effect in 2025
- LACERA is rebalancing and building its portfolio in response to new targets

LACERA Mission: To produce, protect and provide the promised benefits to our members

Execute Strategic Asset Allocation Objectives of the Investment Program



LACERA's Investment Policy Statement emphasizes Produce, Protect, and Provide objectives, mirrored in its Strategic Asset Allocation strategy focusing on Return Enhancement, Risk Mitigation, and Liquidity Optimization



Objectives of the Investment Program

LACERA follows a carefully planned and executed strategic investment program in order to:

- I. Produce*** the promised benefits for LACERA members and beneficiaries by achieving the Fund's assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;
- II. Protect*** the promised benefits on behalf of LACERA members and beneficiaries by mitigating investment risks through Fund diversification and other means, consistent with LACERA's mission; and
- III. Provide*** the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission

LACERA Mission: To produce, protect and provide the promised benefits to our members

Strategic Initiatives

Added 2019-2021



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives


Optimize Investment Model


Maximize Stewardship and Ownership Rights


Strengthen Influence on Fees and Cost of Capital


TIDE (Towards Inclusion, Diversity, and Equity)


Enhance Operational Effectiveness

LACERA Mission: To produce, protect and provide the promised benefits to our members



Optimize Investment Model

Objective: Utilize our knowledge, skills, and experience to develop forward thinking and enduring investment models and structures with a focus on technology, cost effectiveness, and human capital to maximize risk-adjusted returns

- Progress:**
- Improving LACERA's investment acumen to fulfill the mission
 - Implementing Board adopted triennial Strategic Asset Allocation studies
 - Deploying co-investment and secondary capital across several asset categories
 - Executing secondary sales to focus private equity portfolio on strategic relationships
 - Transitioning real estate portfolio from separate accounts to commingled funds to broaden diversification
 - Active monitoring and quarterly portfolio-wide discussion of performance and risk management



- Aspirations:**
- Continue to seek better compensation for risks across the portfolio
 - Promote and enhance dynamic investment program
 - Fine tune rebalancing practices
 - Organize and deliver effective educational sessions and orientations



Maximize Stewardship and Ownership Rights

Objective: Steward our investments – including legal rights associated with them – to promote and safeguard our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy

- Progress:**
- Increased proxy voting authority to 96% of defined benefit portfolio and assumed voting rights in OPEB Trust
 - All mandates undergo systemic due diligence for material ESG risks
 - Updated stress testing of 2024 Strategic Asset Allocation for energy transition scenarios and climate risks
 - Deepened ESG considerations in real assets with restated Responsible Contractor Policy (RCP) and Global Real Estate Sustainability Benchmark (GRESB) affiliation
 - Expanded engagement initiatives (e.g., investor voting rights, energy transition, public policy, board diversity)



- Aspirations:**
- Execute on strategic engagement initiatives with credible outcomes
 - Amplify progress and leadership in governance and ESG initiatives
 - Continue to expand proxy voting authority
 - Increase ESG and climate data coverage in private asset classes
 - Elevate annual stewardship report



Strengthen Influence on Fees and Cost of Capital

Objective: Leverage our influence on fees and cost of capital across all investment strategies and structures in a manner that aligns interests and promotes resilient investment returns

- Progress:**
- Utilizing co-investments across the Fund to drive portfolio intentionality, better risk-adjusted returns, and fee savings
 - Investing with early-stage emerging managers while achieving future capacity rights and revenue sharing agreements where possible
 - Making use of scale and strategic relationships to invest in high-quality assets at a discount
 - Integrating fee structures that pay for outperformance, not just market returns

- Aspirations:**
- Set industry standard as “term-makers” as opposed to “term-takers” on fee, legal, and other terms
 - Foster higher alignment of interest with business partners
 - Incorporate intentionality when designing terms and account structures to both limit risks and enhance expected return outcomes
 - Deliver on optimization of implementation costs through improved expense and fee analytics and reporting





LACERA TIDE (Towards Inclusion, Diversity, and Equity)

Objective: Enhance outcomes through comprehensive, total Fund efforts that encourage constructive, inclusive, and equitable talent management at investment partners, service providers, industry, and internally

- Progress:**
- Focusing on career development for existing team and onboarding new hires
 - Continued increase in manager reporting responsiveness, granularity, and candor
 - Expanding allocation opportunities for emerging managers
 - Supporting expansion of due diligence and standardized templates at industry associations to facilitate DEI reporting availability and reliability in financial services industry



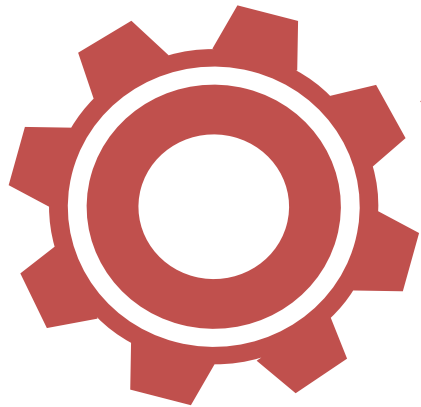
- Aspirations:**
- Continue to focus on better human capital management practices across the asset management industry
 - Be an employer of choice at all levels from internships through management
 - Inspire external asset managers to adopt DEI practices to increase risk-adjusted returns
 - Utilize wider data sets to inform and influence effective industry-wide practices
 - Refine annual TIDE report



Enhance Operational Effectiveness

Objective: Expand the efficiency of our resources (internal and external, human and technological) and mitigate varied investment and enterprise risks, which can improve future outcomes

- Progress:**
- Evolving LACERA's policies, governance, and investment selection decision process
 - Broadening utilization of software platform to distribute, collect, evaluate, and warehouse questionnaires and other diligence materials
 - Onboarding service provider for a consolidated public and private markets investment analytics platform
 - Transitioning real estate portfolio from separate accounts to commingled funds to reduce operational risk
 - Aligning benchmarks to better reflect opportunity set and desired portfolio risk and return profile

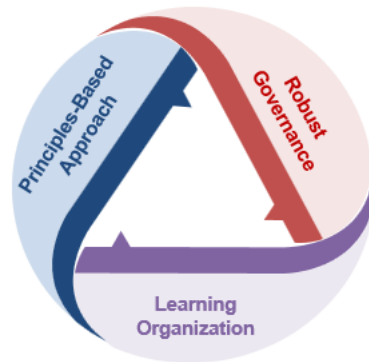


- Aspirations:**
- Optimize presentation and quality of information available to the Board
 - Align resources with Board and organizational priorities
 - Maximize value from adoption of technological innovation and opportunities
 - Improve internal investment committees and due diligence practices
 - Launch a development program for early-career investment analysts

Dynamic Investment Program

Added 2023

Dynamic Investment Program



Execute Strategic Asset Allocation



Strategic Initiatives



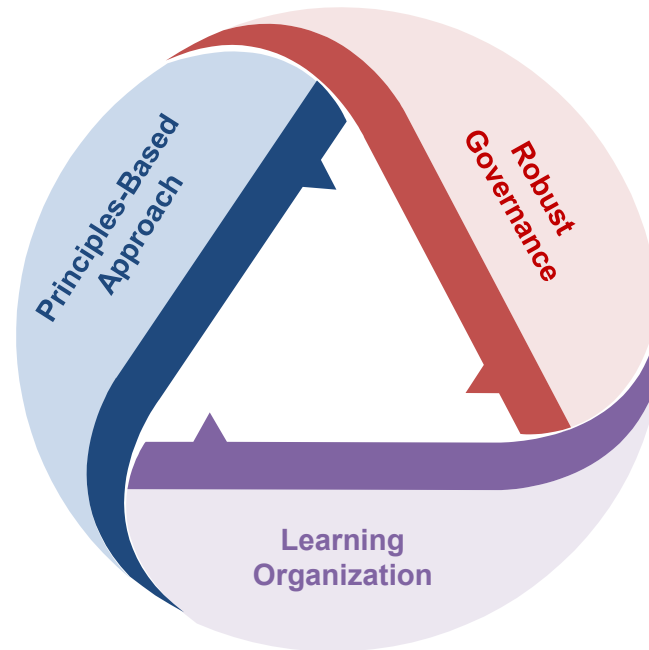
LACERA Mission: To produce, protect and provide the promised benefits to our members

Dynamic Investment Program



LACERA's dynamic investment program sharpens decision-making and fosters perpetual growth

Increases adaptability to an everchanging environment



Enables prudent decision making while elevating Board oversight

Pursuit of continuous improvement, refinement, and evolution

Dynamic Investment Program



LACERA's dynamic investment program provides a methodical, deliberate, and meticulous process to evaluate strategic efforts

Robust Governance

Enables prudent decision making while elevating Board oversight

Governing Policies

Actuarial Analyses

Strategic Asset Allocation

Structure Reviews and Investment Guidelines

Learning Organization

Pursuit of continuous improvement, refinement, and evolution

Continuous Education

Increased Transparency

Greater Inclusivity

Enhanced Due Diligence

Principles-Based Investing

Increases adaptability to an everchanging environment

Investment Beliefs

Functional Asset Categories

Corporate Governance and Stewardship

Portfolio Analytics and Monitoring

Next Steps

1. Board of Investments Governance
2. Recommendation

Board of Investments Governance



“In order to exercise its fiduciary duties, the Board has the responsibility to stay informed and affirmatively conduct oversight of LACERA’s investment program, including receiving, reviewing, and engaging on investment performance and compliance information and reports.”



To provide oversight of LACERA’s dynamic investment program and consistent with the IPS identified roles and responsibilities, the Board and its Committees meet throughout the year to approve **policy and strategy**, conduct **oversight**, and review **periodic updates**:

Policy and Strategy

- IPS - Investment Policy Statement
- SAA - Strategic Asset Allocation
- Portfolio structure reviews
- Strategic Framework and Initiatives
- Actuarial study and funding policy
- Consultants, actuaries, and fiduciary counsel

Oversight

- Portfolio implementation
- CIO Monthly Report
- Performance, risk, and compliance
- Proxy voting and stewardship
- Project updates such as for LACERA’s TIDE initiative
- Portfolio information such as manager scorecards and fees
- Review of CIO performance

Periodic Updates

- New investment and redemption notices
- RFP updates and memorandums
- Material portfolio or market events
- Significant investment updates
- Educational speakers

The above lists are not exhaustive. The IPS provides a more comprehensive description of roles and responsibilities.



Approve the 2025 Strategic Framework and Initiatives



Execute Strategic Asset Allocation



LACERA Mission: To produce, protect and provide the promised benefits to our members

The Board of Investments 2025 Strategic Framework and Initiatives is a component of LACERA's strategic plan.

December 19, 2024

TO: Trustees – Board of Investments

FROM: Terri Herubin *THH*
Senior Investment Officer

FOR: February 12, 2025 Board of Investments Meeting

SUBJECT: **REAL ESTATE STRUCTURE REVIEW**

RECOMMENDATION

Approve the recommendations within the Real Estate Structure Review, which includes amendments to the Real Estate investment guidelines, as outlined on slides 25 and 34 of the attached presentation.

BACKGROUND

The Real Estate Structure Review combines the Core Real Estate and Non-Core Real Estate asset categories. Core Real Estate is part of the Real Assets and Inflation Hedges functional category and Non-Core Real Estate is part of the Growth functional category.

The primary purpose of a structure review is to establish a framework for assessing the effectiveness of portfolio implementation and to propose changes that would further optimize execution. Structure reviews define roles, implementation, frameworks, performance metrics and initiatives. They also include investment guidelines that affirm Board-approved benchmarks, subcategory asset allocation ranges, geographic market allocation ranges and relevant investment mandate parameters.

SUMMARY

LACERA completed its most current Strategic Asset Allocation (“SAA”) study in April 2024. LACERA’s Investment Beliefs state that “long-term strategic asset allocation will be the primary determinant of LACERA’s risk/return outcomes.” The primary objective of the strategic asset allocation is to ensure that LACERA’s assets are invested in a manner that is aligned with LACERA’s mission to produce, protect and provide the promised benefits.

The results from the April 2024 SAA informed the following proposed updates to the Real Estate Structure Review (**ATTACHMENT 1**).

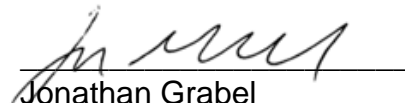
- **Core Real Estate** – Address transition-based challenges to intentional portfolio construction by increasing ranges for weightings to benchmark for industry sector and geography and removing separately managed account assets from weightings, and establish annual budget and allocation for investment and investment vehicle parameters consistent with other asset categories
- **Non-Core Real Estate** – Facilitate additional investment by increasing the upper limit of investment to North America, accommodate lack of clarity in timing of funds' capital deployment by increasing the upper limit of industry sector weightings and increasing the maximum manager exposure, and establish an annual budget and allocation for investment and investment vehicle parameters consistent with other asset categories

CONCLUSION

LACERA's Real Estate consultant, StepStone Group, has reviewed the Structure Review and is in support. A concurrence memorandum is attached (**ATTACHMENT 2**). Approval of the Real Estate Structure Review is recommended.

Attachments

Noted and Reviewed:


Jonathan Grabel
Chief Investment Officer

2025 Real Estate Structure Review

Board of Investments Meeting

Table of Contents



Title	Slide	Title	Slide	Title	Slide
Discussion Overview	3	Core Real Estate	17	Real Estate: Next Steps	35
		Desired Implementation	18	Emerging Manager Program	36
Role of Real Estate	4	Exposure, Manager Diversification	19, 20	Initiatives	37
Real Estate – Portfolio Role	5	Performance	21	Recommendation Summary	38
Real Estate – Portfolio Composition	6	Pacing	22		
Real Estate – Portfolio Performance	7	Sector/Geography Guidelines	23, 24	Appendix	39
Real Estate – Portfolio Evolution	8	Proposed Investment Guidelines Update	25	Real Estate Investment Guidelines ¹	40-43
Real Estate – Structure Review Objectives	9			Investment Process	44
Real Estate – 2022 Structure Review Progress	10	Non-Core Real Estate	26	Model Assumptions	45
Real Estate – Path Forward	11	Desired Implementation	27	Risk Profile Definitions	46
		Exposure, Manager Diversification	28, 29	Risk Summary Core	47
Benchmark Impacts & Market Conditions	12	Performance	30	Risk Summary Non-Core	48
Benchmark Composition	13	Pacing	31	Consutant's View of Market	49
Benchmark Performance	14, 15	Sector/Geography Guidelines	32, 33	Glossary	50, 51
Benchmark and Implementation Impact	16	Proposed Investment Guidelines Update	34		

¹ Subject to Board of Investments approval.

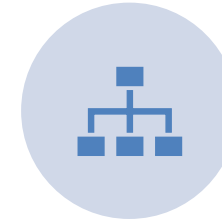
Real Estate – Discussion Overview



Role of Real Estate: Understanding the function of real estate within our investment portfolio



History of the Program: A look back at the evolution of our real estate program, highlighting key milestones and strategic shifts



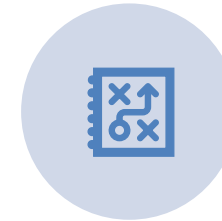
Market Conditions: Review current and projected market conditions affecting program implementation to date and going forward



Performance: Analysis of the performance metrics and outcomes of our real estate investments



Desired Implementation: Discuss the steps to implement the strategies and the impact on our portfolio



Next Steps: Examine the actions to achieve the BOI's strategic objectives

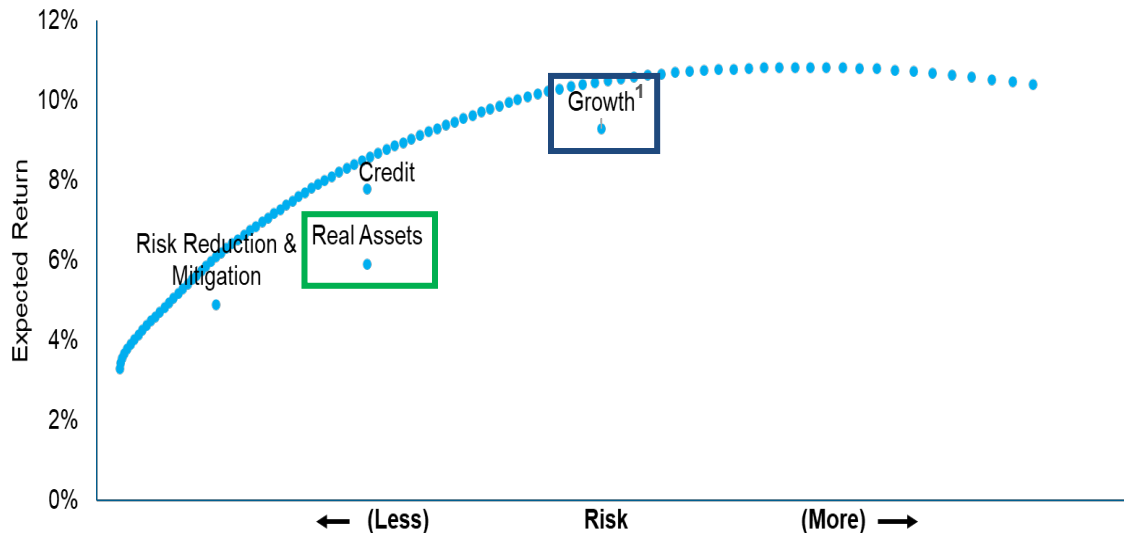


Role of Real Estate

Real Estate – Portfolio Role



Real estate falls into two different functional asset categories, with each sub-category providing distinct risk profiles, return expectations and diversification benefits



Core Private Real Estate – Real Assets

- Focus on capital preservation and income
- Diversify by sector, geography, and leverage
- Seek appropriate risk-adjusted returns through sector tilts to stabilized properties, with income largely driving return

Investment Policy Statement

- Real Assets, including Core Real Estate, role is to provide income as well as a hedge against inflation
- Growth, including Non-Core Real Estate, role is to be the primary driver of long-term returns
- Diversification due to the assumed low correlation of returns between these assets and other asset classes

Non-Core Private Real Estate – Growth

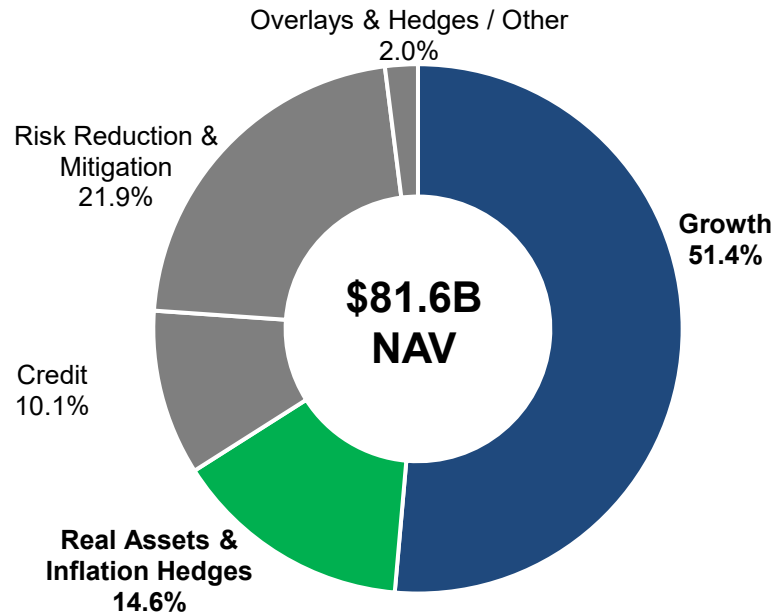
- Emphasize growth over current income
- Maximize performance while managing risk
- Capture equity-like returns from value-add and opportunistic real estate

¹Growth Structure Review was presented and approved at the November 2024 Board of Investments meeting.

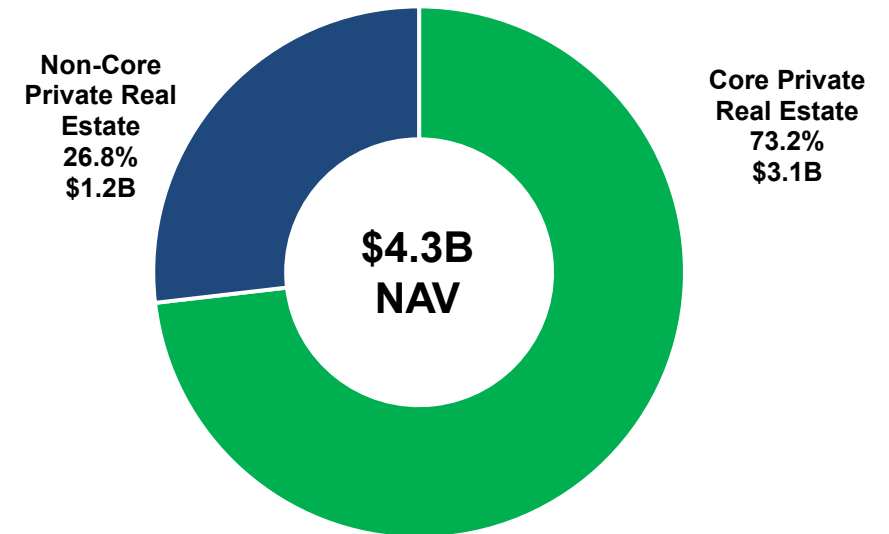
Real Estate – Portfolio Composition



Total Fund Asset Allocation



Total Real Estate



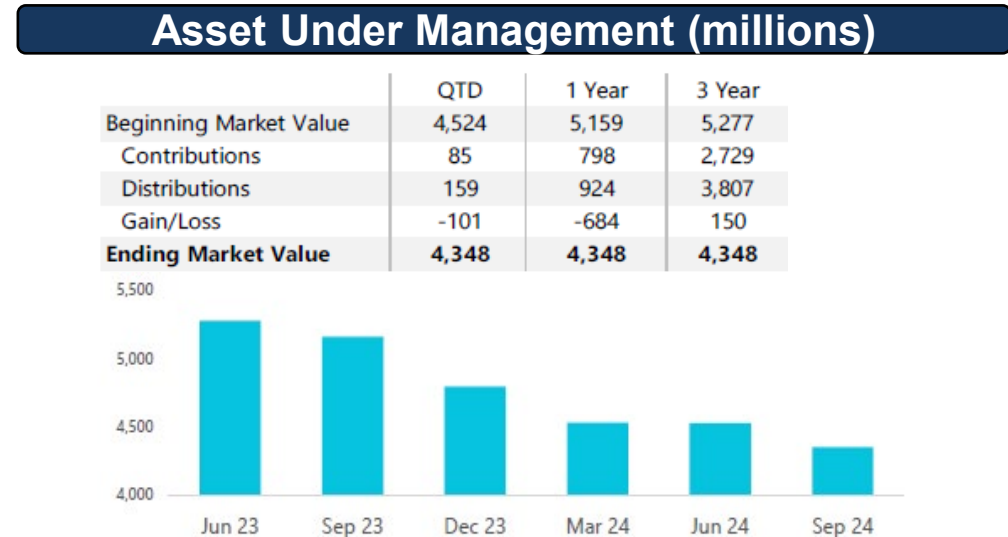
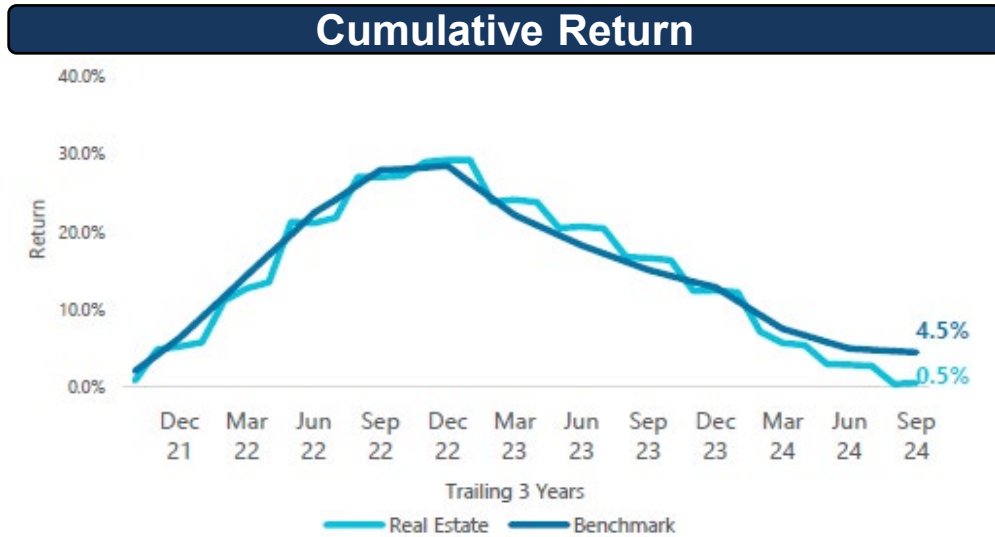
Asset Class	Allocation ¹	Policy Target	Over/Under	Target Range +/-	Target Range %	Benchmark
REAL ASSETS & INFLATION HEDGES	14.6%	15.0%	-0.4%	+/- 4%	11% – 19%	Custom Blend
Core Real Estate	3.8%	5.0%	-1.2%	+/- 3%	2% – 8%	NFI-ODCE ¹ Net (3-Month lagged)
GROWTH	51.4%	48.0%	+3.4%	+/- 8%	40% – 56%	Custom Blend
Non-Core Real Estate	1.4%	2.0%	-0.6%	+/- 2%	0% – 4%	NFI-ODCE Net + 225 bps (3-Month lagged)

¹NFI-ODCE is the National Council of Real Estate Investment Fiduciaries ("NCREIF") Fund Index – Open End Diversified Core Equity. Please see Glossary for further detail.

Real Estate – Portfolio Performance



Net-of-Fees (%) ¹	NAV (\$M)	QTD	1-Year	2-Year	3-Year	5-Year	10-Year	SI ²
TOTAL REAL ESTATE	4,348	-2.3%	-13.8%	-11.0%	0.2%	1.7%	5.2%	6.7%
Total Real Estate Custom Benchmark		-0.5%	-9.2%	-9.7%	1.5%	2.9%	6.0%	--
<i>Excess Return</i>		-1.8%	-4.6%	-1.4%	-1.3%	-1.2%	-0.9%	--



- The Cumulative Return chart above shows return on a trailing-three-year basis
- Since the 2022 Structure Review, LACERA has been an active seller of directly held assets as it transitions the real estate portfolio from Separate Managed Accounts (“SMAs”) to diversified fund vehicles, reflected in the distributions over all periods
- Commercial real estate transaction data has been limited in recent years with fewer properties trading. However, available data shows that market-clearing prices have generally been lower than appraised values

¹ State Street Solovis data as of September 30, 2024, one-quarter lagged and adjusted for capital call and distribution cash flows. ² Since inception date of Total Real Estate composite is March 1, 1996.

Real Estate – Portfolio Evolution



Ongoing implementation of Real Estate Structure Reviews is consistent with LACERA's strategic asset allocation and allocator-to-investor objectives

Prior History

1970s and 1980s

The portfolio was comprised of closed-end commingled fund investment vehicles, predominantly in the US

1990s, 2000s and 2010s

Through the 1990s and 2000s, the portfolio grew and increasingly invested via Separate Managed Accounts ("SMAs")

By the 2010s, the portfolio largely consisted of directly held assets in SMAs for US core real estate and commingled funds for non-US core and non-core real estate

2018-2019

2018 Structure Review

Board approved actions to:

- Increase allocation to commingled funds
- Increase allocation to the industrial sector
- Cull the portfolio of under-performing assets

Portfolio Snapshot:

86% SMAs/14% commingled funds as of 9/30/17

2018 Strategic Asset Allocation

Functional asset framework adopted; Core and Value-Add allocation target decreased from 9.3% to 7% of total Fund; RE Credit moved from Core to Credit; and Opportunistic allocation target increased from 1.7% to 2% of total Fund

2020-2021

2020 Structure Review

Two-part Structure Review:

- Part 1 – Operational focus
- Part 2 – Strategic focus on new fund investments and intentional property type and geography over/underweights

Portfolio Snapshot:

82% SMAs/18% commingled funds as of 12/31/19

2021 Strategic Asset Allocation

Value-Add moved to Non-Core
Core allocation target reduced from 7% to 6% and Non-Core allocation target increased from 2% to 4% of total Fund

New consultant hired

2022-2023

2022 Structure Review

Structural emphasis on:

- Open-end fund vehicles in Core
- Closed-end funds and co-investments in Non-Core
- Prudently transition from SMAs to diversified funds to reduce operational risk and achieve better risk-adjusted returns, enhancing risk management

Portfolio Snapshot:

75% SMAs/25% commingled funds as of 9/30/21

Implementation Objectives

Complete RFP search for commercial real estate brokerage services for SMAs

Continue to cull directly-held assets and redeploy capital

2024-2025

2024 Strategic Asset Allocation

Core allocation target decreased from 6% to 5% of total Fund

Non-Core allocation target decreased from 4% to 2% of total Fund

2025 Structure Review (subject to Board approval)

Complete implementation of 2022 Structure Review priorities to transition from SMAs to diversified assets and reduce operational risk

Objectives, informational details, and recommendations for the 2025 Structure Review are described in the following slides



Evaluate Guidelines

Evaluate guidelines to reflect the evolution of the current portfolio structure

Optimize Portfolio

Continue to prudently sell SMAs and invest in diversified funds to create a portfolio that minimizes risk and reduces operational complexity

Meet SAA Targets

Advance the total Fund objective by achieving the Strategic Asset Allocation targets set by the BOI

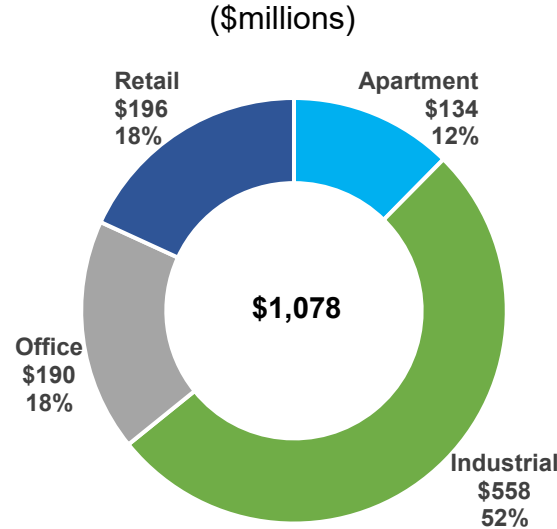
Real Estate – 2022 Structure Review Progress



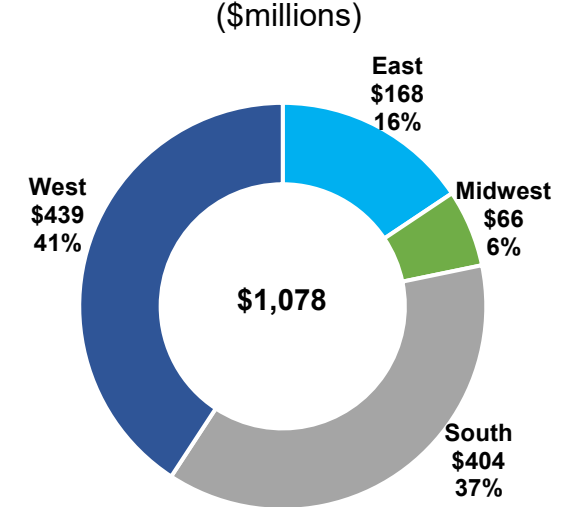
Per the 2022 Structure Review, the Fund has been an active seller as the portfolio continues to transition from SMAs to diversified funds. Notably,

- 27 properties in Core and Non-Core SMA assets have been sold, generating \$1.1 billion
- The properties sold ranged in gross value from \$7 million to \$400 million
- New commitments of \$2.1 billion have been made to core and non-core diversified vehicles, with \$900 million invested

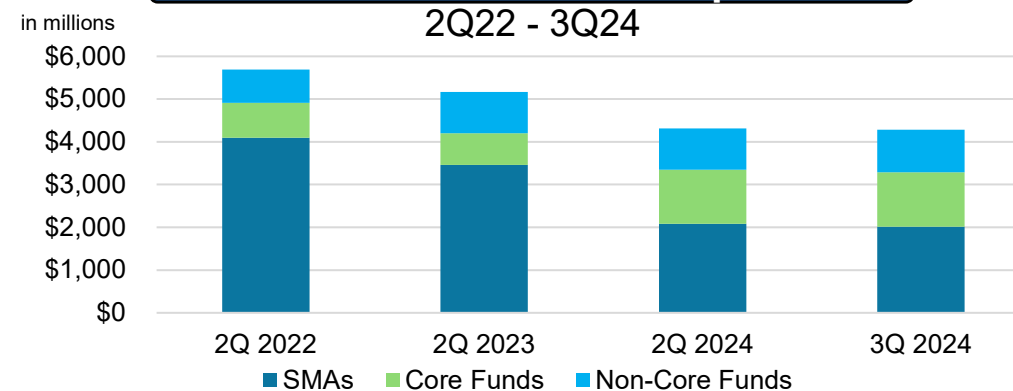
Net Proceeds by Property Type



Net Proceeds by Region



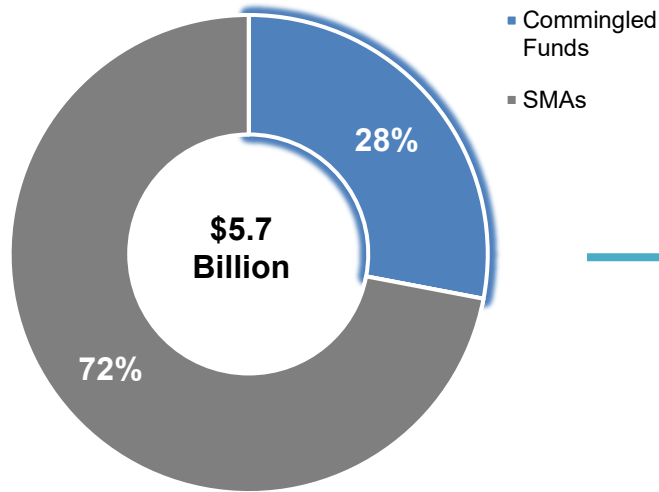
Real Estate Portfolio Composition



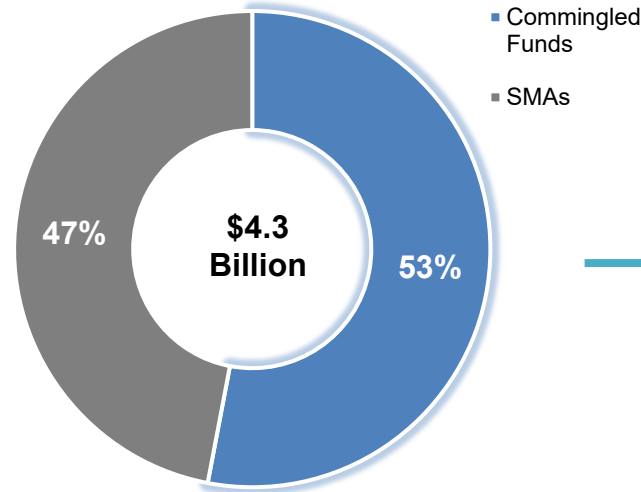
Real Estate – Path Forward



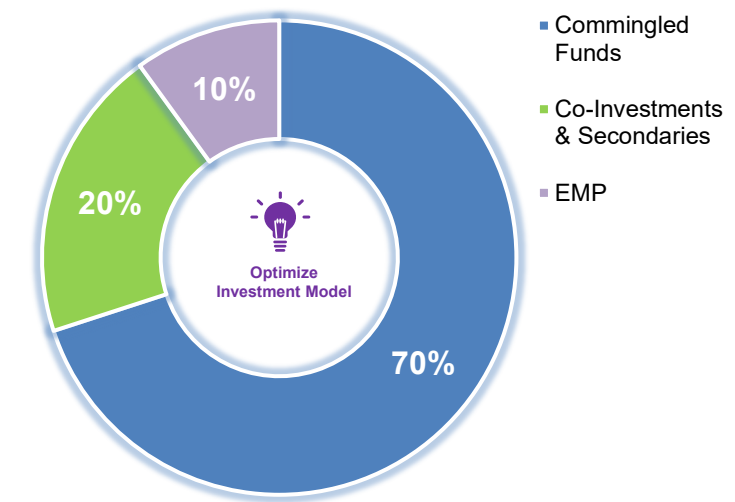
**Total Real Estate Program
(Past)
2Q-2022**



**Total Real Estate Program
(Present)
3Q-2024**



**Total Real Estate Program
(Future)
Desired Implementation**



- Per the 2022 Structure Review, the Fund continued the transition to sell SMAs and make new investments to commingled funds to enhance diversification, reduce operational risk, and improve risk-adjusted returns

- SMAs significantly reduced to 47% and commingled funds increased to 53%
- Commingled funds have improved performance, but the lumpiness of the SMA transactions has made portfolio construction challenging

- Desired implementation includes achieving the Board’s approved Strategic Asset Allocation targets for Real Estate
- Emerging Manager Program (“EMP”) will be invested in the Real Estate Portfolio



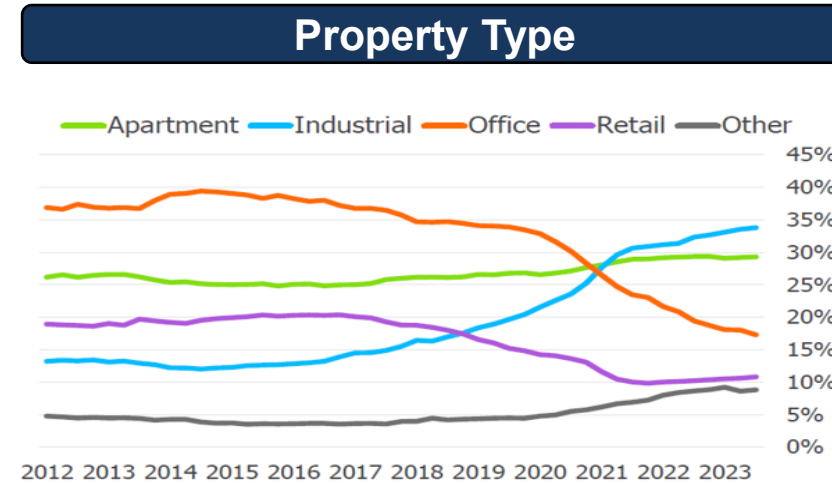
Benchmark Impacts & Market Conditions

Real Estate – Benchmark Composition Changes



NFI-ODCE serves as the policy benchmark for the Real Estate portfolios

Exposure		
	2000	2024
Gross Market Value	\$22 B	\$284 B
# of Investments	831	3,370
Component Funds*	11	25
Top 5 Exposure	85%	50%



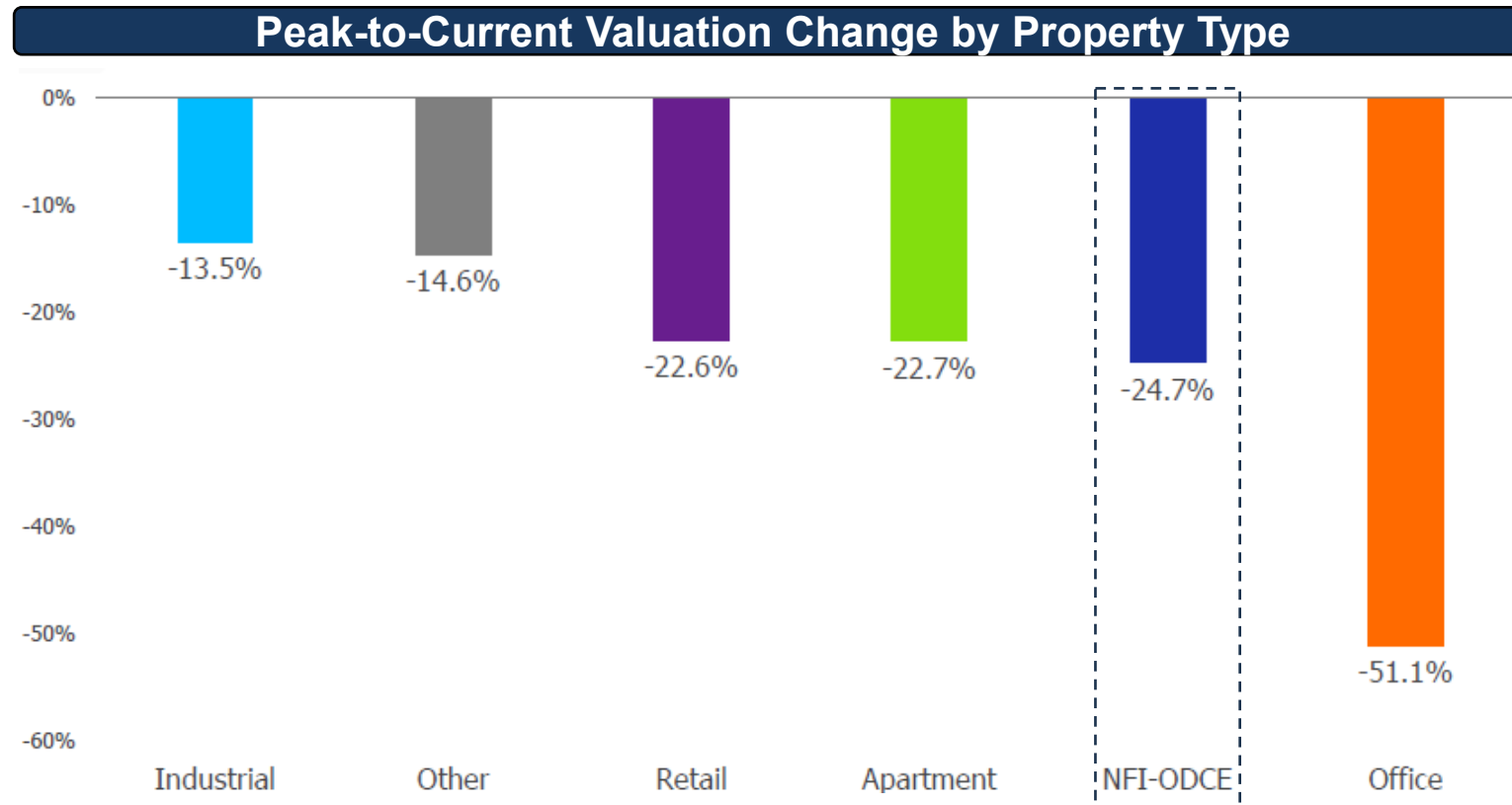
- The NFI-ODCE, which serves as LACERA's benchmark for Real Estate, has increased in size, value, component funds and number of investments
- The benchmark is used to measure relative performance and guide portfolio construction
 - The NFI-ODCE is dynamic, and as its underlying components change, their weightings and overall impact on the NFI-ODCE also change

Source: NFI-ODCE, IDR. Data as of 2Q 2024. *Component Funds constitute funds within the NFI-ODCE Index.

Real Estate – Property Type Performance



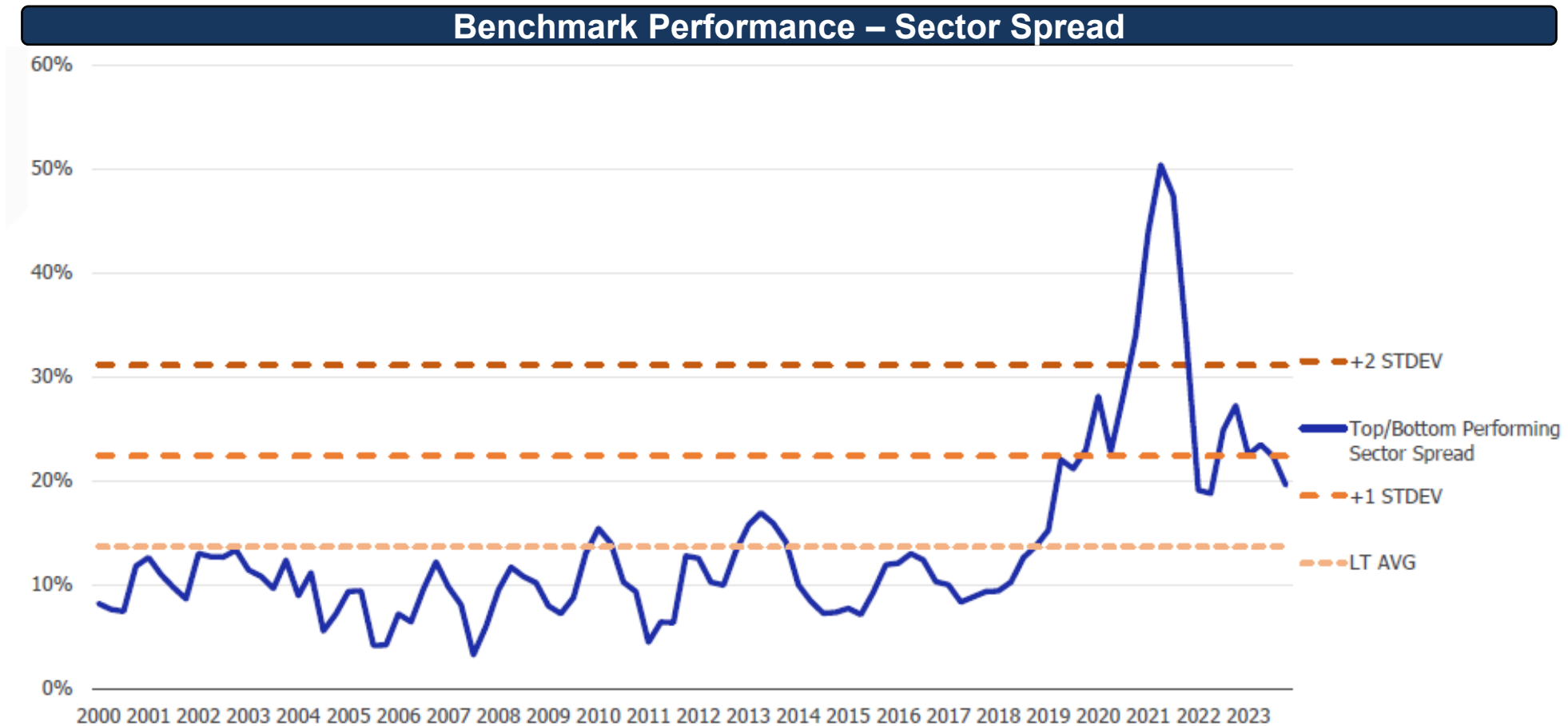
Since the 2022 Structure Review, fluctuations in real estate values have demonstrated significant differences across industry sectors, resulting in increased volatility in portfolio weightings



Source: IDR, NFI-ODCE. Estimated peak-to-current levered valuation change by property type as of 3Q 2024; Peak Valuation was 2Q 2024.
Note: This information was presented by IDR to the Real Assets Committee during the Board of Investments meeting held on December 11, 2024.

Real Estate – Benchmark Performance Divergence

Recent performance has led to more pronounced disparity among sectors

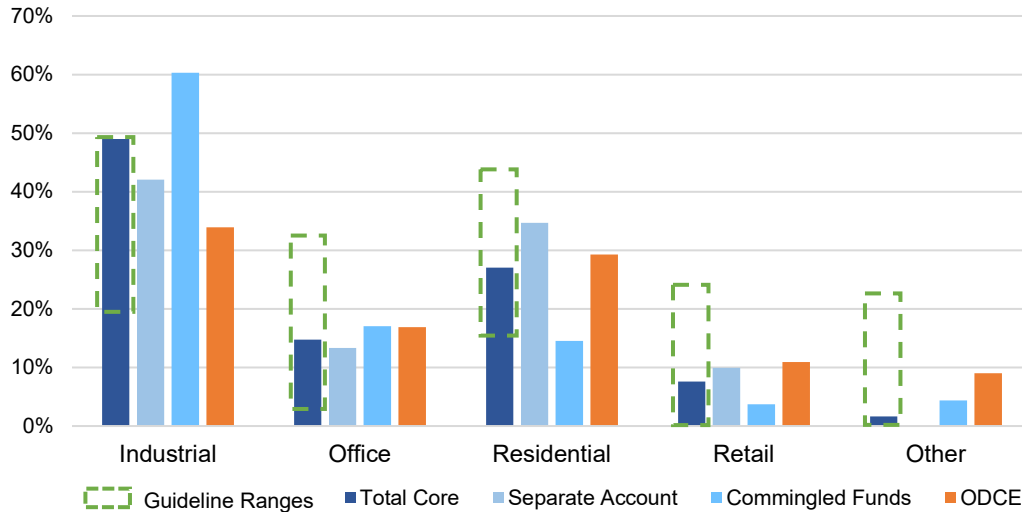


Source: IDR, NFI-ODCE. Data as of September 30, 2024. Standard deviation (STDEV) is the measure of the amount of variation in values in relation to the mean or expected value. The high standard deviation on the chart above shows the wide disparity among the NFI-ODCE sectors more recently compared to the mean of returns over the past 24+ years.

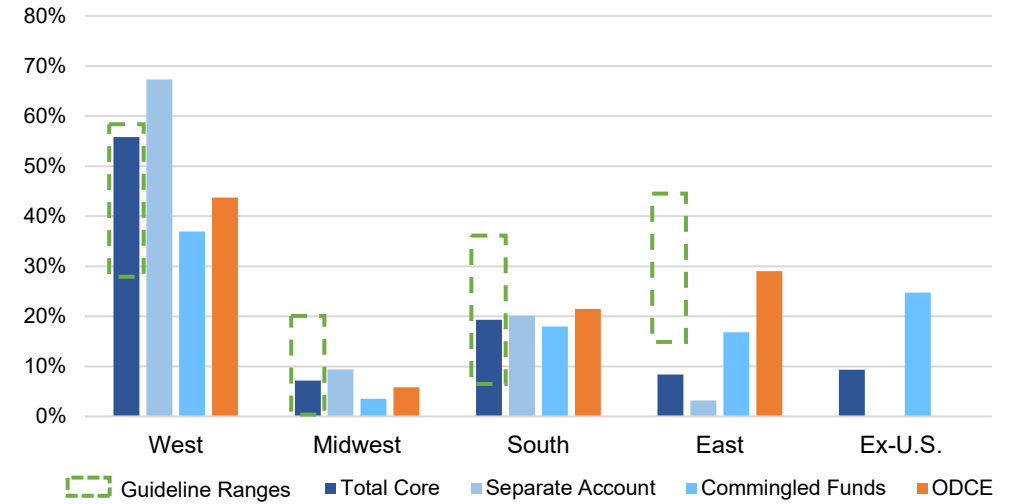
Real Estate – Benchmark Movements and Implementation Impact on LACERA’s Portfolio



Industry Sector Diversification



Geography Diversification



Implementation Impact

- Managing the portfolio has been challenging due to the lumpy nature of the SMA sales and the allocation of capital to commingled vehicles
 - Moving from single-asset properties to diversified funds
- Recent changes to the components of the Real Estate benchmark, including the performance and weights of property types have also contributed to the difficulty
 - Real Estate’s benchmark has been dynamic at the same time the portfolio has been in transition from SMAs to funds

Core Real Estate data as of September 30, 2024.



Core Real Estate

Core Real Estate – Desired Implementation



Potential investments are assessed for their ability to advance Core Real Estate portfolio objectives



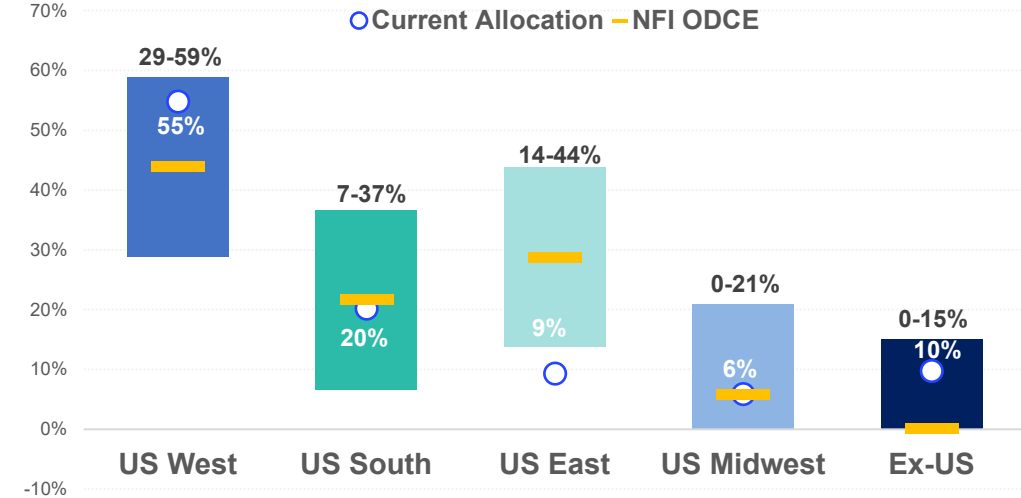
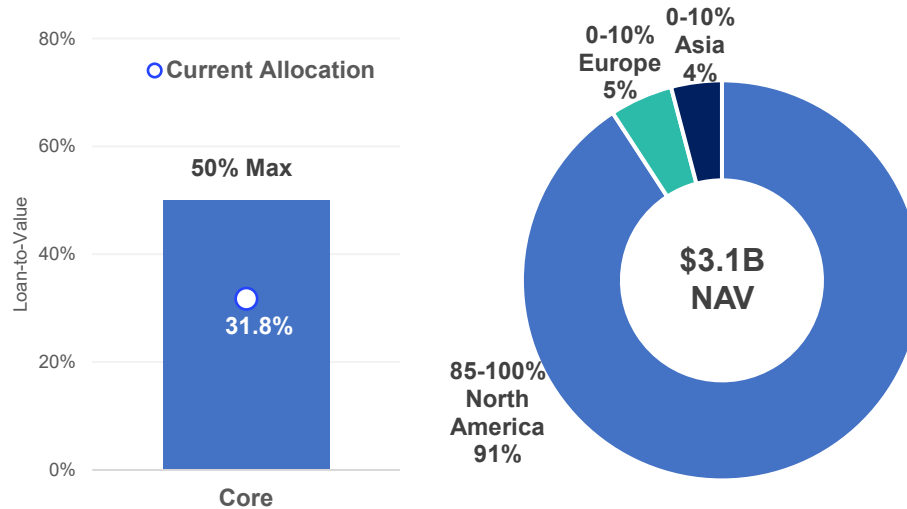
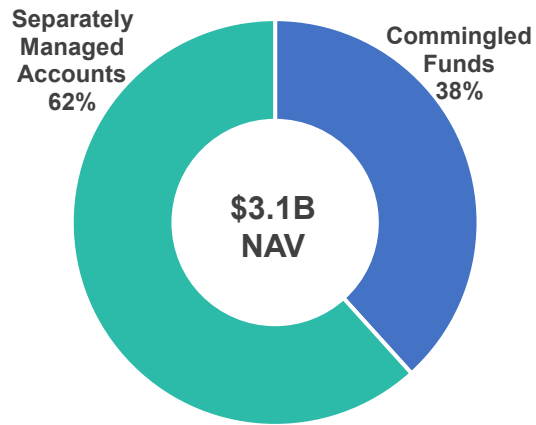
Core Real Estate – Exposure



Core Vehicle Type

Core Leverage

Core Geography

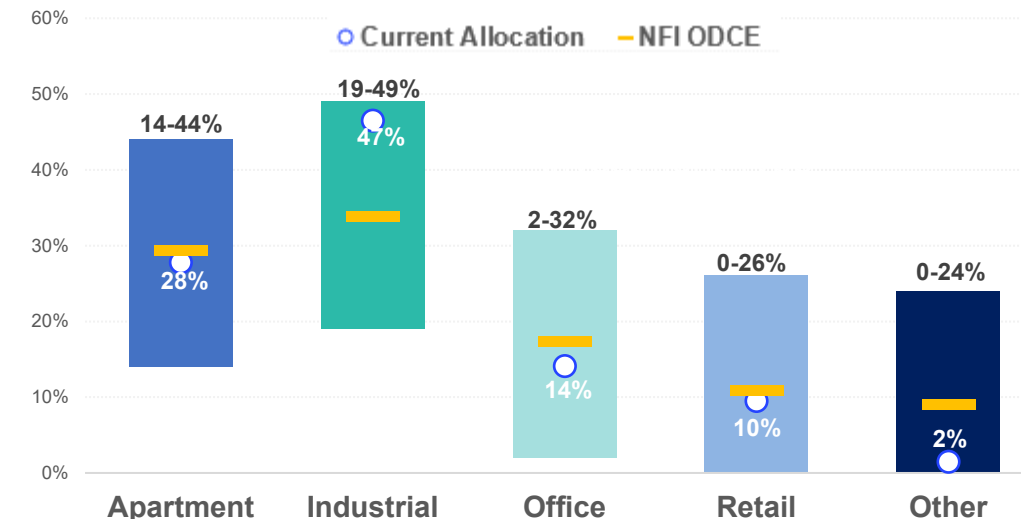


Vehicle Type – As the portfolio continues implementing the Board-approved transition from separately managed accounts to commingled funds, the proportion of SMAs will continue to decline

Geography – The tilt toward industrial, per prior structure reviews, and the sale of apartment and retail assets in the East, has resulted in a tilt to the West region. The East region allocation will increase as commitments to diversified open-end funds are deployed

Industry Sector – LACERA’s industrial-only core funds in the US and Europe have outperformed the NFI-ODCE benchmark. Due to the performance and the tilt to industrial exposure, the industrial allocation is at the top of the Board-approved guideline range

Core Industry Sector

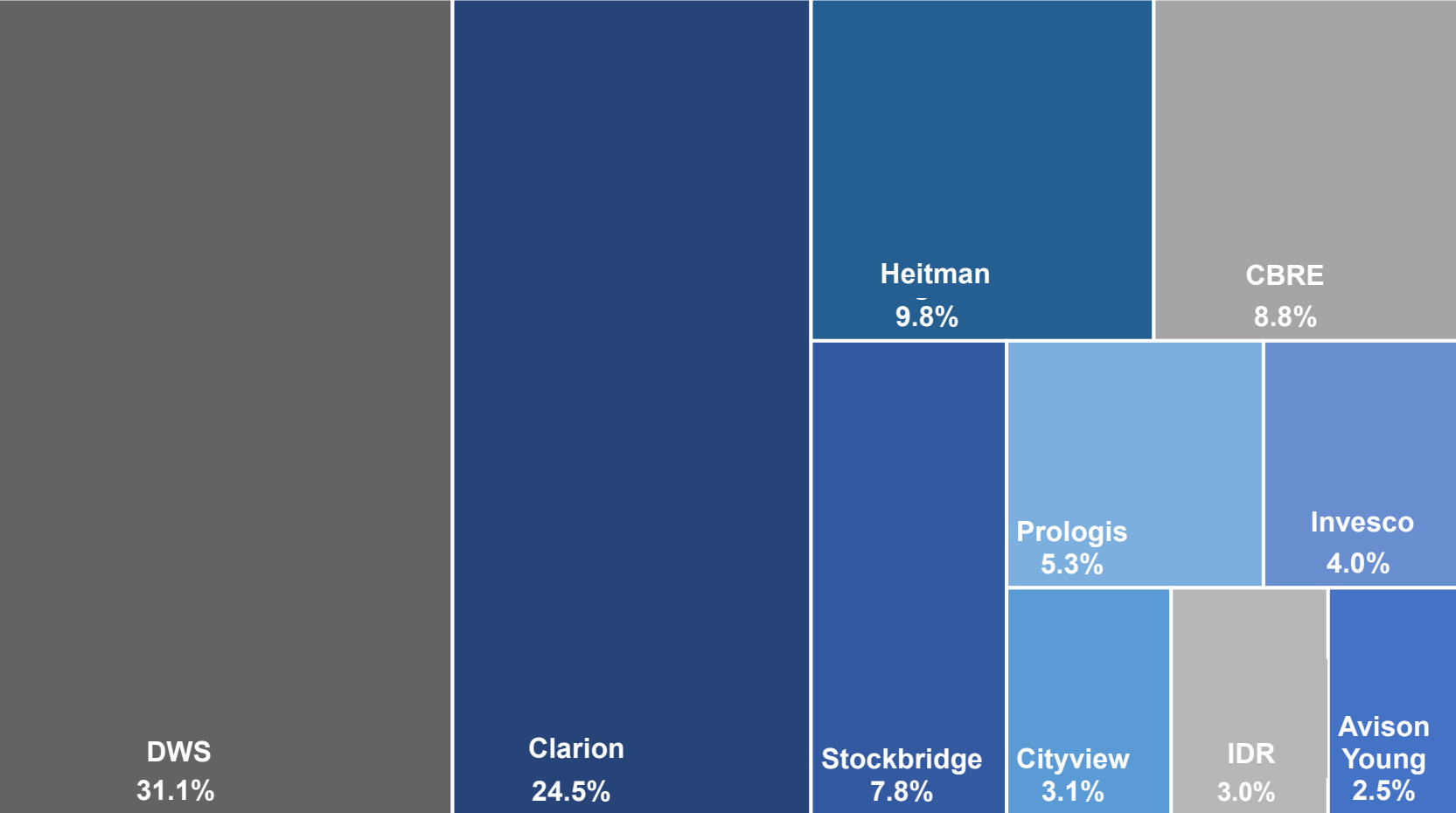


Note: Bar charts above show the existing Board-approved Investment Guideline ranges for Leverage, Geography, and Industry Sector.

Core Real Estate – Manager Diversification



Per current Investment Guidelines, single manager exposure is limited to 35%



The higher exposure to DWS and Clarion reflects Board approval to consolidate managers by transferring SMA assets from underperforming managers

We expect the exposure to these managers to decrease as SMA assets are sold

As of September 30, 2024.

Core Real Estate – Performance



Net-of-Fees (%)	NAV (\$M)	QTD	1-Year	2-Year
TOTAL CORE REAL ESTATE	3,135	-2.7%	-14.2%	-12.3%
Core Private Real Estate Policy Benchmark		-0.7%	-10.0%	-10.4%
<i>Excess Return</i>		-2.0%	-4.2%	-1.9%
CORE REAL ESTATE FUNDS	1,274	0.4%	-3.1%	-5.0%
Core Private Real Estate Policy Benchmark		-0.7%	-10.0%	-10.4%
<i>Excess Return</i>		1.1%	6.9%	5.4%
CORE REAL ESTATE SMAS	1,861	-4.6%	-19.2%	-15.3%
Core Private Real Estate Policy Benchmark		-0.7%	-10.0%	-10.4%
<i>Excess Return</i>		-3.9%	-9.2%	-5.0%

Core Real Estate funds have had near-term outperformance to the policy benchmark

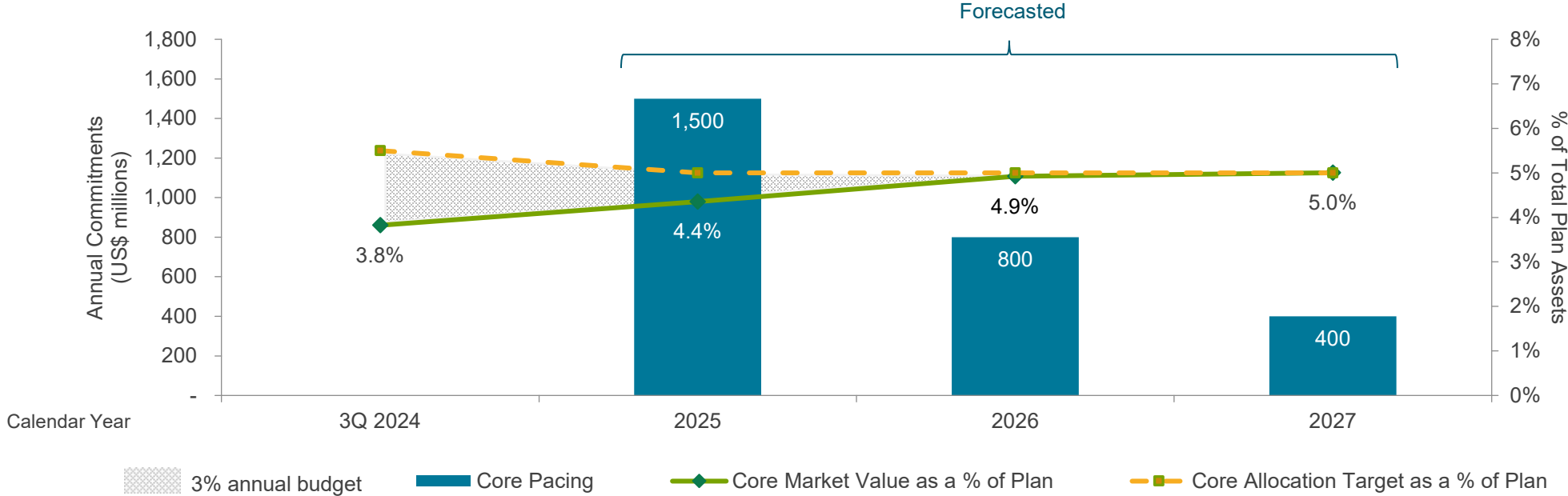
- Outperformance of the core funds and underperformance of the SMAs support the continued vehicle type transition
- Per prior structure reviews, the tilt to industrial funds has driven outperformance
- Core fund outperformance of the benchmark was enhanced by pace of new funding

Source: State Street Solovis, LACERA data as of September 30, 2024, one-quarter lagged and adjusted for capital call and distribution cash flows.

Core Real Estate – Pacing



New Investments Pacing Projection



- An annual investment budget of up to 3% of the total Fund is projected to be needed to achieve the Board-approved SAA target for Core Real Estate
 - Real Estate projects making commitments to 6 to 10 investment vehicles through 2027, ranging from \$100 million to \$600 million
- The pace of deployment may deviate from modeled levels based on the total Fund’s overall growth, the timing of the SMA asset sales, and the availability of investment opportunities

Core Real Estate – Sector Guidelines



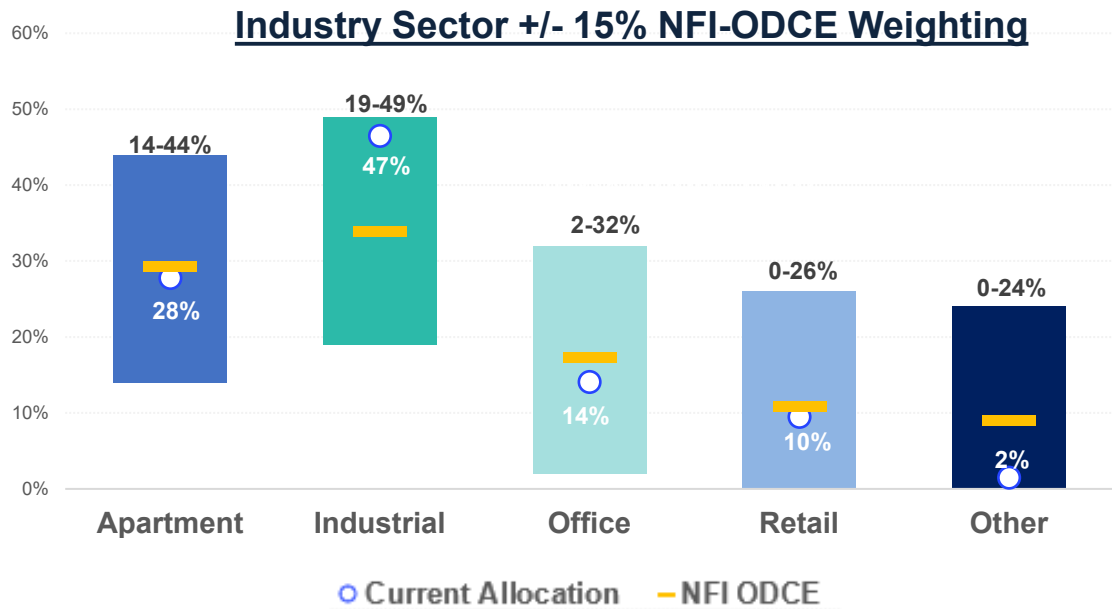
Current Activities

- Closely monitor the sales of the SMA assets and work directly with brokers and investment partners as LACERA manages a dynamic real estate portfolio
- Continue to allocate to approved open-ended core funds
- Identify and engage funds in comprehensive investment due diligence, including diversified and single-sector-focused funds

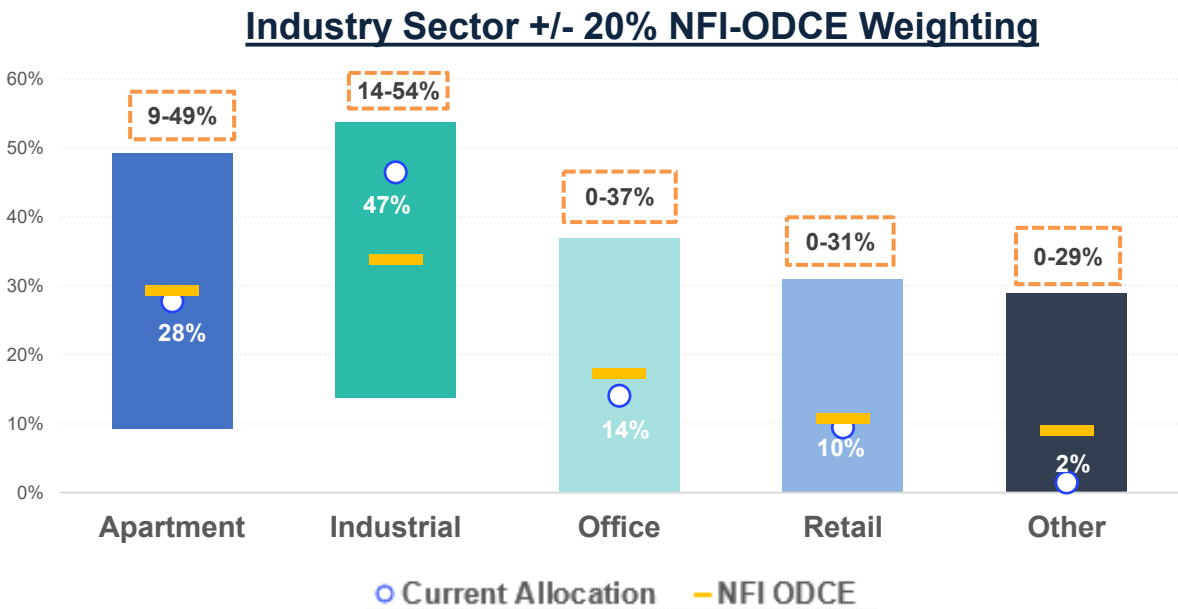
Proposed Guideline Updates

- Modify Investment Guidelines in consideration of the transitional phase of the portfolio and dynamic benchmark, specifically:
 - Range expansion of industry sector from 15% to 20% above or below the benchmark

Current Allocation



Proposed Allocation Ranges



As of September 30, 2024.

Core Real Estate – Geography Guidelines



Current Activities

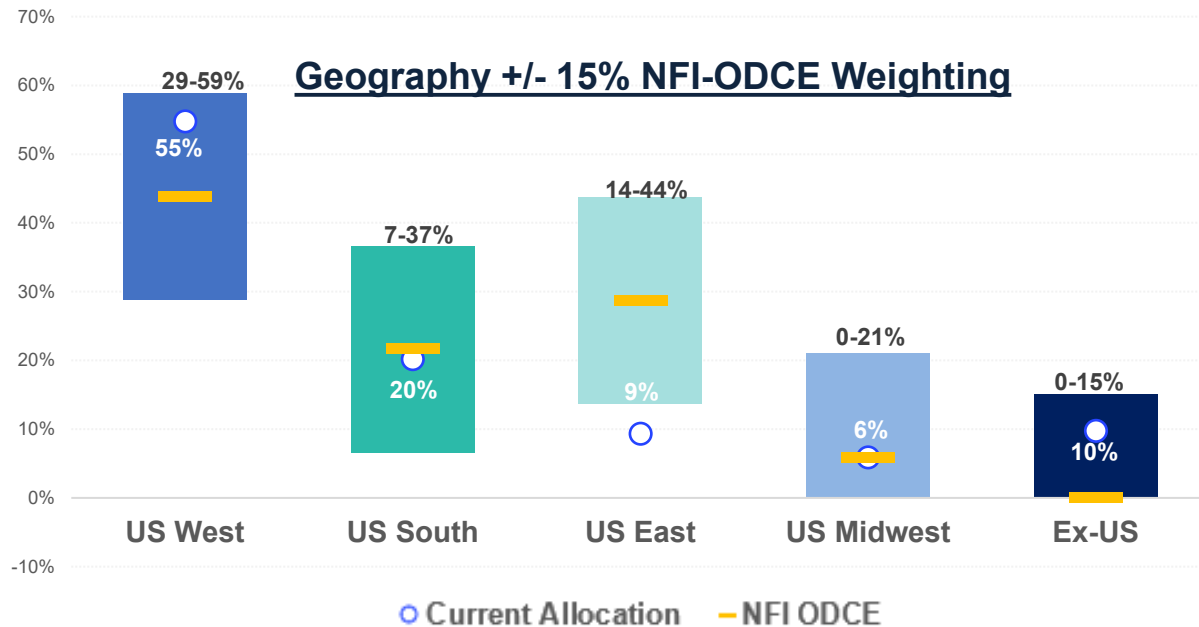
- Closely monitor the sales of the SMA assets and work directly with brokers and investment partners as LACERA manages a dynamic real estate portfolio
- Continue to allocate to approved open-ended core funds
- Identify and engage funds in comprehensive investment due diligence, including diversified and single-sector-focused funds

Proposed Guideline Updates

- Modify Investment Guidelines in consideration of the transitional phase of the portfolio and dynamic benchmark, specifically:
 - Range expansion of Geography from 15% to 20% above or below the benchmark

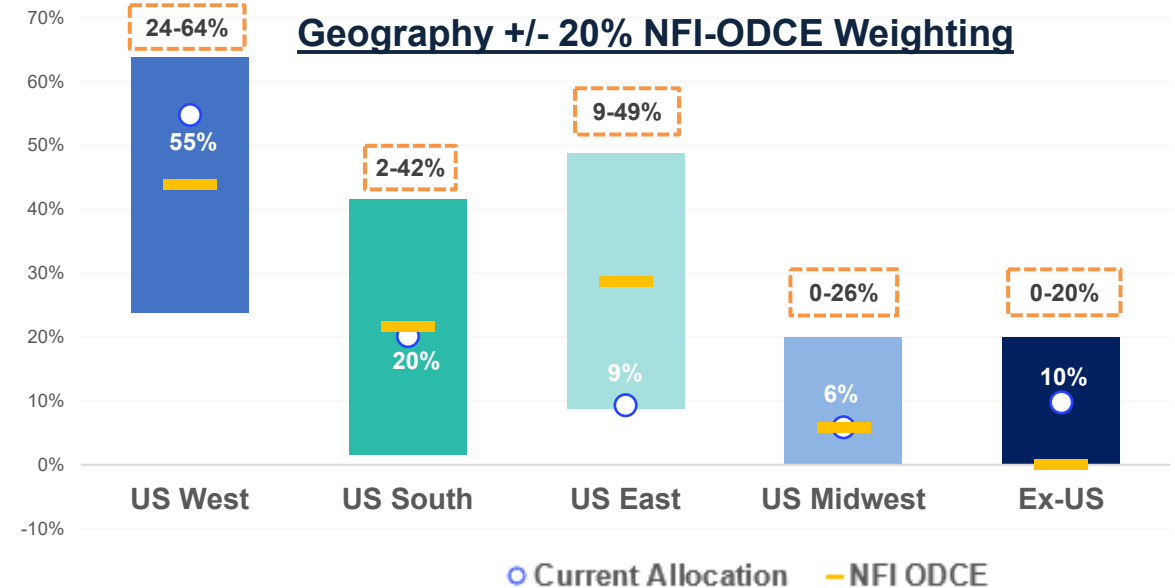
Current Allocation

Geography +/- 15% NFI-ODCE Weighting



Proposed Allocation Ranges

Geography +/- 20% NFI-ODCE Weighting



As of September 30, 2024.

Proposed Investment Guidelines Update



Core Real Estate Investment Guidelines

Existing Guidelines

Total Annual Budget	N/A				
Industry Sector	Apartment	Industrial	Office	Retail	Other
Sector Weighting	+/- 15% NFI-ODCE weights				
Geography	Global: North America 85-100%, Europe: 0-10%, Asia 0-10%, Emerging Markets: 0-5% Within the United States: +/-15% relative to NFI-ODCE regional weights for US East, US West, US South, and US Midwest				
Investment Vehicle	N/A				
Annual Allocation	N/A				

Proposed Guideline Updates

Up to 3% of total Fund NAV				
Apartment	Industrial	Office	Retail	Other
+/- 20% NFI-ODCE weights for Core Portfolio ex-SMAs				
Global: North America 85-100%, Europe: 0-10%, Asia 0-10%, Emerging Markets: 0-5% Within the United States: +/-20% relative to NFI-ODCE regional weights for US East, US West, US South, and US Midwest				
Primaries (Up to 100%)	Co-Investments / Secondaries (Up to 30%)		Emerging Manager Program (Up to 15%)	
Up to 100% of LACERA's annual Core RE budget	Up to 30% of LACERA's annual Core RE budget		Up to 20% of LACERA's annual Core RE budget	

- New – Add a **Total Annual Budget, Investment Vehicle, and Annual Allocation** for consistency with other asset classes
- **Increase the sector and geography ranges to +/- 20%** of the benchmark weights to provide for the lumpy nature of the SMA sales and the dynamic nature of the benchmark and portfolio
- **Remove the SMAs from Investment Guideline consideration**
 - Continue selling SMA assets and redirect capital to diversified investments for optimal portfolio structure

The Board will continue to be informed about the portfolio's structure in relation to the guidelines as LACERA continues to transition its portfolio strategy and implementation. The portfolio will continue to invest and rebalance to remain within the guidelines.

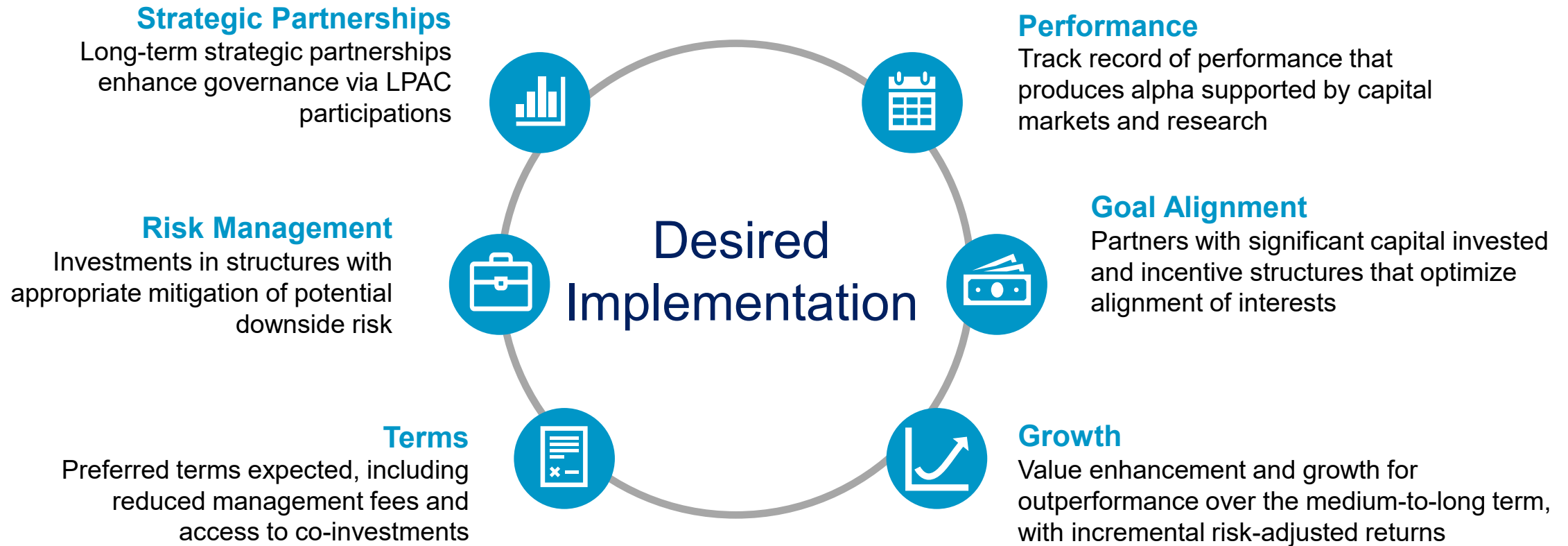


Non-Core Real Estate

Non-Core Real Estate – Desired Implementation



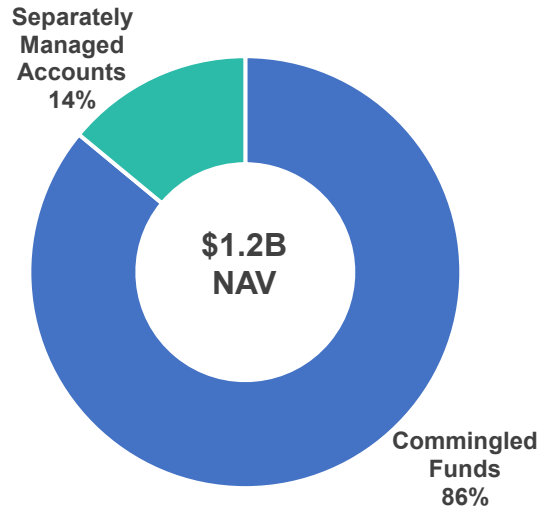
Potential investments are assessed for their ability to advance Non-Core Real Estate portfolio objectives



Non-Core Real Estate – Exposure



Non-Core Vehicle Type

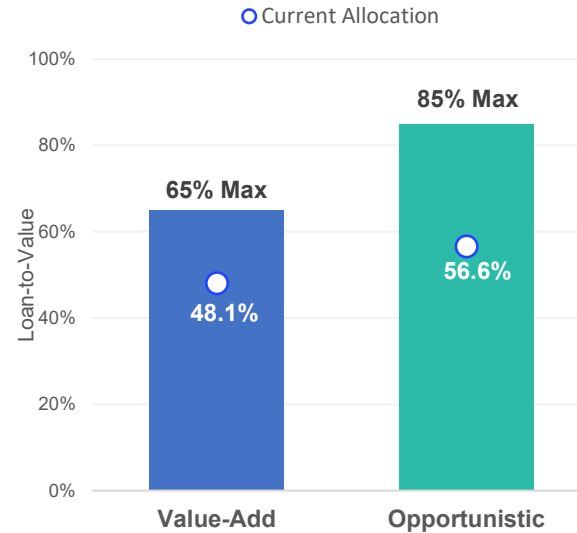


Vehicle Type – Remaining SMAs represent 13.8% of the \$1.2B Non-Core Real Estate portfolio

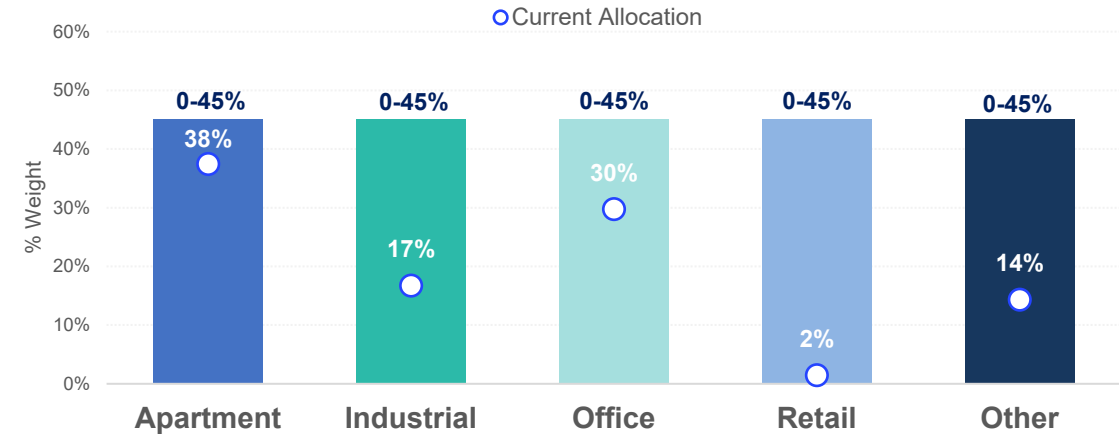
Industry Sector – Real Estate investments in apartment are nearing the upper limit of 45%. However, as additional investments are made into new funds, these limits are expected to adjust over time

Geography – Larger opportunity set in the U.S. of funds that have had outperformed the Non-Core benchmark than in Europe and Asia supports largest allocation to North America among the regions

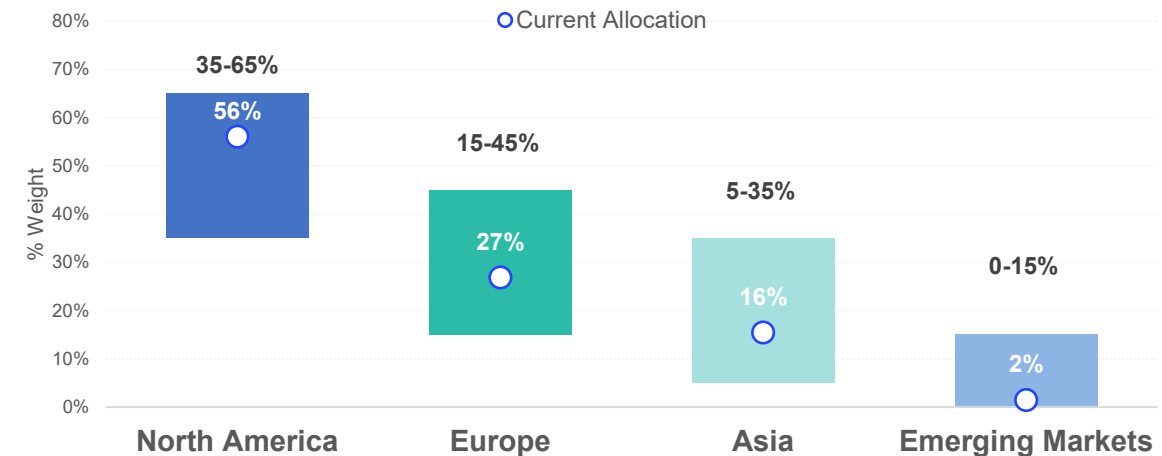
Non-Core Leverage



Non-Core Industry Sector



Non-Core Geography

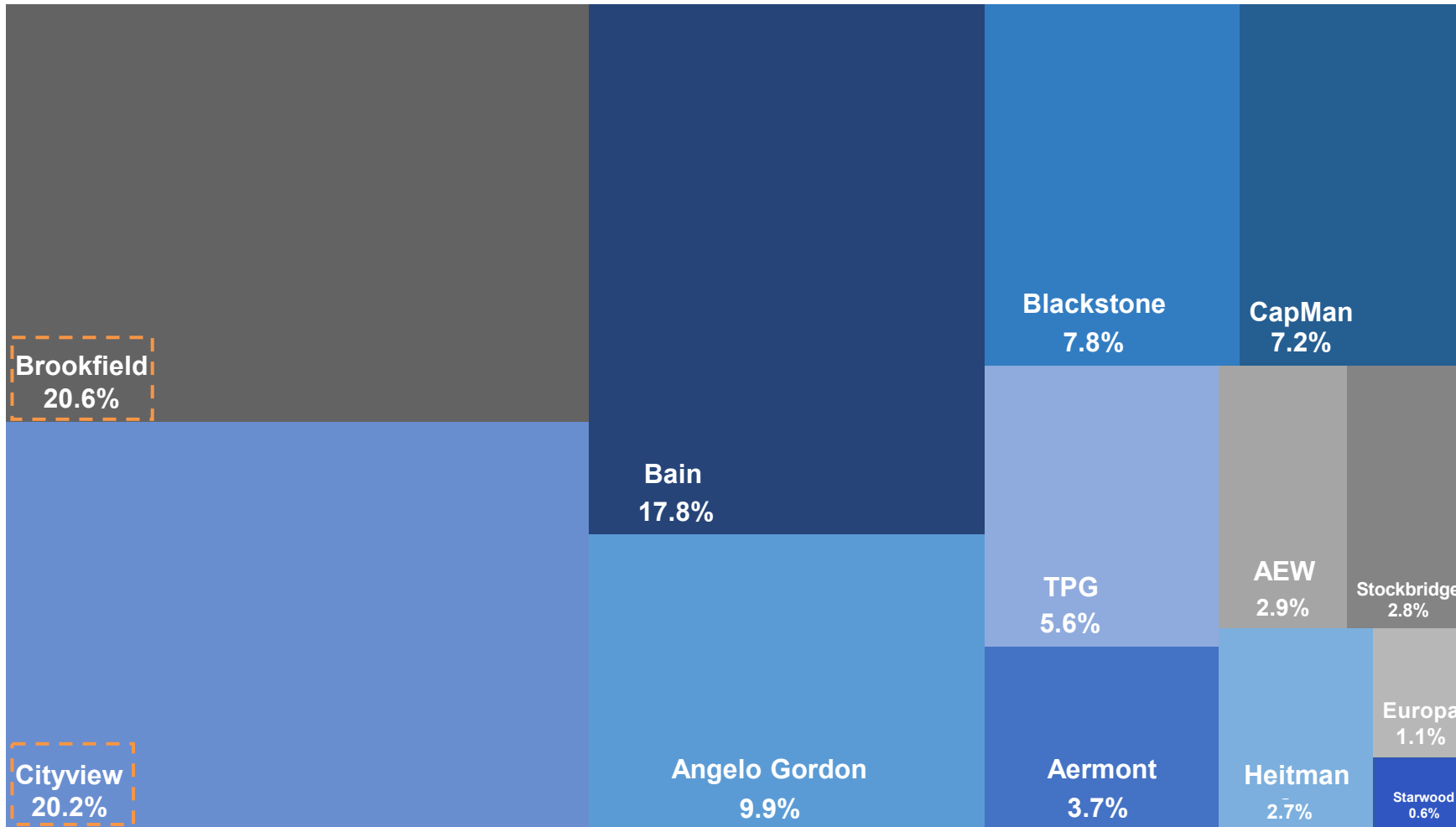


Note: Bar charts above show the existing Board-approved Investment Guideline ranges for Leverage, Geography, and Industry Sector.

Non-Core Real Estate – Manager Diversification



Current Investment Guideline limit of no more than 20% of exposure to a single manager



As closed-end funds call capital, the portfolio will have a higher level of exposure to certain managers, especially for funds in their investment period

Brookfield, Bain, and Angelo Gordon/TPG will continue to call committed capital, and exposure will also increase as the portfolio has exposure to multiple funds with these managers

As of September 30, 2024.

Non-Core Real Estate – Performance



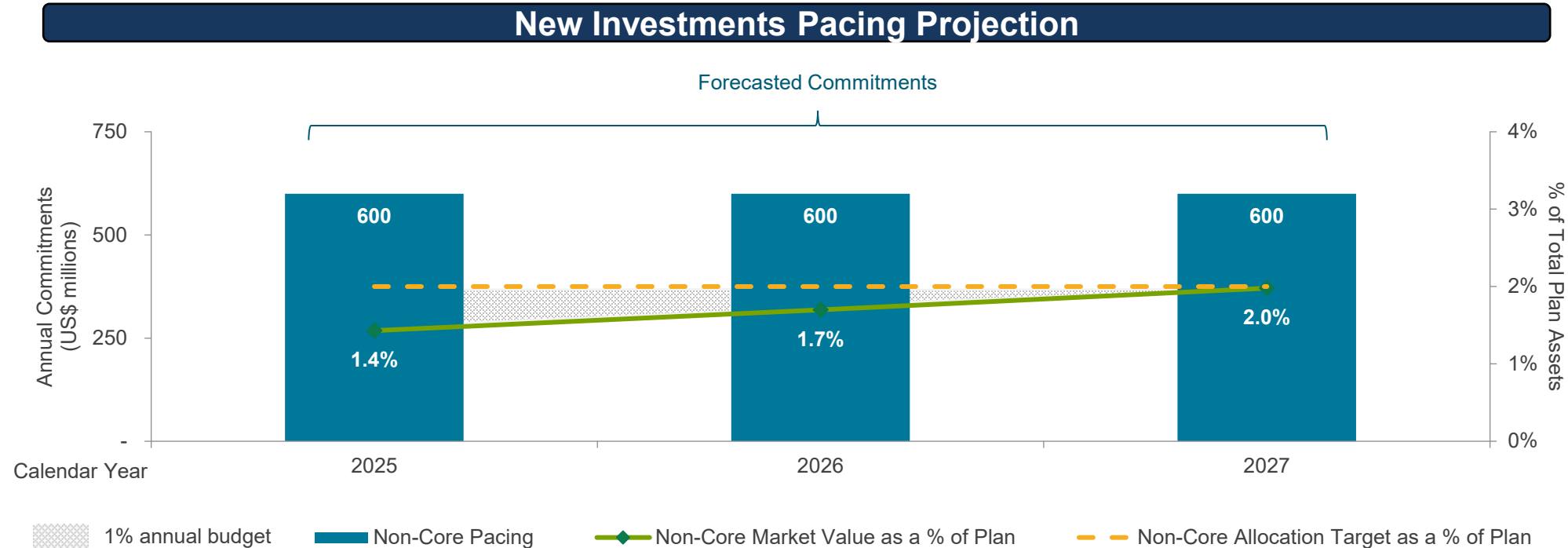
Net-of-Fees (%)	NAV (\$M)	QTD	1-Year	2-Year
TOTAL NON-CORE REAL ESTATE	1,150	-1.3%	-13.9%	-7.8%
Non-Core Private Real Estate Policy Benchmark		-0.1%	-8.0%	-8.3%
<i>Excess Return</i>		-1.2%	-6.0%	0.6%
NON-CORE REAL ESTATE FUNDS	995	-1.4%	-13.4%	-7.4%
Non- Core Private Real Estate Policy Benchmark		-0.1%	-8.0%	-8.3%
<i>Excess Return</i>		-1.3%	-5.4%	1.0%
NON-CORE REAL ESTATE SMAS	155	-0.6%	-16.7%	-9.8%
Non- Core Private Real Estate Policy Benchmark		-0.1%	-8.0%	-8.3%
<i>Excess Return</i>		-0.4%	-8.7%	-1.5%

Non-Core Real Estate's SMA underperformance offset by better relative performance of funds

- Funds with higher exposure to development were negatively affected by project delays due to COVID
- Some recent fund commitments still in their investment period have not produced income higher than expenses, which is not unexpected in opportunistic funds
- Positive outcomes are attributable to investment in various sectors, including industrial, student housing, life sciences, and data centers

Source: State Street Solovis. LACERA data as of September 30, 2024, one-quarter lagged and adjusted for capital call and distribution cash flows.

Non-Core Real Estate – Pacing



- An annual investment budget of up to 1% of the total Fund is projected to be needed to achieve the Board-approved SAA target for Non-Core Real Estate
 - Real Estate projects making commitments to 6 to 10 investment vehicles through 2027, ranging from \$50 million to \$200 million
- The pace of deployment may deviate from modeled levels based on the total Fund’s overall growth, the timing of the separate account asset sales, and the availability of investment opportunities

Non-Core Real Estate – Sector Guidelines



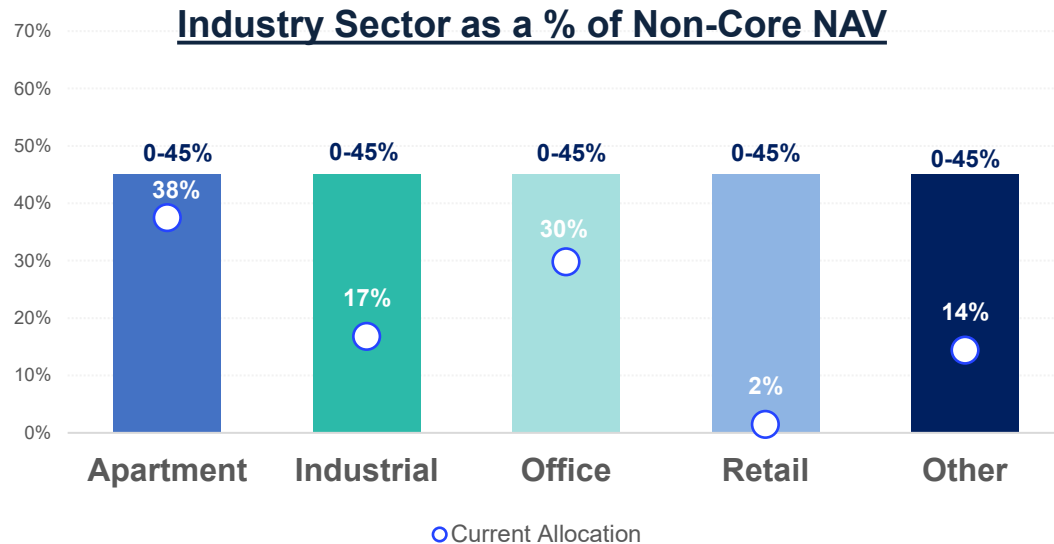
Current Activities

- Continue to evaluate apartment given the shortage of housing in the U.S. and changing demographic preferences favoring renting over ownership
- Invest in Office outside the U.S. where it continues to be attractive, as high-quality, well-located offices in Europe and Asia still have strong demand
- Maintain exposure to industrial and retail as those sectors are expanding globally given the growth in e-commerce
- Continue growing exposure to other industry sectors such as life science, data centers, and hospitality, driven by increasing demand and/or muted supply

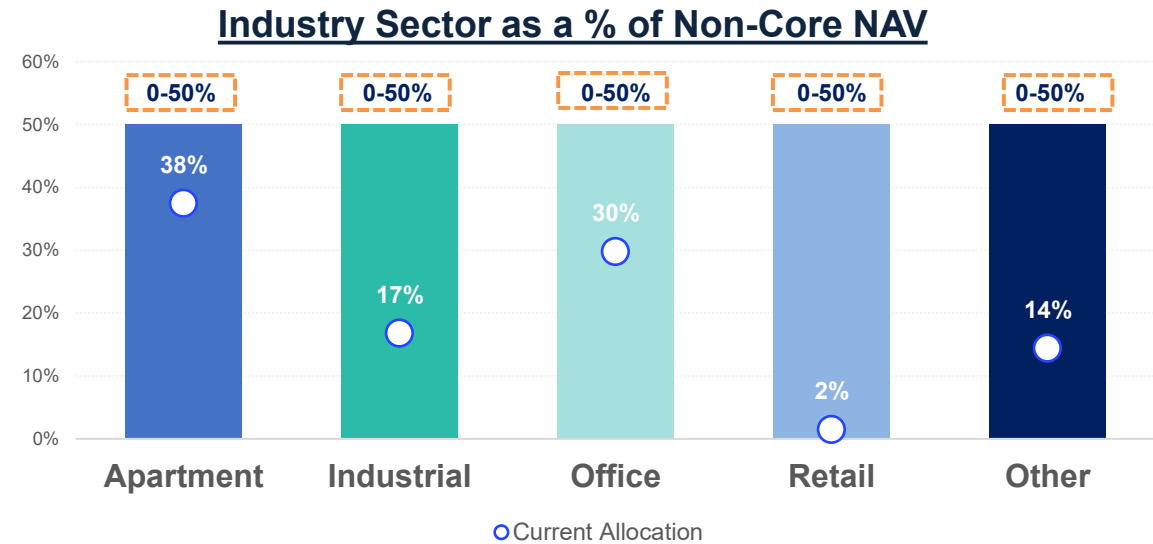
Proposed Guideline Updates

- Modify Investment Guidelines as weightings may shift significantly among sectors, driven by attractive opportunities for investment at different times, and the lumpy nature of capital calls as new commitments are drawn, specifically:
 - Increase allocation to all sectors from the current 0-45% to 0-50% of total Non-Core Real Estate NAV

Current Allocation Ranges



Proposed Allocation Ranges



Non-Core Real Estate – Geography Guidelines



Current Activities

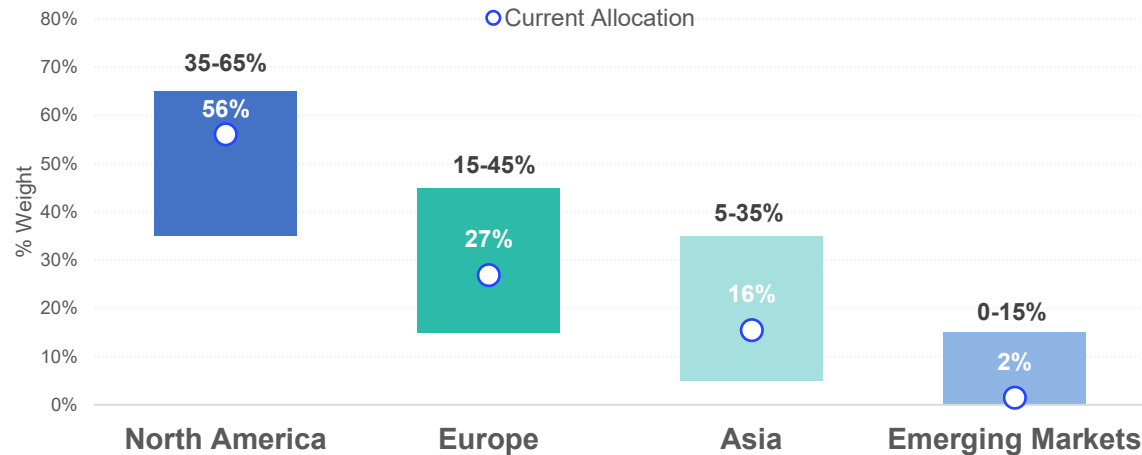
- Continue investment in attractive opportunities to address the shortage in housing, growth in technology, need for health care and housing, and greater use of e-commerce, particularly in the US
- Continue pursuing opportunities for value creation through lease-ups and repositioning, and ground-up development as it returns to the market

Proposed Guideline Updates

- Modify Investment Guidelines as the US offers a wide range of non-core real estate opportunities given the maturity of the investment market and tenure of investment partners, specifically:
 - Increase allocation limit to North America from 65% to 75% of total Non-Core Real Estate NAV

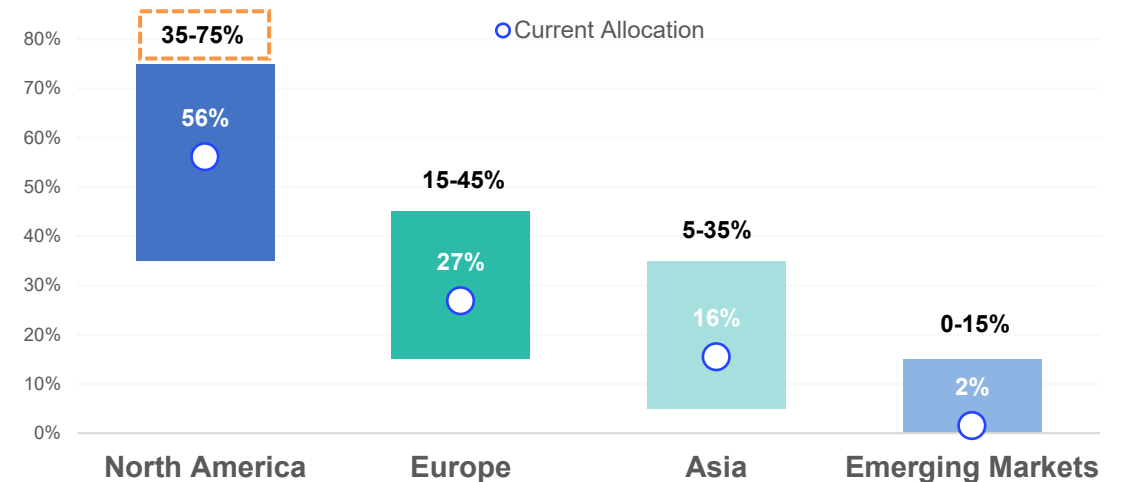
Current Allocation Ranges

Geography as a % of Non-Core NAV



Proposed Allocation Ranges

Geography as a % of Non-Core NAV



Proposed Investment Guidelines Update



Non-Core Real Estate Investment Guidelines

Existing Guidelines					
Total Annual Budget	N/A				
Industry Sector	Apartment	Industrial	Office	Retail	Other
Sector Target Allocation Range	Up to 45%				
Geography	North America 35-65%, Europe: 15-45%, Asia 5-35%, Emerging Markets: 0-15%				
Manager Diversification/ Concentration	Maximum 20% to a single manager				
Investment Vehicle	N/A				
Annual Allocation	N/A				

Proposed Guideline Updates				
Up to 1% of total Fund NAV				
Apartment	Industrial	Office	Retail	Other
Up to 50%				
North America 35- 75% , Europe: 15-45%, Asia 5-35%, Emerging Markets: 0-15%				
Maximum 30% to a single manager				
Primaries (Up to 100%)		Co-Investments / Secondaries (Up to 30%)		Emerging Manager Program (Up to 15%)
Up to 100% of LACERA's annual Non-Core RE budget		Up to 30% of LACERA's annual Non-Core RE budget		Up to 20% of LACERA's annual Non-Core RE budget

- New - Add a **Total Annual Budget, Investment Vehicle, and Annual Allocation** for consistency with other asset classes
- **Increase Industry Sector limit to 50%** of the net asset value weights to take advantage of growth across all property types
- **Increase Geography range for North America to an upper limit of 75%** as the U.S. continues to see more appropriate investment opportunities than other regions
- **Increase Manager Diversification to 30%** to enable investments in high-conviction managers

The Board will continue to be informed about the portfolio's structure in relation to the guidelines as LACERA continues to transition its portfolio strategy and implementation. The portfolio will continue to invest and rebalance to remain within the guidelines.



Real Estate Next Steps

Real Estate Next Steps – Emerging Manager Program

EMP Objective

The objective of LACERA's Emerging Manager Program ("EMP") is to enhance the total Fund's risk-adjusted return. The EMP seeks a proper balance between the potential for higher returns available from select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms

Real Estate EMP Request for Proposal Status

- The current RFP process for a manager selection is nearing conclusion
- Staff will provide a full report to the Board of Investments in early 2025

Implementation Outlook

- Initial funding of \$200 million or approximately 5% of Real Estate, with a target of 10% and a range of 0-15%
- EMP manager will be benchmarked to the same benchmark for Core strategies and Non-Core strategies
- All investments will be reported separately to enable LACERA to have greater transparency into the performance and activities of each emerging manager

Strategic Objectives Alignment

The updated EMP aligns with LACERA's strategic initiatives by enhancing operational effectiveness of the Real Estate portfolio, optimizing the investment model, maximizing stewardship and ownership rights, and partnering with firms aligned with LACERA's TIDE Initiative and Emerging Manager Policy



Completed

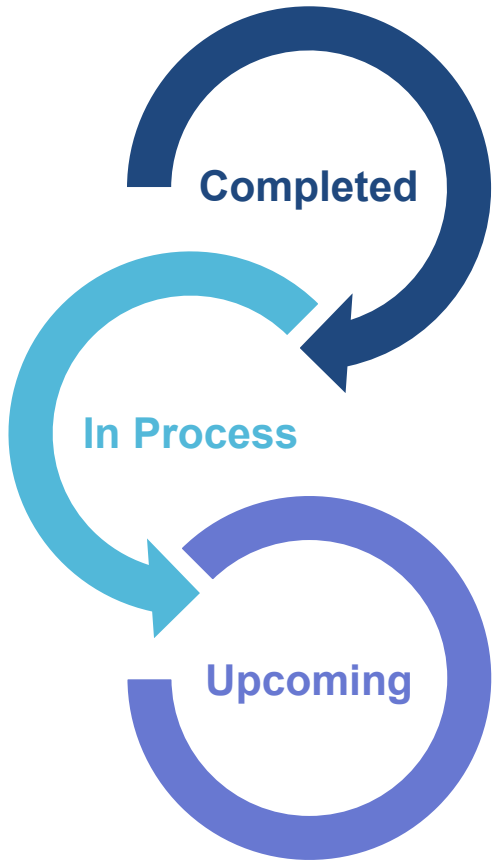
- Contracted with real estate brokers to market the sale of separate account assets
- Developed pacing plan for sales and redeploying proceeds to fund vehicles
- Completed national search for and on-boarded Real Estate Senior Investment Officer
- Improved due diligence processes to include more in-depth review of hiring and retention practices
- Revised and standardized Responsible Contractor Policy

In Process

- Continue the prudent sales of SMA assets and transition the portfolio to the desired implementation
- Underwrite re-up opportunities with high-conviction managers
- Direct Global Real Estate Sustainability Benchmark (GRESB) review of investments
- Emerging Manager Program RFP

Upcoming

- Rebalance the portfolio to meet strategy and implementation objectives
- Invest remaining commitments to funds to help achieve strategic asset allocation targets
- Pursue opportunities for discounted secondary purchases and co-investments
- Improve attribution analysis utilizing a full suite of data available to Real Estate
- Onboard Real Estate Emerging Manager
- Keep the Board apprised through Structure and Performance Reviews





RECOMMENDATION

- Approve the 2025 Real Estate Structure Review

Summarized below are the recommendations in this structure review:

Continue Private Asset Pacing

- Continue implementation of the BOI-approved strategic objective to transition from separate account to commingled fund investments¹

Revised Investment Guidelines

- Add Total Budget Allocations to Core Real Estate up to 3% annually and to Non-Core Real Estate up to 1% annually of total Fund to be consistent with other functional assets categories
- Increase Core Real Estate industry sector and geography weightings to +/- 20% of NFI-ODCE sector and geography weightings
- Remove Separately Managed Accounts from determination of Core Real Estate compliance with Investment Guidelines
- Increase Non-Core Real Estate Investment Limitation for North America up to 75% of Total Non-Core Real Estate
- Increase Non-Core industry sector weighting up to 50% for all industry sectors
- Increase Non-Core Manager Diversification up to 30% to be consistent with Private Equity

¹ Real Estate Structure Review approved by the Board of Investments on January 12, 2022.



Appendix

Core Real Estate – Investment Guidelines



Functional Asset Class: Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund) Asset Class: Core Real Estate (Target Allocation 5% +/- 3% of Total Fund)

Benchmark	NFI-ODCE Net (3-Month lagged)		
Total Annual Budget	Up to 3% of LACERA's total Fund NAV		
Geography	Globally: North America 85% - 100%; Europe 0% - 10%; Asia 0% - 10%; Emerging Markets 0% - 5%; Within the United States: +/- 20% relative to NFI-ODCE regional weights for US East, US West, US South, and US Midwest ex SMAs		
Industry Sector	Industry Sector: Office, Industrial, Apartment, Retail, Other +/-20% relative to NFI-ODCE sector weights ex SMAs		
Investment Vehicle	Primaries (Up to 100%)	Co-Investments / Secondaries (Up to 30%)	Emerging Manager Program (Up to 15%)
Annual Allocation	Up to 100% of LACERA's annual Core RE budget	Up to 30% of LACERA's annual Core RE budget	Up to 20% of LACERA's annual Core RE budget
Investment Size/Range	Minimum commitment size \$10 million		
Manager Diversification/Concentration	Maximum 35% to a single manager		
Fund Concentration	Maximum 30% of total commitments from all LPs		
Leverage	50% Limit		
Volatility	Tracking Error: Long-term target <2%		
Emerging Manager Program	Allocation: 10% target with a 0% - 15% range; See following slide for emerging manager program details		
Alternative Investment Vehicles	See following slide for co-investments and secondaries details		

Note: Allocation ranges indicate the maximum potential allocation to a sub-asset class or vehicle not target allocation.

Non-Core Real Estate – Investment Guidelines



**Functional Asset Class: Growth (Target Allocation 48% +/- 8% of Total Fund)
Asset Class: Non-Core Real Estate (Target Allocation 2% +/- 2% of Total Fund)**

Benchmark	NFI-ODCE Net + 225 bps (3-Month lagged)		
Total Annual Budget	Up to 1% of LACERA's total Fund NAV		
Geography	North America 35% - 75%; Europe 15% - 45%; Asia 5% - 35%; Emerging Markets 0% – 15%		
Industry Sector	Office, Industrial, Apartment, Retail, Other up to 50% of Non-Core Real Estate NAV		
Sub-Asset Class	Value-Add; Opportunistic		
Investment Vehicle	Primaries (Up to 100%)	Co-Investments / Secondaries (Up to 30%)	Emerging Manager Program (Up to 15%)
Annual Allocation	Up to 100% of LACERA's annual Non-Core RE budget	Up to 30% of LACERA's annual Non-Core RE budget	Up to 20% of LACERA's annual Non-Core RE budget
Investment Size/Range	Minimum commitment size \$10 million		
Manager Diversification/Concentration	Maximum 30% to a single manager		
Fund Concentration	Maximum 30% of total commitments from all LPs		
Leverage	Value-Add 65% Limit; Opportunistic 80% Limit		
Emerging Manager Program	Allocation: 10% target with a 0% - 15% range; See following slide for emerging manager program details		
Alternative Investment Vehicles	See following slide for co-investments and secondaries details		

Note: Allocation ranges indicate the maximum potential allocation to a sub-asset class or vehicle not target allocation.

Real Estate Emerging Manager Program (EMP) – Investment Guidelines



**Functional Asset Class: (i) Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund)
(ii) Growth (Target Allocation 48% +/- 8% of Total Fund)
Asset Class: (i) Core Real Estate (Target Allocation 5% +/- 3% of Total Fund)
(ii) Non-Core Real Estate (Target Allocation 2% +/- 2% of Total Fund)**

Benchmark	Core Real Estate: NFI-ODCE Net (3-Month lagged) Non-Core Real Estate: NFI-ODCE Net + 225 bps (3-Month lagged)	
Sub-Asset Class (Allocation)	Core Real Estate (5% Target +/- 3%)	Non-Core Real Estate (2% Target +/- 2%)
Investment Size/Range	Fund investments ranging from \$10 million to \$100 million, average of \$50 million	
Program Framework	Separate Account or Fund-of-One emerging manager program	
Program Allocation Target and Range	Allocation 10% target with a 0% - 15% range	
Emerging Manager Definition	In general funds I, II, or III or with less than \$1 billion in fund size	
Graduation Description	Graduation entails an investment from LACERA directly in a future fund outside of the emerging manager program	
Graduation Target Timeframe	3 – 7 years after an initial investment	
Graduation Approval	In accordance with Board-approved Asset Class Structure Review private fund investment guidelines	

Note: LACERA's proposed allocation ranges indicate the maximum potential allocation rather than the target allocation. Board-approved Asset Class Structure Review investment guidelines, in their entirety, apply to the asset class's EMP. In the event of conflict or inconsistency, asset class EMP-specific parameters supersede broader asset class investment guidelines.

Real Estate Co-Investments and Secondaries – Investment Guidelines

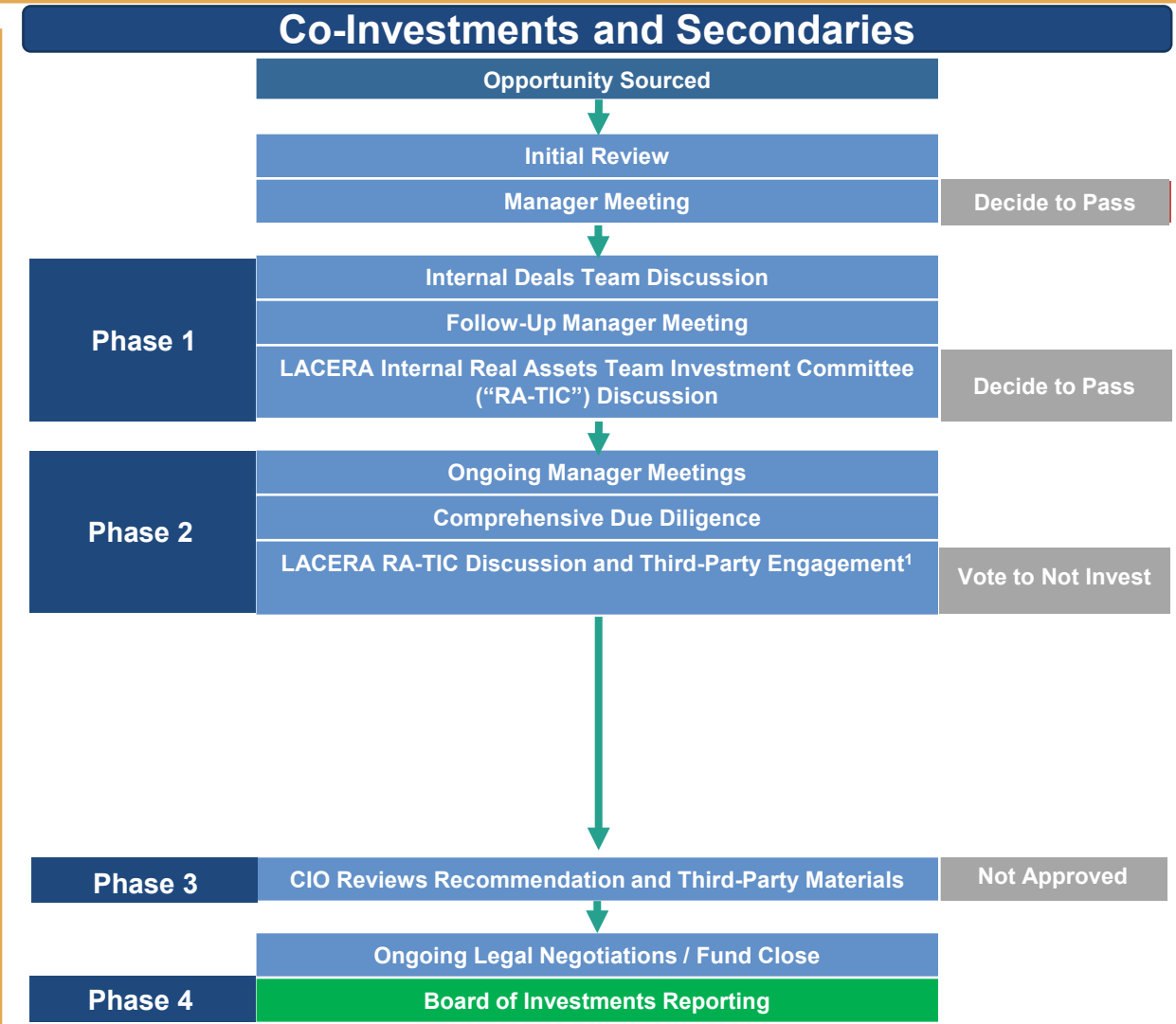
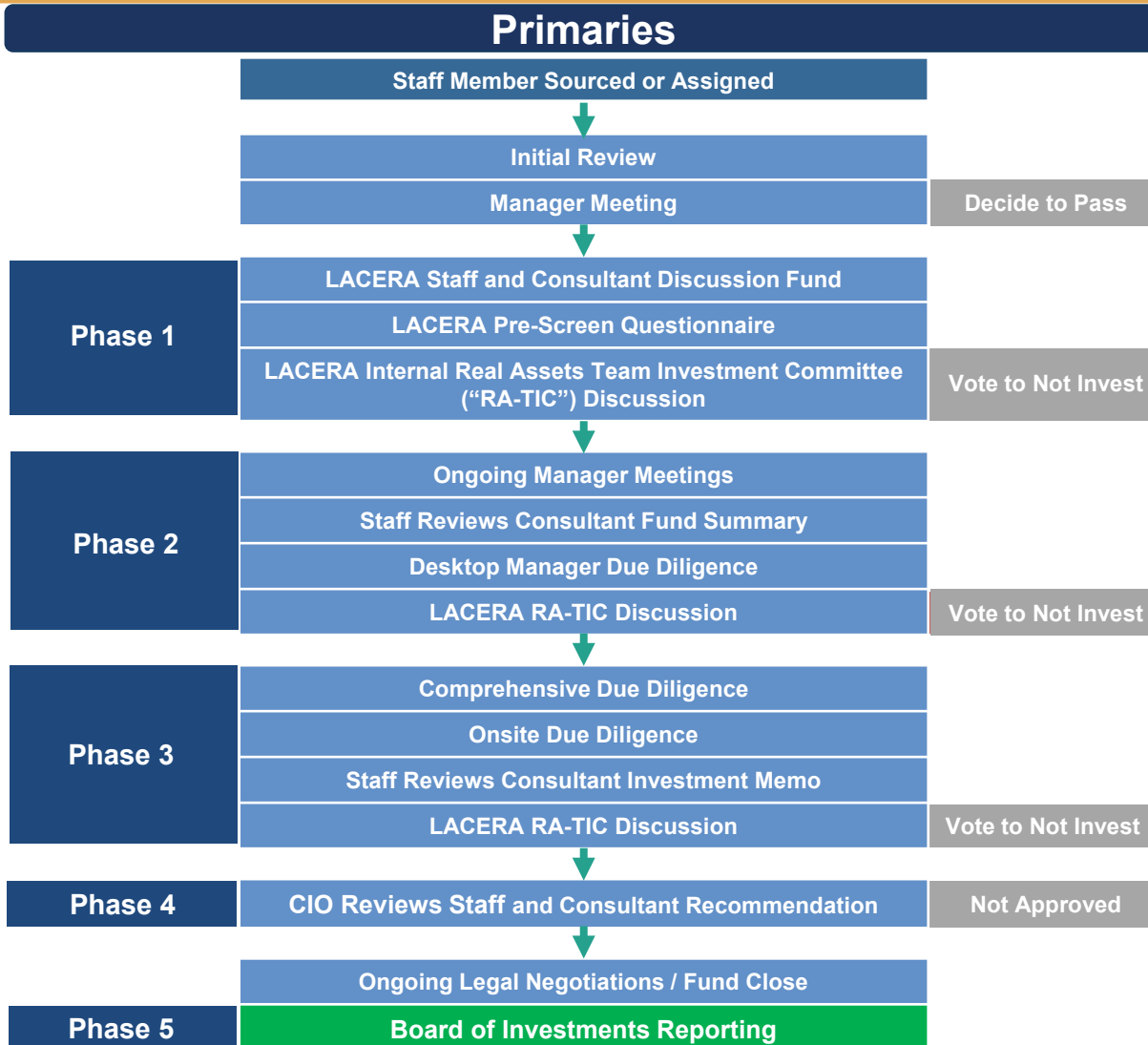


Functional Asset Class: (i) Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund)
(ii) Growth (Target Allocation 48% +/- 8% of Total Fund)
Asset Class: (i) Core Real Estate (Target Allocation 5% +/- 3% of Total Fund)
(ii) Non-Core Real Estate (Target Allocation 2% +/- 2% of Total Fund)

Alternative Investment Vehicle	Co-Investments	Secondary Purchases	Secondary Sales
Annual Capital Deployment	Up to 30% of LACERA's RE allocation		<p>All sales must provide strategic, tactical, and/or economic benefits that assist LACERA in meeting its investment goals. The program will consider selling undesired holdings that include both mature secondaries and hybrid secondaries</p> <p>Sell determinations will fall under the following criteria:</p> <ul style="list-style-type: none"> • Poor Performing: Poor performing assets that have little to no potential to materially improve the future performance of the Real Estate program • Tail Ends: Mature assets that have provided a significant portion of their potential performance, whether attractive or poor, and the remainder of the assets have little to no potential to materially improve the future performance of the Real Estate program. These assets will typically have little value remaining in the capital account and/or few holdings remaining in the fund • Non-strategic: Assets that have an investment focus that is no longer a strategic part of LACERA's investment objectives and there is little to no potential to materially improve the future performance of the Real Estate program • Strategic: Assets that can help improve the overall purchase prices and returns associated with the secondary sale <p>The secondary sale program will opportunistically consider the sale of single limited partnership interests and portions of partnership interests as well as portfolios of multiple limited partnership interests. Portfolio sales will be considered when the aggregated benefit to the Real Estate program is more attractive than individual dispositions</p>
Investment Size/Range	<ul style="list-style-type: none"> • Up to 20% co-investment and secondaries annual budget • Secondaries exclude amounts rolled over from primary funds in conjunction with a continuation vehicle secondary transaction 		
Sourcing	<ul style="list-style-type: none"> • Investments offered by LACERA-approved managers • Investments alongside a LACERA-approved discretionary RE manager, a RE consultant, or the manager's or consultant's approved managers • A secondary fund or vehicle that is managed by a manager of the same institutional quality as those LACERA has previously committed to 		
Deal Types	Private investments in Core and Non-Core Real Estate		
Use of Third Party	Third party consultant confirms LACERA's due diligence was satisfactorily followed		
Deal Exposure	LACERA's ownership of co-investment asset or Fund not to exceed 40% of total under GP (combining co-invest and fund exposure)		

Note: LACERA's proposed allocation ranges indicate the maximum potential allocation rather than the target allocation. Board-approved Asset Class Structure Review investment guidelines, in their entirety, apply to the asset class's co-investments and secondaries. In the event of conflict or inconsistency, asset class co-investment and secondaries-specific parameters supersede broader asset class investment guidelines.

Real Estate – Investment Process



¹ Refer to co-investment and secondaries Investment Guidelines.
 Note: Size of phase boxes are not indicative of time spent on due diligence.

Pacing – Model Assumptions



- **Overall Assumptions:**

- Plan asset start date as of fiscal year end, June 30, 2024
- Net plan asset Real Estate rate of 5.5% (7% Real Estate with 1.5% cash outflow)
- SMA's sold over a three-year period starting in FY 2024 (~\$1.8 billion)

- **Core/Core-Plus Assumptions (Effective January 1, 2025):**

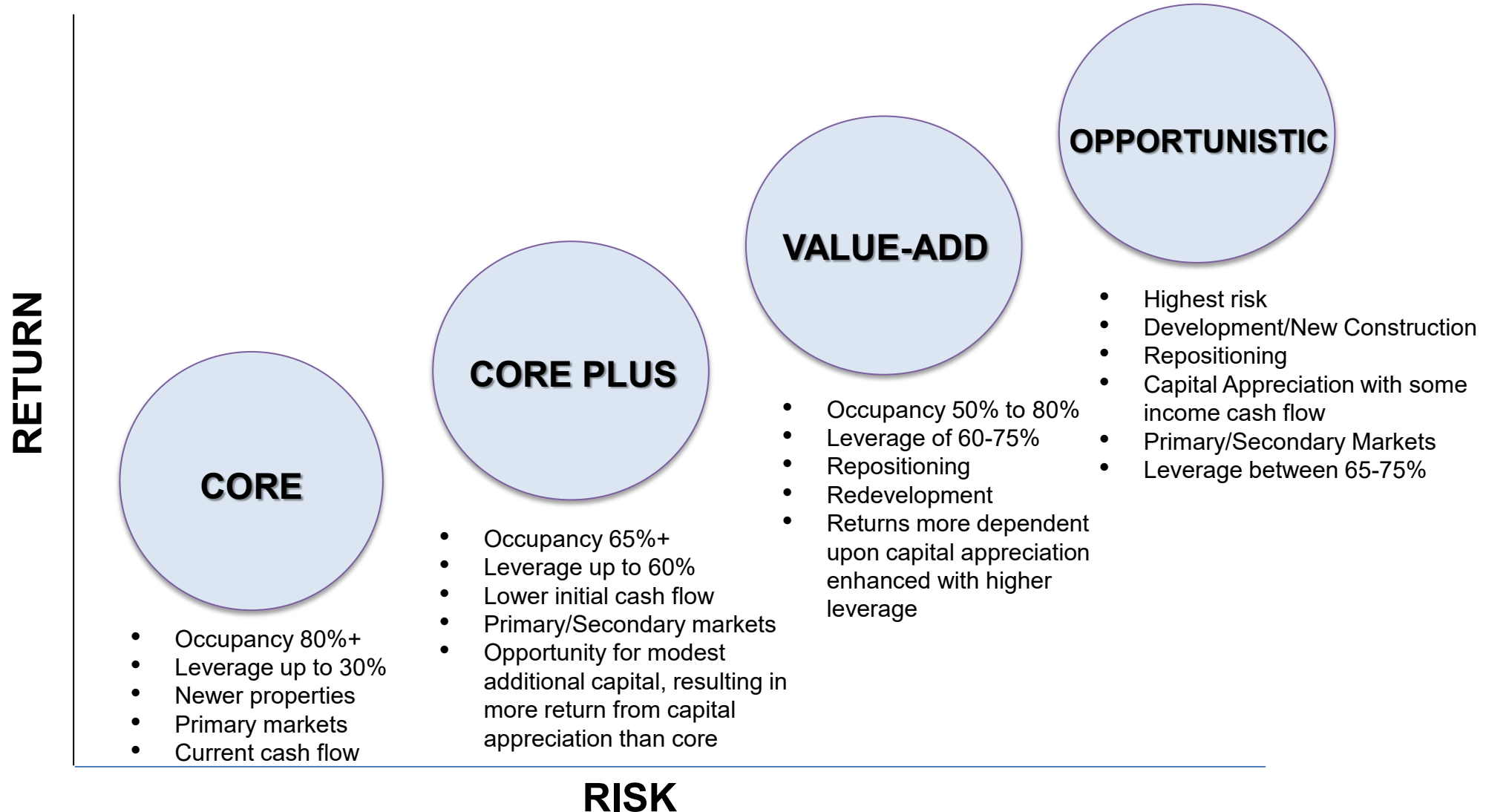
- 5% target allocation of plan assets
- All commitments are from Core/Core-Plus SMAs dispositions/transfers
- Commitments are split equally between Core and Core-Plus open-ended funds and strategies
- Core Private Real Estate target 10-year net IRR return expectation: 4.8%
- Core Private Real Estate target allocation completion in 2028

- **Non-Core Assumptions (Effective January 1, 2025):**

- 2% target allocation of plan assets
- Commitments are split equally between Value-Add and Opportunistic closed-ended funds
- Value-Add target 10-year net IRR return expectation: 7.3%
- Opportunistic target 10-year net IRR return expectation: 8.4%
- Non-Core Private Real Estate target 10-year net IRR return expectation: 7.85%
- Non-Core Private Real Estate target allocation completion in 2028

Source: Meketa Investment Group and Stepstone Real Estate. The opinions expressed herein reflect the current opinions of Stepstone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this document will come to pass. No representation or warranty is made as to the returns which may be experienced by investors.

Risk Profile Definitions



Risk Summary – Core Real Estate



Summary

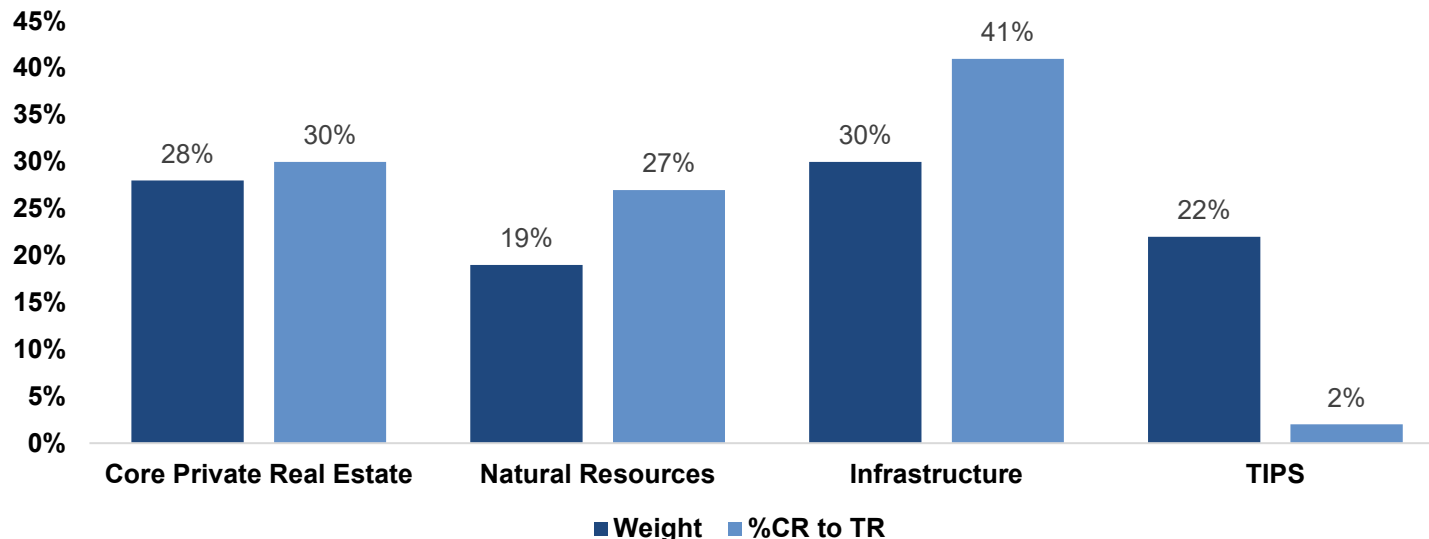
Statistic	Value
Total Risk	10.92
Benchmark Risk	11.64
Active Risk	3.91
Portfolio Beta	0.88

Asset Class Contribution to Risk

Asset Class	Market Value	Weight	Total Risk	Risk Contribution	%CR to TR
Real Assets & Inflation Hedges	\$11,097	100%	10.92	10.92	100%
Core Private Real Estate	3,132	28%	15.05	3.31	30%
Natural Resources	2,148	19%	18.07	3.01	27%
Infrastructure	3,368	30%	15.81	4.37	41%
Treasury Inflation Protected	2,448	22%	2.73	0.24	2%

- Core private real estate makes up about 28% of the real assets and inflation hedges functional category market value
- Core real estate contributes 30% to the forecast total risk of the real assets and inflation hedges functional category
- The stand-alone total risk forecast is 15.05

Asset Class Allocation



Source: MSCI BarraOne, data as of September 30, 2024, \$ in millions.

Risk Summary – Non-Core Real Estate



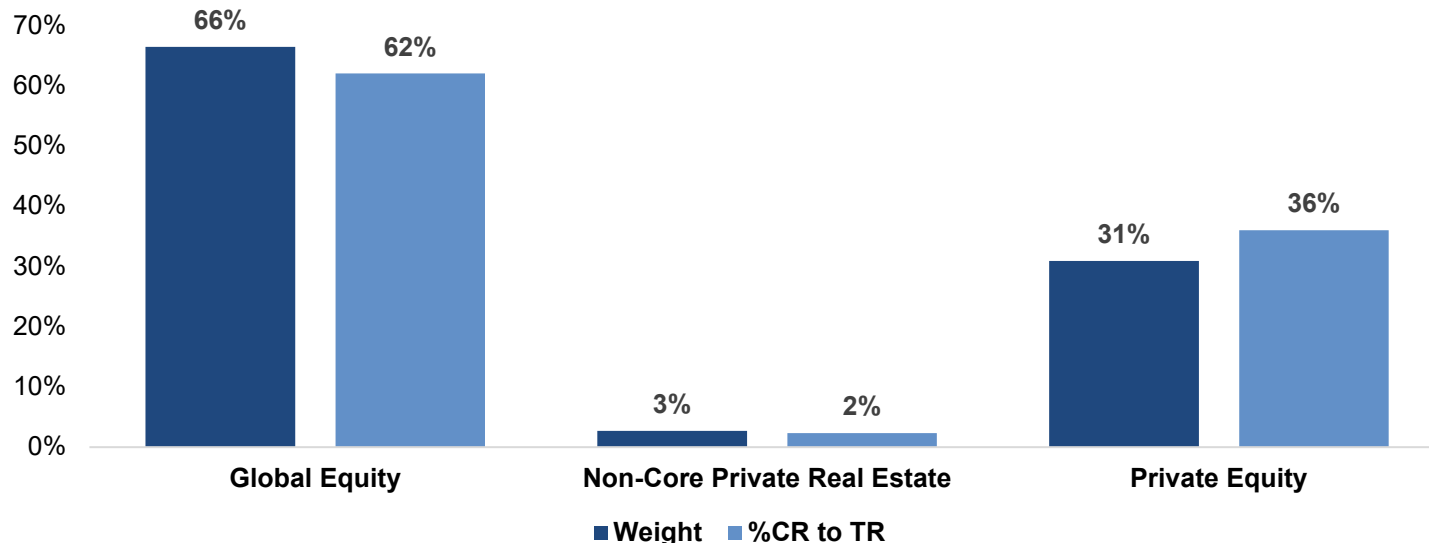
Summary

Asset Class Contribution to Risk

Statistic	Value	Asset Class	Market Value	Weight	Total Risk	Risk Contribution	%CR to TR
Total Risk	15.79	Growth	\$41,455	100%	15.79	15.79	100%
Benchmark Risk	15.79	Global Equity	27,595	66%	15.29	9.81	62%
Active Risk	1.12	Non-Core Private Real Estate	1,112	3%	20.57	0.34	2%
Portfolio Beta	1.00	Private Equity	12,748	31%	20.47	5.64	36%

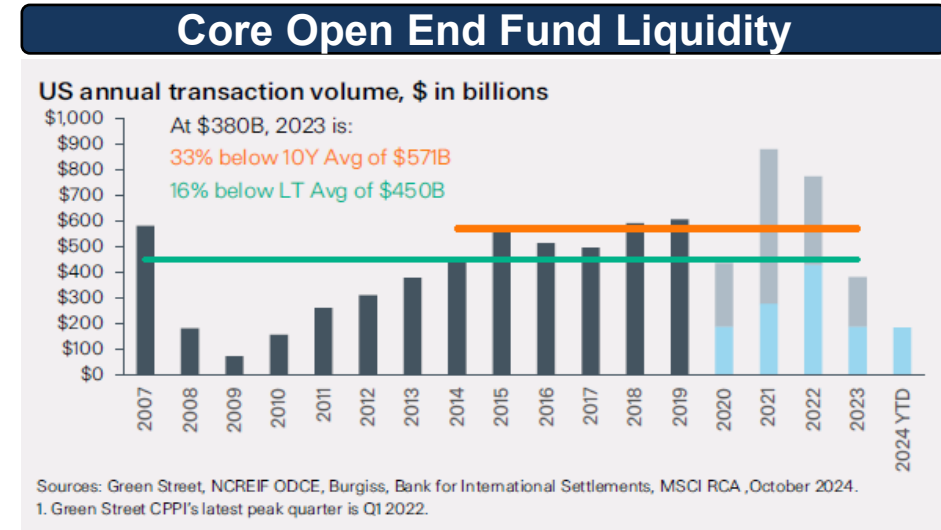
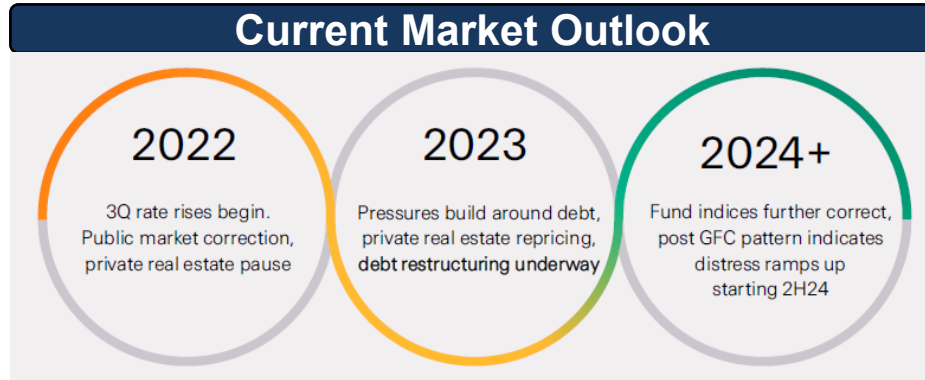
- Non-core private real estate makes up about 3% of the growth functional category market value
- Non-core real estate has minimal impact on the forecast total risk of the growth functional category total risk contributing 2%
- Due to volatility of real estate asset class in recent quarters and global geography of portfolio, the stand-alone forecast total risk is at 20.57

Asset Class Allocation



Source: MSCI BarraOne, data as of September 30, 2024, \$ in millions.

Stepstone Fall 2024 House View



Marks remain above trading prices, suppressing volume

- Interest rates are likely to remain well above pre-2022 levels, even as central banks ease
- A large bid-ask gap, with sellers not motivated to take losses, is depressing trading volume
- Fund valuations have lagged asset trading prices in both timing (normal) and amount

Higher Interest Rates Lead to New Opportunity

NOW: Favorable Outlook

Within areas of real estate debt, secondaries and recapitalizations, opportunistic/distressed



NEXT: Core/Core Plus, as NAVs Correct

Repricing of open-ended funds ultimately likely to restore yields at normal spreads above now higher interest rates



ONGOING: Real Estate maintains its long-term targeted role in portfolios

Diversification, inflation protection, current income, and appealing risk/return

Glossary of Terms



Term	Acronym	Definition
Active Risk		The expected standard deviation of the differential return between the portfolio and the benchmark. Active total risk arises from active management, and it is the result of active weights (deviations from the benchmark)
Allocation Effect		A measure of the returns generated by allocating portfolio weights to specific segments, including regions and market capitalization
Alpha		The excess return of an investment against a specified benchmark
Basis Points	BPS	One one-hundredth of one percent. One hundred basis points equal one percent
Beta		Represents the degree of risk correlated between a security and the benchmark/market
Board	BOI	LACERA Board of Investments
Cap Rate		Abbreviation for capitalization rate, which refers to ratio of yield to total market value
Co-Investment		An investment that is made alongside an investment manager
Diversity, Equity and Inclusion	DEI	Diversity, equity and inclusion within an organization
Emerging Manager Program	EMP	Seeks to identify and invest in independent firms that have fewer substantial assets under management or may lack a long-term investment performance record
Emerging Markets		Economies that are in the process of rapid Real Estate and industrialization
Environmental, Social and Governance	ESG	Focusing on the three key factors used to measure the sustainability and ethical impact of an investment in a business
Exposure		Net asset value (“NAV”) plus any unfunded commitments
Fund-of-Funds	FoF	An investment fund that pools capital from multiple investors to invest in a diversified portfolio of other funds rather than directly in individual companies
Gross Asset Value	GAV	Includes both equity and debt holdings to represent the current value of the asset
Internal Rate of Return	IRR	Internal Rate of Return (IRR) is used to estimate the profitability of potential investments. It is the discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero

Glossary of Terms (Continued)



Term	Acronym	Definition
Investment Policy Statement	IPS	Outlines the investment objectives, strategies, and guidelines of an investor or organization.
J-Curve		Represents the typical investment trajectory where initial losses occur due to high expenses and underperforming investments
Limited Partner Advisory Committee	LPAC	LPACs are formed to help with fund governance and protect investors. They can advise on conflicts of interest, approve investments, and review key events
Net Asset Value	NAV	The value of an asset minus any expenses and liabilities
NFI-ODCE NET		NCREIF Fund Index – Open End Diversified Core Equity – it is capitalization-weighted, time-weighted return index with an inception of December 31, 1977
Operational Risk		Refers to the risk of loss due to inadequate or failed internal processes, people, systems or from external events
Real Estate Equity		A type of private equity investment focused on providing capital to late-stage companies that have demonstrated significant Real Estate potential but need additional funds to scale their operations further
Risk Contribution	CR	The percent of total risk that an individual asset or risk source contributes. For example, a % CR to Total Risk of 10% indicates that 10% of the portfolio's total risk is arising from the portfolio's position in that particular asset
Secondaries/Secondary Investment		The purchase or sale of existing investor commitments or ownership stakes in funds
Selection Effect		A measure of the impact of a manager's performance relative to their mandate benchmark
Separately Managed Account	SMA	An investment portfolio that is managed separately from other investment vehicles and hold investments for only client
Sharpe Ratio		Measures risk-adjusted performance of an investment compared to a risk-free asset
Standard Deviation		Volatility of monthly returns that measures the average deviation from the mean
Strategic Asset Allocation	SAA	Long-term investment strategy where investor sets target allocation for various asset classes and periodically rebalances the portfolio to maintain these target allocations
Time Weighted Return	TWR	The time-weighted rate of return measures the rate of return of a portfolio by eliminating the distorting effects of changes in cash flows
Total Risk	TR	The total (gross) risk to an asset (or portfolio), which is the standard deviation of the asset's total return distribution, expressed in percent.
Tracking Error	TE	Volatility of a manager's excess return; measured by subtracting the standard deviation of the manager's returns from the standard deviation of the benchmark return

MEMORANDUM

To: Los Angeles County Employees Retirement Association (“LACERA”) Board of Investments (“BOI”)
From: StepStone Real Estate (“SRE”)
Date: December 19, 2024
Re: **2025 Real Estate Structure Review**

Background

In January 2022, the BOI approved a plan to sell its SMA directly held real estate assets and instead invest through commingled funds. This was meant to improve returns, diversification and risk management. The assets were to be sold via an orderly process over 3-5 years. This process is now well underway.

Past structure reviews guidelines for real estate exposures were designed for a stable portfolio. They did not contemplate the disruption of a portfolio in transition or major market correction, and both have occurred. Given these facts, more flexibility around guidelines enables orderly transition. Imposing hard limits by category may require fire sales, which the BOI has historically chosen to avoid to preserve value, or it may prohibit promising new investments.

Shortly after this plan was approved, interest rates began rising dramatically, which in turn depressed real estate prices. Today, appraisal based carrying values have not fully corrected and trading volumes remain depressed. Current property trading prices do fairly reflect today’s realities. This has slowed sales and redeployment.

Additionally, there has been major change in how space used and where people live, led in part by technology changes (ie zoom enabling work from home). This has led to unusually high variations in performance by sector and location. While appropriate in many ways, LACERA’s base index, ODCE, is a lagging indicator. Greater flexibility (albeit in the context of a well-diversified portfolio) enhances the ability to capitalize on change and avoid rear view mirror investing.

Recommendation

SRE is supportive of the recommendation in the 2025 Real Estate Structure Review, including expansion of allowable exposure ranges versus ODCE amounts as stated.

When evaluating the real estate portfolio in detail for any metrics, include line items separately for a) discontinued SMA program and b) the ongoing funds program, as well as c) the total. This will enable the BOI and staff to see the difference and not continue to have its view and management of the current program determined by a strategy that has been discontinued for over four years.

Allow new commitments that don’t exacerbate over or under exposures when limits are exceeded. This works to maintain overall portfolio goals (including exposure and vintage year exposure), capture attractive market opportunities, and rebalance to reduce guideline violation. The end goal remains being in compliance, with the recognition that may take time during major portfolio transitions and market corrections.



January 24, 2025

TO: Trustees,
Board of Investments

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

Ted Granger *TG*
Chief Financial Officer

FOR: February 12, 2025 Board of Investments Meeting

SUBJECT: **2024 ACTUARIAL VALUATION OF RETIREMENT BENEFITS**

RECOMMENDATION

It is recommended that the Board of Investments:

1. Accept the June 30, 2024 Actuarial Valuation of Retirement Benefits as submitted by the Plan's consulting actuary, Milliman.
2. Adopt recommended employer contribution rates (all plan tiers) and employee contribution rates (PEPRA plans - General Plan G and Safety Plan C).
3. Delegate authority to the Chief Executive Officer to communicate the results of the 2024 Actuarial Valuation of Retirement Benefits to the Board of Supervisors on or before May 15, 2025, with a recommendation to implement the employer and employee rates no later than September 29, 2025.

EXECUTIVE SUMMARY

The June 30, 2024 Actuarial Valuation of Retirement Benefits ("2024 Actuarial Valuation") report (Attachment I) has been prepared by Milliman to determine the employer and certain employee¹ contribution rates, which will be effective July 1, 2025. The 2024 Actuarial Valuation results include changes in employer contribution rates for all plans, increases in General Plan G and Safety Plan C member contribution rates, a decrease in the Unfunded Actuarial Accrued Liability (UAAL), and an improvement in the Plan's

¹Government Code Section 7522.30 of the California Public Employees' Pension Reform Act of 2013 (PEPRA) requires annual adjustments to contribution rates for members entering the retirement system beginning January 1, 2013. PEPRA applies to LACERA members enrolled in General Plan G and Safety Plan C. Contribution rates for all other members who participate in contributory plans are updated every three years; the contribution rates effective July 1, 2025 will be implemented as a result of the June 30, 2024 Actuarial Valuation report. This schedule of contribution rate updates is confirmed in LACERA's Retirement Benefit Funding Policy.

funded ratio. LACERA is required to communicate the results to Los Angeles County (County) so the new employer and member contribution rates can be implemented for the upcoming fiscal year.

The key factors affecting the 2024 valuation results as compared to the 2023 valuation were as follows:

▪ **Funded Ratio**

- The increase in the Funded Ratio (based on the smoothed Valuation Assets) from 79.9% to 80.9% was primarily due to investment gains from the current year and employer contributions made to pay down the UAAL.
- These positive factors were offset by employee salary increases greater than assumed, which increased Actuarial Accrued Liability (AAL).

▪ **Employer Contribution Rate**

- The decrease in the weighted average aggregate employer contribution rate from 25.88% of payroll to 25.61% for all plans was primarily attributable to the recognition of investment gains, and the rate-reducing impact of higher payroll growth than anticipated. This caused a reduction in the percentage of payroll needed to amortize the unfunded liability along with the continued increase in the proportion of active employees accruing benefits through the PEPRA plans, which have a lower employer Normal Cost rate than legacy plans.
- Rate decreases were somewhat offset by the impact of employee salary increases greater than expected, which increased the AAL.

▪ **Member Contribution Rates**

- Increases in member contribution rates are recommended for General Plan G from 9.28% to 9.30% and Safety Plan C from 14.97% to 15.14% as year-to-year changes typically affect these two PEPRA plans. These rates are set equal to one-half of the total Normal Cost rate for the respective plan and are expected to change annually due to changes in the active member demographics from year-to-year.
- Member contribution rates for the contributory legacy plans (General Plans A to D and Safety Plans A and B) do not change for this valuation reporting cycle.

▪ **Plan Demographics**

- The active member population increased 1.8% to a total of 98,683, with an overall average age of 46.7 years.

- The retired population (including beneficiaries) increased by 2.4% to a total of 74,767 members, with an average age of 73.2 years. The average benefit payment for all retired general and safety members (including beneficiaries) increased by 3.2% to \$5,147 per month.

SUMMARY OF KEY VALUATION RESULTS

The key valuation results for the past three years are presented in the table below.

Significant Valuation Results			
(\$ in Millions)	FISCAL YEAR ENDED		
	2024	2023	2022
Funded Ratio	80.9%	79.9%	79.6%
Actuarial Accrued Liability	\$94,803	\$90,651	\$86,320
Valuation Assets	\$76,664	\$72,415	\$68,712
Unfunded Actuarial Accrued Liability	\$18,139	\$18,236	\$17,608
Assumed Investment Return	7.00%	7.00%	7.00%
Actual Investment Return	9.10%	6.40%	0.10%
Retired Members and Beneficiaries (count)	74,767	73,008	71,571
Average Monthly Benefit (actual \$)	\$5,147	\$4,986	\$4,832

Analysis of Key Valuation Results

The Plan's funded ratio is 80.9% as of June 30, 2024, up from 79.9% for 2023. The estimated benefit liability is greater than the actuarial value of assets. However, this analysis reflects the actuarial asset smoothing method which recognizes previous investment gains and losses over a five-year period. Based on the fair value of assets (excluding non-valuation reserves), LACERA's funded ratio is 82.1%.

Since the June 30, 2023 Actuarial Valuation, LACERA's AAL increased 4.6% to \$94.80 billion, while the Valuation Assets increased 5.9% to \$76.66 billion.

The UAAL as of June 30, 2024, is \$18.14 billion, a decrease of \$97 million from the prior year. The Plan is less than 100% funded which requires employers to make additional UAAL payments to the Plan to reduce the funding shortfall, with payments calculated using closed 20-year layered amortization periods.

The actuary is recommending changes to the employer and PEPRA member contribution rates. The estimated annual employer contributions for the upcoming fiscal year 2025-2026 are \$2.64 billion, which includes approximately \$1.12 billion in employer normal cost

contributions and \$1.52 billion in employer UAAL contributions. Recent changes to the employer and member contribution rates are shown below.

ACTUARIALLY DETERMINED CONTRIBUTIONS - EMPLOYER RATES SUMMARY

Annual valuations reset the employer contribution rates each year. Liabilities not funded through employee contributions and portfolio earnings are the responsibility of the employer.

EMPLOYER CONTRIBUTIONS			
(\$ in Millions)	June 30, 2024 Valuation	2023 Valuation	2022 Valuation
Employer Normal Cost Rate	10.88%	11.01%	11.12%
Employer UAAL Rate	14.73%	14.87%	14.72%
Total Employer Rate	25.61%	25.88%	25.84%
Estimated Employer Contributions	\$2,643	\$2,552	\$2,414

Normal Cost

The employer contributions include the cost of benefits expected to be earned in the future in excess of those funded by member contributions. These contributions are known as employer Normal Cost contributions and the Normal Cost rates are calculated by the actuary for all retirement plans.

The weighted average recommended employer Normal Cost rate calculated in the 2024 Actuarial Valuation is 0.13% of pay lower than the comparable rate calculated in the 2023 valuation, and currently in effect. A comparison by plan is presented in the 2024 Actuarial Valuation report's Exhibit 10 on page 30. Based on the actuary's recommended employer contribution rates for individual plans, the overall impact is a decrease in the employer Normal Cost contribution rate from 11.01% to 10.88% of estimated payroll.

UAAL

The employer is also responsible to contribute for funding shortfalls related to liabilities accrued in the past (which includes changes in the economic and non-economic assumptions affecting past service, if any). This portion of the employer's contribution is known as the UAAL contribution. The Board adopted a closed 20-year layered amortization method to discharge an unfunded liability when the funded ratio is below 100%. The Funded Ratio as of June 30, 2024 is 80.9% and therefore the employer is required to contribute an additional 14.73% of covered payroll towards the unfunded liability for the fiscal year beginning July 1, 2025.

Together, the employer's 10.88% normal cost and 14.73% UAAL contribution rates equal a 25.61% total employer weighted average contribution rate for all plans. For the fiscal year 2025-2026, the annual employer contribution is projected to increase by \$91 million

compared to fiscal year 2024-2025, resulting in an estimated annual employer cost of \$2.64 billion.

ACTUARIALLY DETERMINED MEMBER CONTRIBUTION RATES SUMMARY

For members of General Plan G and Safety Plan C, employee contribution rates are recalculated annually and will change for the upcoming fiscal year as shown in the table below. Member contribution rates for all contributory legacy plans (General Plans A, B, C, and D and Safety Plans A and B) are generally updated every three years following the triennial investigation of experience study and will not change for the upcoming fiscal year.

MEMBER CONTRIBUTIONS			
(rates shown as a percentage of payroll)	FISCAL YEAR BEGINNING		
	July 1, 2025	July 1, 2024	July 1, 2023
<u>PEPRA Plans (all ages):</u>			
Employee General Plan G	9.30%	9.28%	9.24%
Employee Safety Plan C	15.14%	14.97%	14.76%
<u>Sample Legacy Plans (entry age 25):</u>			
Employee General Plan D	7.22%	7.22%	7.22%
Employee Safety Plan B	13.04%	13.04%	13.04%

PEPRA Plans

For the plan tiers using single-rate employee contribution rates (plan tiers General Plan G and Safety Plan C), members are required to contribute at least one-half of the total Normal Cost rate for the plan. The actuary recommends adjustments to the PEPRA plan contributions annually to reflect the plan’s Normal Cost rates for the 2024 valuation. These rates are expected to change each year due to changes in the active member demographics from year-to-year. The increase this year includes the impact of a change in the underlying compensation data used in the calculations, which now excludes some non-pensionable pay items that were previously included². Effective July 1, 2025, slightly higher employee contribution rates are recommended. The General Plan G member contribution rate will increase by 0.02% to 9.30% and the Safety Plan C rate will increase by 0.17% to 15.14%.

Legacy Plans

Member contribution rates for those participating in the closed contributory plan tiers (General Plans A, B, C and D and Safety Plans A and B) will not change as of July 1, 2025. For legacy plan tiers using age-based employee contribution rates, LACERA’s actuary will recommend adjusted member rates if there are changes in the underlying assumptions and methodologies used to calculate the employee rates. It is expected the

² Note that the change in the underlying compensation also had a small impact on the employer contribution rate. This small rate-increasing impact (+0.02%) was offset by more significant factors (discussed on page 2) which caused the employer contribution rate calculated in the valuation to decrease.

age-based employee rates will change no more frequently than every three years when the actuary reviews the assumptions and methodologies as part of the experience study, which was last completed as of June 30, 2022 and will be completed again as of June 30, 2025.

Member contribution rates for all plans at every entry age can be found in the 2024 Actuarial Valuation report's Appendix D on page 107.

LEGAL AUTHORITY

Provisions contained in the County Employees Retirement Law of 1937 (California Government Code, Sections 31450-31899.1) (CERL), the California Public Employees' Pension Reform Act of 2013 (California Government Code, Section 7522-7522.74) (PEPRA), and the California Constitution (Article XVI, Section 17) govern the actuarial process at LACERA.

Section 31453 of the CERL requires LACERA to obtain an actuarial valuation at least once every three years. The valuation shall be conducted under the supervision of an actuary, shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Government Code Section 7504(a) additionally provides, for all California public pension systems, not less than every three years, the fund actuary "shall perform a valuation of the system utilizing actuarial assumptions and techniques established by the agency that are, in the aggregate, reasonably related to the experience and the actuary's best estimate of anticipated experience under the system. Any differences between the actuarial assumptions and techniques used by the actuary that differ significantly from those established by the agency shall be disclosed in the actuary's report and the effect of the differences on the actuary's statement of costs and obligations shall be shown." Section 7522.30 PEPRA requires annual adjustments to contribution rates for members entering the retirement system beginning January 1, 2013. PEPRA applies to LACERA members enrolled in General Plan G and Safety Plan C.

The California Constitution, Article XVI, Section 17(a) of the Constitution provides that public pension trustees "shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty." To comply with their fiduciary duty with respect to actuarial decisions, the Constitution requires that each of these three elements be considered and evaluated with the interests of members and beneficiaries being paramount.

Article XVI, Section 17(e), assigns "the sole and exclusive power to provide for actuarial services" to the governing body of the public employees' retirement system. Such power is given by the Constitution in order to "assure the competency of the assets of the public pension or retirement system."

Section 31453 further requires the Board of Investments to transmit its recommendations concerning assumptions, interest rates, and contributions to the Board of Supervisors at least 45 days prior to the beginning of the succeeding fiscal year. Section 31454 requires the Board of Supervisors to adjust contribution rates in accordance with LACERA's recommendations no later than 90 days following the beginning of the immediately succeeding fiscal year, which means that the adjustments must be made no later than September 29, 2024. Section 31454.1 exempts the independent assumptions and calculations of LACERA's actuary from "meet and confer" requirements. This same section also recognizes the "meet and confer" responsibility of the Board of Investments or Board of Supervisors in implementing the recommendations contained in the actuarial valuation report.

CHANGE TO RETIREMENT BENEFIT CALCULATION METHODOLOGY – NO IMPACT TO ACTUARIAL VALUATION/CONTRIBUTION RATES

At their January 15, 2025 meeting, the Board of Retirement approved the recommendation of the Legal Office that LACERA change its interpretation of the laws that govern how the final average compensation, and ultimately the retirement benefits, of General Plan G and Safety Plan C members (PEPRA Members) are calculated. Specifically, LACERA will be changing its prior interpretation of these laws and now use a member's "scheduled earnings" (the pensionable compensation that a member is scheduled to receive per pay period) as opposed to their "actual earnings" (the pensionable compensation that a member actually earns during a pay period, reflecting any reductions due to absences without pay) to calculate their final average compensation.

Because this change in interpretation directly impacts the calculation of the retirement benefits of PEPRA Members, Milliman was asked to determine any impact on the calculation of contribution rates and their actuarial valuation. In reviewing this issue, Milliman determined that scheduled earnings are already being used to calculate the contribution rates for PEPRA Members. Therefore, this change in using scheduled earnings to calculate members' retirement benefits will have **no impact** on Milliman's actuarial valuation or calculation of contributions rates, but rather bring the calculations of retirement benefits into alignment with how contribution rates are already being calculated.

LACERA's ACTUARIAL FUNDING POLICY

The Retirement Benefit Funding Policy history for Los Angeles County and LACERA began with an agreement in 1994 to use pension obligation bonds to fully fund the retirement system at that time. This agreement was set to expire in 15 years and was amended in 2002 to address surplus funding and unfunded liabilities. In 2009, the Board of Investments approved the first comprehensive Retirement Benefit Funding Policy (Funding Policy), which was later updated in 2013 to align with PEPRA standards. The Funding Policy's main goal was to provide benefit security for its members as well as achieving and maintaining stable employer contributions that are as low as practicably possible. This Policy required annual actuarial valuations to review the retirement

system's funding progress, and to set the employer contribution and member contribution rates according to the Plan's legal documents (CERL and PEPRA), the relevant provisions of which are described in the Legal Authority section above.

In October 2024, the Board of Investments approved a revised Funding Policy and retitled it to the "Actuarial Funding Policy." This new version supersedes previous versions, incorporates a principles-based approach, updates definitions, and revises procedures to ensure compliance with legal and actuarial standards. The Actuarial Funding Policy also replaces the Actuarial Audit Policy, which was established in 1998 and updated in 2008, and mandates regular audits by a secondary actuary. The Actuarial Funding Policy update is effective beginning July 1, 2024 and will be effective at the next valuation date, June 30, 2025.

ACTUARIAL RISK DISCUSSION

Under Actuarial Standard of Practice (ASOP) Number 51 (ASOP 51), first effective with the June 30, 2019 valuation, the 2024 Actuarial Valuation report includes a risk discussion (see pages 42-46) in which Milliman assesses and discloses the main risks associated with measuring pension liabilities and the determination of pension plan contributions. This section is intended to identify significant risks, assess the risks, and disclose plan maturity measures and historical information necessary to understand them. Effective with the June 30, 2023 valuation report, ASOP 4 requires the consulting actuary to calculate and disclose a low-default-risk obligation measure (LDRM) of the benefits earned or accrued under the actuarial cost method used as of the measurement date. Page 44 includes this disclosure which provides this additional information and does not impact the funding of the Plan, which is based on the valuation assumptions adopted by the Board of Investments as of June 30, 2022.

In addition to the ASOP 51 discussion in the annual valuations, Milliman will prepare a separate ASOP 51 risk report based upon this 2024 Actuarial Valuation report, which will be placed on the Board agenda and discussed at a future meeting.

CONCLUSION

Both the Retirement Benefit Funding Policy in effect through June 30, 2024 and the Actuarial Funding Policy effective July 1, 2024 (both adopted by the LACERA Board of Investments) requires the employer contribution rates to be adjusted annually based on the LACERA's annual valuation. Member contribution rates are updated annually for plans established beginning January 1, 2013 under PEPRA, and every three years for all other legacy plans or when valuation assumptions change. The Plan actuary, Milliman, performed the 2024 actuarial valuation; the employer contribution rates (all tiers) will change effective July 1, 2025.

Milliman recommends increases to member contribution rates for General Plan G and Safety Plan C but not for legacy plans, and employer contribution rate changes for all retirement plans. California State Law requires LACERA to transmit the contribution rate recommendations to the Board of Supervisors on or before May 15 and for the Board of

2024 Actuarial Valuation of Retirement Benefits

January 24, 2025

Page 9

Supervisors to implement the recommended contribution rates by July 1 but no later than September 29.

LACERA's consulting actuaries, Nick Collier and Craig Glyde with Milliman, will be attending the February 12, 2025, meeting to discuss the 2024 Actuarial Valuation report and answer any questions.

Attachments

- I. Milliman's 2024 Actuarial Valuation of Retirement Benefits Report
- II. Milliman's February 12, 2025, Presentation Slides

SHK:tg

2024_Actuarial Valuation of Retirement Benefits BOI Memo_Final

c: Luis A. Lugo, LACERA Laura Guglielmo, LACERA JJ Popowich, LACERA
Jonathan Grabel, LACERA Steven P. Rice, LACERA Richard Bendall, LACERA
Fesia Davenport, CEO, Los Angeles County



Los Angeles County Employees Retirement Association

Actuarial Valuation of Retirement Benefits

June 30, 2024

Prepared by:

Nick J. Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

Milliman, Inc.
1301 Fifth Avenue, Suite 3800
Seattle, WA 98101-2605
Tel +1 206 624 7940
milliman.com



1301 Fifth Avenue
Suite 3800
Seattle, WA 98101-2605
USA

Tel +1 206 624 7940

milliman.com

January 27, 2025

Board of Investments
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101-4199

Re: Los Angeles County Employees Retirement Association as of June 30, 2024

Dear Trustees of the Board:

As part of our engagement with the Los Angeles County Employees Retirement Association (LACERA), we have performed an actuarial valuation of LACERA retirement benefits as of June 30, 2024. This report reflects the benefit provisions and contribution rates in effect as of June 30, 2024 and LACERA's Retirement Benefit Funding Policy that was adopted in December of 2009 and amended as of February 2013, and reflects changes adopted at the Board of Investments December 2022 meeting. It also reflects the Actuarial Funding Policy that supersedes the Retirement Benefit Funding Policy effective July 1, 2024 and was adopted by the Board of Investments at the October 9, 2024 meeting.

The main purposes of this report are:

- to provide the actuarially determined employer and member contribution rates for the fiscal year beginning July 1, 2025;
- to assess the funded position of the Plan as of June 30, 2024; and
- to review the experience under the Plan for the valuation year ending June 30, 2024.

The calculations in this report have been made on a basis consistent with our understanding of LACERA's funding requirements as stated under their Funding Policy. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. Milliman will provide LACERA financial reporting results relevant to GASB Statements No. 67 and 68 in separate reports.

Actuarial assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods were adopted by the LACERA Board of Investments (BOI) at its December 2022 meeting. The BOI is responsible for selecting LACERA's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. LACERA is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for LACERA have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of LACERA and reasonable expectations); and that, in combination, offer a reasonable estimate of anticipated experience affecting LACERA and are expected to have no significant bias.

Variability of results

This valuation report is only an estimate of LACERA's financial condition as of a single date. It can neither predict LACERA's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of benefits, only the timing of contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement, although for informational purposes we have shown valuation results at +/- 0.5% on the investment return assumption at the end of the Executive Summary.

Future actuarial measurements may differ significantly from the current measurements presented in this report 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. The Board of Investments has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A of this report.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to, 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.

No legal duty to third-party recipients

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.

Models

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.

Qualifications and Certification

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 report 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.

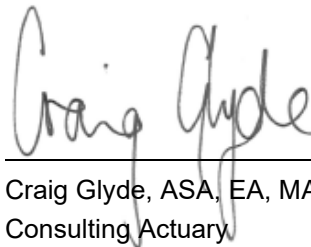
We would like to express our appreciation to members of LACERA staff who gave substantial assistance in supplying the data on which this report is based.

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

Sincerely,



Nick Collier, ASA, EA, MAAA
Consulting Actuary



Craig Glyde, ASA, EA, MAAA
Consulting Actuary

Table of Contents

1. Summary of Findings	1
Exhibit 1 Summary of Significant Valuation Results	10
2. Scope of the Report	11
3. Assets	12
Exhibit 2 Statement of Fiduciary Net Position As of June 30, 2024 and June 30, 2023	15
Exhibit 3 Statement of Changes in Fiduciary Net Position For the Fiscal Years Ended June 30, 2024 and 2023	16
Exhibit 4 Allocation of Assets by Accounting Reserve Amounts	17
Exhibit 5 Five-Year Smoothing of Gains and Losses on Fair Value	18
Exhibit 6 Allocation of Valuation and Non-Valuation Assets	19
4. Actuarial Liabilities	20
Exhibit 7 Actuarial Balance Sheet – June 30, 2024	21
Exhibit 8a Analysis of Change in Unfunded Actuarial Accrued Liability	24
Exhibit 8b History of Changes in Unfunded Actuarial Accrued Liability	25
5. Member Contributions	26
Exhibit 9 Sample Member Contribution Rates	28
6. Employer Contributions	29
Exhibit 10 Calculated Normal Cost Contribution Rates – June 30, 2024	30
Exhibit 11 Total Employer Contributions	31
Exhibit 12 Unfunded Actuarial Accrued Liability Detail	32
7. Supplemental Information	33
Exhibit 13 Schedule of Funding Progress	34
Exhibit 14 Schedule of Contributions from the Employer	35
Exhibit 15 Funded Liabilities by Type	36
Exhibit 16 Actuarial Analysis of Financial Experience	37
Exhibit 17 Retirees and Beneficiaries added to and removed from Retiree Payroll	38
8. Cash Flow History and Projections	39
Exhibit 18a Cash Flow History and Projections – Dollars	40
Exhibit 18b Cash Flow History and Projections – Graphs	41
9. Risk Discussion	42

Appendices

Appendix A Actuarial Procedures and Assumptions47

Appendix B Summary of Plan Provisions70

Appendix C Valuations Data and Schedules82

Appendix D Member Contribution Rates109

Appendix E Historical Information.....112

Appendix F Glossary.....122

1. Summary of Findings

2024 Valuation Results

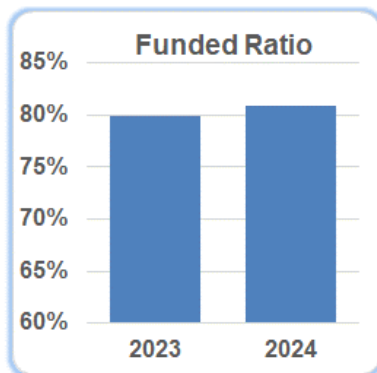
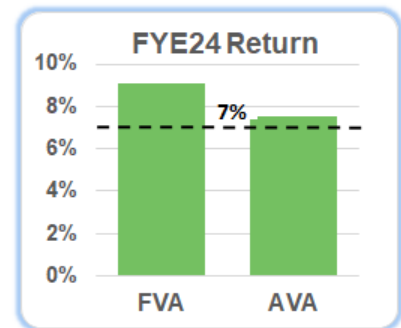
	Valuation Date	
	June 30, 2024	June 30, 2023
Employer Contribution Rate	25.61% ⁽¹⁾	25.88% ⁽²⁾
Funded Ratio	80.9%	79.9%

1. The June 30, 2024 valuation calculates the employer contribution rate effective July 1, 2025.
2. The June 30, 2023 valuation calculates the employer contribution rate effective July 1, 2024.

This report presents the results of the June 30, 2024 actuarial valuation. This valuation determines the member and employer contribution rates payable starting July 1, 2025. Several key points are summarized below:

Investment Returns

For the fiscal year ending in 2024, the fund returned 9.1% on a fair-value (FVA) basis (net of investment expenses). In total, there was a gain on the FVA basis relative to the assumed rate of return of 7.0%. The return on Valuation Assets was 7.5% (equivalent to a gain of \$0.4 billion relative to the assumed 7.0% rate of return), which is less than the return on the FVA basis as a result of deferring a portion of the current year’s investment gains. Effective June 30, 2024 there are deferred investment gains of \$1.1 billion to be recognized over the next four fiscal years.



Funded Ratio

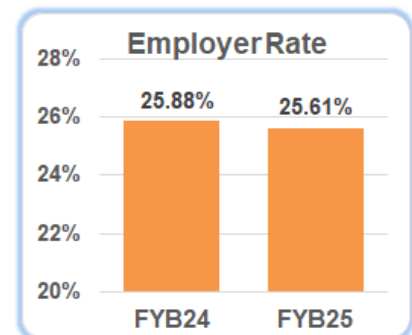
The Funded Ratio increased from 79.9% to 80.9% on an actuarial value of assets basis. Contributions to amortize the Unfunded Actuarial Accrued Liability (UAAL) and investment gains increased the Funded Ratio, while greater than assumed salary increases partially offset the positive factors. On a fair-value basis, the Funded Ratio increased from 80.0% to 82.1%.

The [Analysis of Change – Funded Ratio](#) section that follows later in Section 1 provides an analysis of the sources of change in the Funded Ratio since last year.

Employer Contribution Rate

The total calculated employer contribution rate decreased from the prior valuation by 0.27% of payroll, from 25.88% to 25.61%. This decrease was caused by the recognition of investment gains in Valuation Assets, and the continued increase in the proportion of active employees receiving benefits through the PEPRA plans, which have a lower employer normal cost rate than legacy plans.

The [Analysis of Change – Employer Contribution Rate](#) section provides an analysis of the sources of change in employer contribution rates since last year. In addition, the section “Projected Future Employer Contribution Rates” below shows a 10-year projection of employer contribution rates.

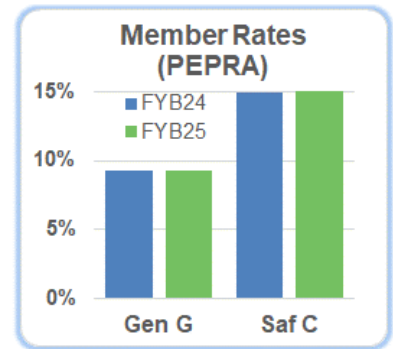


Member Contribution Rates

New member contribution rates are recommended for General Plan G and Safety Plan C (the PEPRA plans) effective July 1, 2025. General Plan G and Safety Plan C member rates are required to be equal to 50% of the Gross Normal Cost rate of the respective plan. The recommended member contribution rates are higher for General Plan G (9.28% increased to 9.30%) and Safety Plan C (14.97% increased to 15.14%) relative to the fiscal year beginning July 1, 2024.

Member contribution rates for the contributory legacy plans (General Plans A to D and Safety Plans A and B) vary based on a member’s entry age to LACERA and the underlying actuarial assumptions. Since no new assumptions were adopted effective with this valuation, there are no recommended changes to member contribution rates for the legacy plans.

Member contribution rates are discussed in Section 5 of this report.

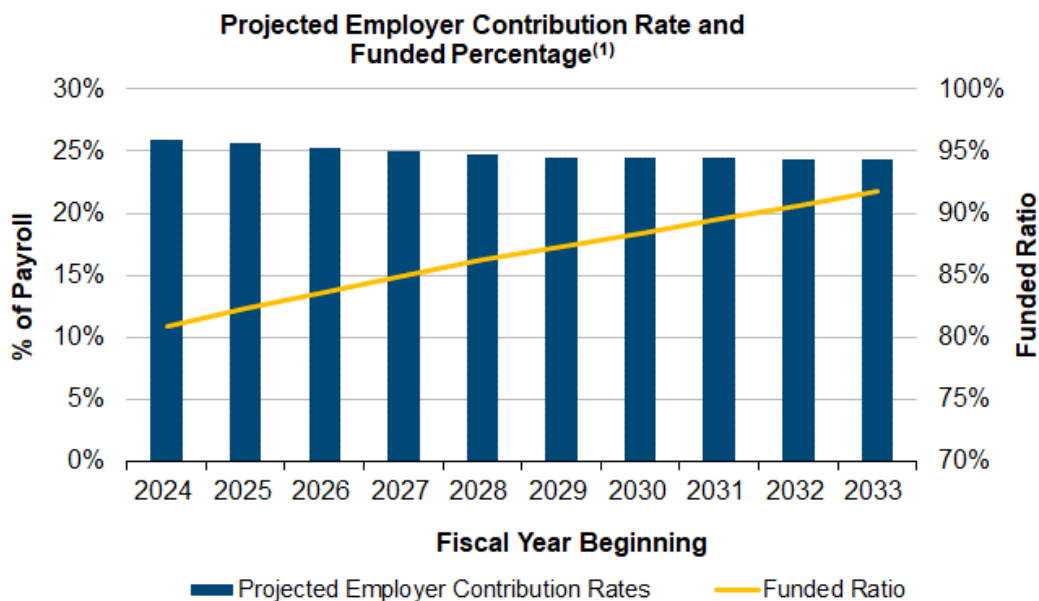


Projected Future Employer Contribution Rates

The employer contribution rate beginning July 1, 2025 is 25.61% of payroll, which is a weighted average for all LACERA plans. The actual percent of payroll to be contributed by the employers varies by plan as shown in Exhibit 11.

The calculated employer contribution rate is effective for the fiscal year beginning July 1, 2025. Changes in employer contribution rates in future years will be largely dependent on actual experience relative to that projected by the actuarial assumptions, particularly the investment return assumption. Additionally, if the assumptions change, this could also have a material impact on future results. Even if all actuarial assumptions are met and there are no changes in the underlying assumptions, we project changes in future employer contribution rates as deferred investment gains are recognized and member demographics change as a higher percentage of active members participate in the PEPRAs plans.

We have performed a 10-year projection of the employer contribution rate and Funded Ratio assuming that all actuarial assumptions are met (including 10 years of investment returns based on fair value of 7.0% per year). This projection is shown in the chart below. It should be noted that actual experience will not exactly match the actuarial assumptions over the period, and a different pattern of future employer contribution rates will likely emerge.

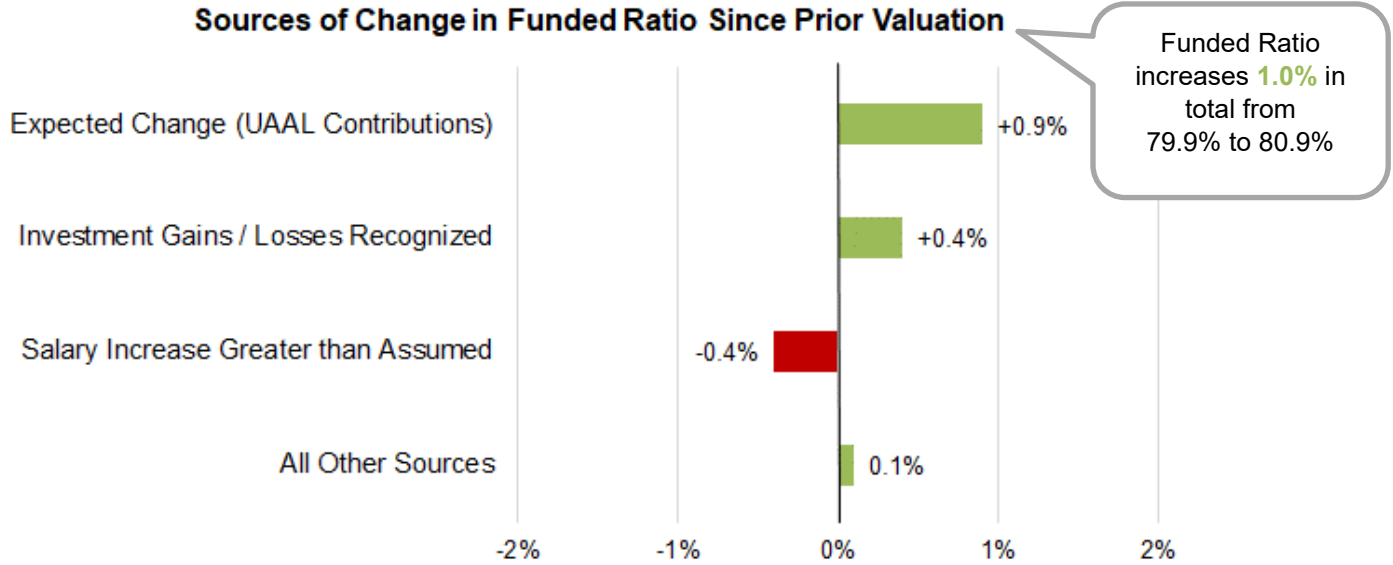


1. Projections assume that actuarial assumptions are met after June 30, 2024, and reflect the scheduled recognition of asset gains and losses currently being deferred.

As shown in the chart above, if all assumptions are met in future years, the employer contribution rate is projected to decrease slightly from the 25.61% rate calculated in this valuation. Under this projection scenario, and assuming future experience is exactly as assumed, the Funded Ratio is projected to be approximately 92% as of June 30, 2033 and approximately 100% as of June 30, 2040. However, future results will vary as actual experience will not exactly meet the assumptions.

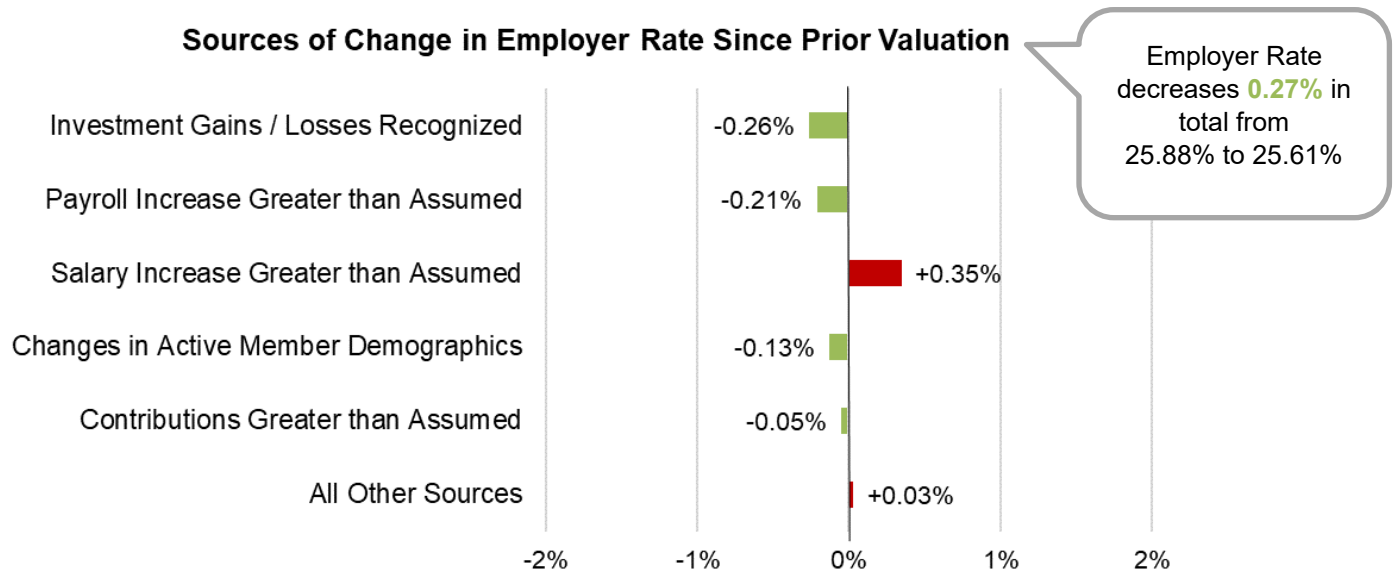
Analysis of Change – Funded Ratio

The following chart shows an analysis of the primary causes of the change in the Funded Ratio since the last valuation. Employer contributions to amortize the unfunded liability were the most significant factor impacting the Funded Ratio.



Analysis of Change – Employer Contribution Rate

The following chart shows an analysis of the primary causes of the change in the employer contribution rate since the last valuation. Investment returns greater than assumed were the most significant factor causing the decrease in the employer contribution rate. Salary increases and payroll growth greater than assumed were also significant factors, although their impact was mostly offsetting.

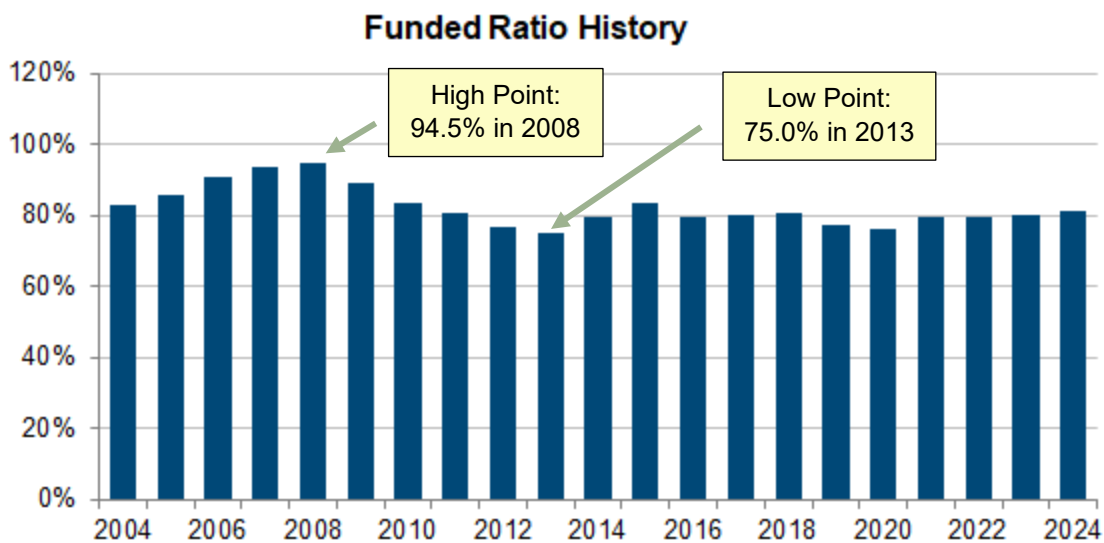


Funding Progress

One measure of the funding adequacy of the system is the Funded Ratio, which compares the Valuation Assets (the actuarial value of assets net of certain non-valuation reserves) to the Actuarial Accrued Liability (AAL). The Funded Ratio shown in this valuation is appropriate for assessing the future contributions needed. Other calculations may be necessary for other purposes, such as assessing the sufficiency of current system assets to satisfy the estimated cost of settling the system’s accrued benefit obligations.

As shown in the graph that follows, the Funded Ratio was 94.5% as of June 30, 2008, but decreased steadily over the five-year period following the economic downturn to a low of 75.0% as of June 30, 2013 as asset losses were gradually recognized. The Funded Ratio has increased slightly since that time, although this increase has been slow as the actuarial assumptions have been strengthened over the period, thereby increasing the AAL and offsetting some of the increase in the Funded Ratio from other sources.

A historical perspective of the Funded Ratio is shown in the following chart.



Assets

On June 30, 2024, the fair value of the fund (including non-valuation reserves) was \$79.2 billion. The actuarial value of assets was \$78.1 billion, split between \$1.4 billion of Non-Valuation Assets and \$76.7 billion of Valuation Assets. The actuarial value of assets is approximately 99% of the fair value of assets.

On a fair-value basis, for the fiscal year ended June 30, 2024, LACERA earned 9.1% net of investment expenses, as reported by LACERA in the June 30, 2024 Annual Comprehensive Financial Report (ACFR). The fair value of assets is used in calculating the actuarial value of assets. Under the actuarial asset method, investment gains and losses are generally recognized (or smoothed in) over a five-year period. Due to the recognition of current and deferred asset gains the return on Valuation Assets for the most recent fiscal year is 7.5% net of investment and administrative expenses, which is higher than the assumed return for the prior year of 7.0%.

Valuation Assets are used in the calculation of the UAAL contribution rate and Funded Ratio. Valuation Assets are equal to the actuarial value of assets less certain non-valuation reserves. The Valuation Assets of \$76.7 billion are equal to 80.9% of the \$94.8 billion AAL.

The non-valuation reserves are set aside for obligations or contingencies and are excluded from the assets used in the funding valuation. They are not used to fund the retirement benefits unless explicitly stated. As of June 30, 2024, the non-valuation reserves include:

- the Contingency Reserve, which is equal to 1% of the fair value of assets, or \$792 million, and
- the STAR Reserve of \$608.6 million.

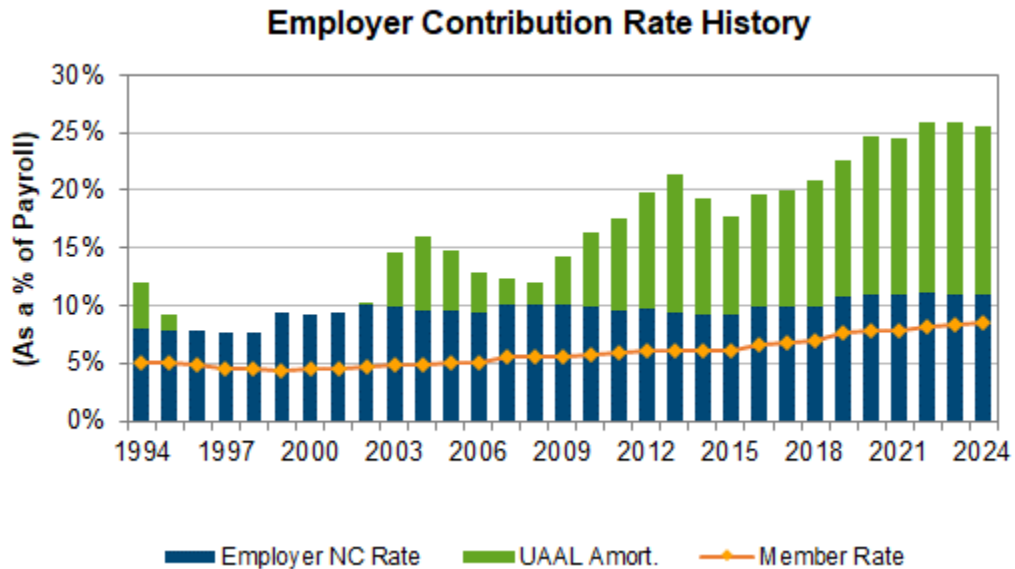
Note that this Contingency Reserve is different than the Contingency Reserve amount determined by LACERA for accounting purposes and included in the ACFR as of June 30, 2024.

Future Impact of Recognition of Deferred Gains/Losses

The smoothing method is currently deferring \$1.1 billion in investment gains. As the currently deferred gains are recognized over upcoming valuations, it is projected there will be decreases in the calculated employer contribution rate. The potential future impact of the recognition of these deferred gains on the projected employer contribution rate is included in the graph on page 3.

Employer Contribution Rate History

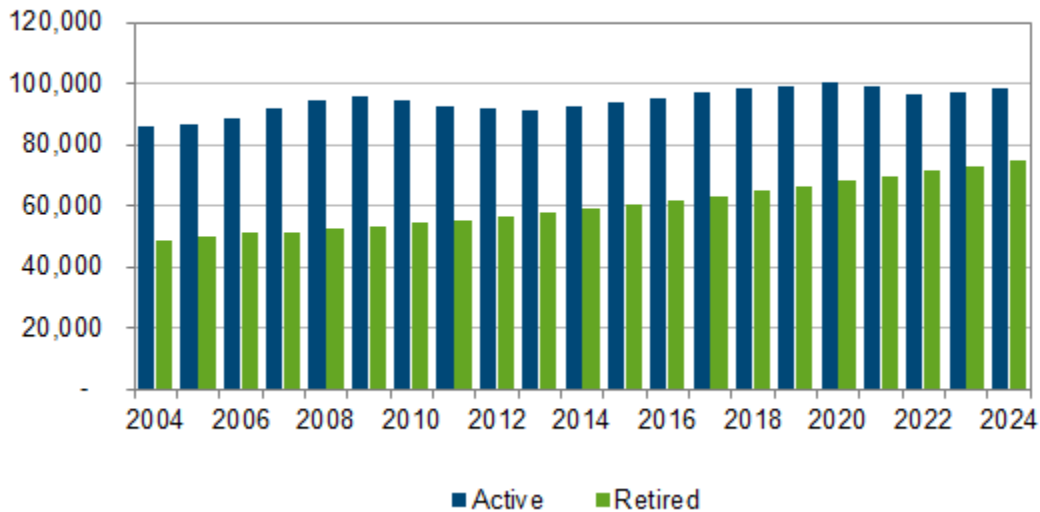
Based on the results of the valuation, the calculated employer contribution rate will decrease for the fiscal year beginning in 2025 to a rate of 25.61% of pay, compared to 25.88% for the fiscal year beginning in 2024. A historical perspective of the employer contribution rates is shown in the following chart.



Member Information

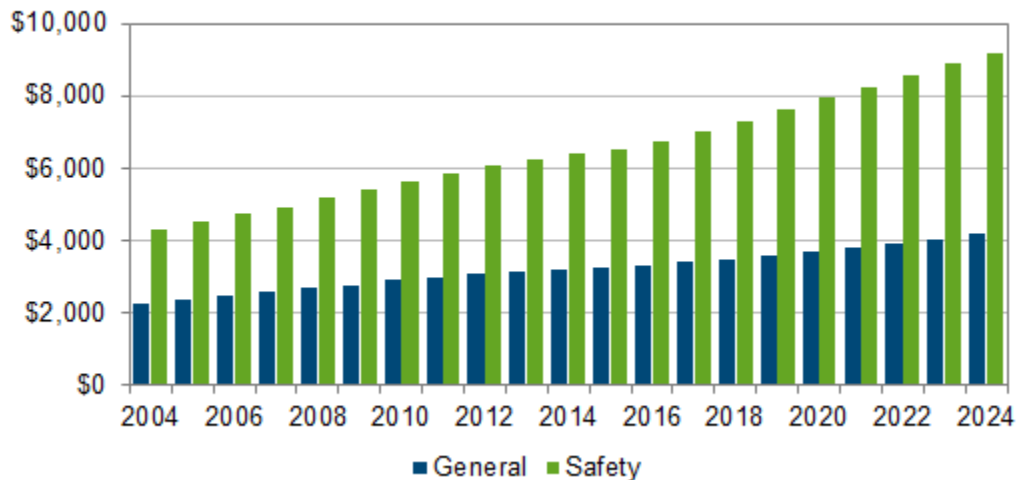
Active payroll and active membership have both increased since 2024. As of June 30, 2024, the annualized payroll is \$10.0 billion for 98,683 active members. This reflects a 4.7% increase in total payroll and a 1.8% increase in the number of active members. Average members pay increased by 2.8% over the period.

Membership Count



Retired member counts and average retirement benefit amounts continue to increase steadily. For 2024, there were 74,767 retired members and beneficiaries with an average benefit of \$5,147 per month. This represents a 2.4% increase in count and a 3.2% increase in the average monthly benefit.

Average Monthly Retirement Benefit



The charts show that over the last 20 years the number of retired members has grown faster than the number of active members, and the average monthly benefit of retired members and beneficiaries has roughly doubled. This is typical of a maturing retirement system. The increasing number of retirees and average monthly benefit is a key driver of the increasingly negative cashflows (contributions paid in less than benefits paid out) experienced over

the last few decades, and that are projected to continue growing. Cashflow history and projections are shown and described in more detail in Section 8.

Analysis of Change in Member Population

The following table summarizes the year-to-year change in member population.

	Active Members	Inactive Members	Service Retired Members	Disabled Retired Members	Beneficiaries in Pay	Total
As of June 30, 2023	96,905	20,414	52,409	10,737	9,862	190,327
New Members	6,939	351	11		805	8,106
Status Change:						
to Active	290	(290)	-			-
to Inactive	(1,923)	1,923				-
to Service Retirement	(2,748)	(396)	3,144			-
to Disabled Retirement	(305)	(11)	(314)	630		-
Refunds	(302)	(466)				(768)
Terminated non-vested	(5)					(5)
Benefits Expired			(16)		(7)	(23)
Deaths	(168)	(251)	(1,638)	(318)	(538)	(2,913)
As of June 30, 2024	98,683	21,274	53,596	11,049	10,122	194,724

Note: Inactive Members include non-vested former employees who have not taken a refund of their contributions.

Sensitivity to Investment Return Assumption

The valuation results are projections based on the actuarial assumptions. Actual experience will differ from these assumptions, either increasing or decreasing the ultimate cost. Of the assumptions, the investment return generally has the biggest impact. The following table provides a simple analysis on how the short-term costs are affected by the investment return assumption. Note that the long-term cost of the Plan will be largely driven by actual investment returns and other experience; the assumptions used in the valuation impact the timing of the contributions over the long term.

	Investment Return Assumption		
	Current 7.00%	+0.5% 7.50%	-0.5% 6.50%
Employer Contribution Rate	25.61%	20.55%	30.86%
Change		-5.06%	5.25%
Funded Ratio	80.9%	85.8%	76.0%
Change		4.9%	-4.9%

Risk Discussion

Additional risks to the Plan are described in more detail in Section 9: Risk Disclosure. Some key points that can be seen in this report are:

- **Maturity:** As previously discussed, LACERA continues to mature as a system. One example of the impact of this maturity is that the employer contribution rate is becoming more sensitive to investment gains or losses and other experience. This sensitivity is measured by the asset and liability volatility ratios discussed in Section 9.
- **Risk Factors:** We believe investment returns are the greatest potential risk to future valuation results of LACERA. One way to measure the potential impact is using the Asset Volatility Ratio (AVR), which is a measure of the level of assets to payroll. LACERA's AVR of 7.8 implies that a 10% investment gain or loss relative to the assumed 7% investment return (that is, an investment return of -3% or +17%) is projected to ultimately result in a 5.5% of pay increase (or decrease) in the employer contribution rate (after investment gains or losses are smoothed in).

Payroll growth lower than assumed by the assumptions is another potential risk as it will result in increases in the employer contribution rate. Although the employer contribution rate may increase, total employer contributions may not be as significantly impacted as the higher rates would be applied to a smaller payroll base.

- **Variation:** Although we believe the actuarial assumptions provide a reasonable estimate of future experience, it is almost certain that future results will vary from those projected by the actuarial assumptions, either better or worse. One way to assess the potential future variation is to look at the past. The Funding Progress and Employer Contribution Rate History subsections above provide a historical perspective of LACERA's Funded Ratios and the employer contribution rate. These both show noticeable year-to-year variation, both up and down, over the last 20 years.

Summary Valuation Results

Exhibit 1 on the following page presents a summary of key valuation elements as of June 30, 2024 and June 30, 2023 and shows the relative change over the past year. More detail on each of these elements can be found in the following sections and exhibits of this report.

Exhibit 1
Summary of Significant Valuation Results

	June 30, 2024	June 30, 2023	Percentage Change
Total Membership			
A. Active Members	98,683	96,905	1.8%
B. Retired Members & Beneficiaries	74,767	73,008	2.4%
C. Vested Former Members ⁽¹⁾	21,274	20,414	4.2%
D. Total	<u>194,724</u>	<u>190,327</u>	2.3%
Pay Rate as of valuation date			
A. Annual Total (\$millions)	\$ 9,996	\$ 9,548	4.7%
B. Monthly Average per Active Member	8,441	8,211	2.8%
Average Monthly Benefit Paid to Retirees and Beneficiaries			
A. Service Retirement	4,949	4,824	2.6%
B. Disability Retirement	7,442	7,094	4.9%
C. Surviving Spouse and Dependents	3,695	3,554	4.0%
D. Total	5,147	4,986	3.2%
Actuarial Accrued Liability (\$millions)			
A. Active Members	39,870	38,535	3.5%
B. Retired Members	53,255	50,528	5.4%
C. Vested Former Members	1,678	1,588	5.7%
D. Total	<u>94,803</u>	<u>90,651</u>	4.6%
Assets			
A. Fair Value of Fund (\$millions)	79,202	73,852	7.2%
B. Actuarial Value (\$millions)			
1. Valuation Reserves	76,664	72,415	5.9%
2. Non-valuation Reserves	1,401	1,350	3.7%
C. Annual Investment Return			
1. Fair Value Basis (Net Return)	9.1%	6.4%	n/a
2. Valuation (Actuarial) Basis	7.5%	7.2%	n/a
Unfunded Actuarial Accrued Liability (\$ millions)	\$ 18,139	\$ 18,236	(0.5)%
Employer contribution rate for all plans combined as a percent of total payroll			
A. Gross Normal Cost	19.34%	19.38%	(0.2)%
B. Member Contributions ⁽²⁾	(8.46)%	(8.37)%	1.1%
C. Employer Normal Cost	10.88%	11.01%	(1.2)%
D. UAAL Amortization	14.73%	14.87%	(0.9)%
E. Employer Contribution Rate	<u>25.61%</u>	<u>25.88%</u>	(1.0)%
Funded Ratio	80.9%	79.9%	1.3%
Results Based on Fair Value (Informational Purposes Only)			
Calculated Contribution Rate	24.80%	25.82%	(3.9)%
Funded Ratio (excluding non-valuation reserves)	82.1%	80.0%	2.6%

1. Includes non-vested former employees with contributions on deposit.

2. Includes non-contributory members. The average rate for contributory plans increased from 9.54% to 9.56%.

2. Scope of the Report

This report presents the actuarial valuation of the Los Angeles County Employees Retirement Association as of June 30, 2024. This valuation was requested by the Board of Investments. Section 31453 of the County Employees Retirement Law of 1937 (the CERL) requires an actuarial valuation to be performed at least every three years for the purpose of setting contribution rates. The 2024 valuation meets this requirement. Under LACERA's Funding Policy, annual valuations determine the employer contribution rates each year. Member contribution rates for all plans except General Plan G and Safety Plan C are set in years in which relevant actuarial assumptions are altered. For members of General Plan G and Safety Plan C, member contribution rates are recalculated each year, based on one-half of the Plan's normal cost rate.

A summary of the findings resulting from this valuation is presented in the previous section.

Section 3 describes the assets and investment experience of the Plan.

- The assets and investment income are presented in Exhibits 2-4.
- Exhibit 5 develops the actuarial value of assets as of June 30, 2024.
- Exhibit 6 develops the Valuation Assets used for funding benefits.

Section 4 describes the benefit obligations of LACERA.

- Exhibit 7 is the Actuarial Balance Sheet.
- Exhibit 8a analyzes the change in UAAL, and Exhibit 8b shows a history of these changes.

Section 5 discusses the member contribution rates.

Section 6 discusses the employer contributions rates.

Section 7 discloses supplemental information for use in the Annual Comprehensive Financial Report (ACFR). Milliman provides LACERA financial reporting information relevant to GASB Statements No. 67 and 68 in separate reports.

Section 8 shows the estimated cash flow of the Plan, including a projection of both contributions and benefit payments.

Section 9 provides a discussion of the risks to the Plan. A more comprehensive analysis of risks was provided as part of Milliman's Risk Assessment based on the June 30, 2023 actuarial valuation.

This report includes several appendices:

Appendix A Summary of the actuarial procedures and assumptions used to estimate liabilities and contributions.

Appendix B Summary of the current benefit structure, as determined by the provisions of governing law, on June 30, 2024.

Appendix C Schedules of valuation data classified by various categories of plan members.

Appendix D Member contribution rates by plan.

Appendix E Historical information.

Appendix F A glossary of actuarial terms used in this report.

3. Assets

This section of the report focuses on the assets accumulated to pay retirement benefits when due to all current members of LACERA as of the valuation date. These assets are also used to determine the amount of contributions required for funding purposes. A historical summary of the Plan's assets is presented below (dollar amounts in billions).

	Fair Value of Total Assets	Actuarial Value		Total Fund Return (%) ⁽¹⁾
		Non-Valuation Reserves	Valuation Assets	
2015	\$ 48.8	\$ 0.5	\$ 47.3	4.1
2016	47.8	0.5	49.4	0.8
2017	52.7	0.5	52.2	12.7
2018	56.3	0.6	55.2	9.0
2019	58.3	0.6	57.6	6.4
2020	58.5	0.6	59.8	1.8
2021	73.0	0.7	64.9	25.2
2022	70.3	1.3	68.7	0.1
2023	73.9	1.4	72.4	6.4
2024	79.2	1.4	76.7	9.1

1. As reported in the Investment Section of LACERA's ACFR for the fiscal year ended June 30, 2024. All returns are shown net of investment expenses and calculated on a time-weighted basis.

On June 30, 2024, the total fair value of assets restricted for pension benefits was \$79.2 billion, and the actuarial value of assets was \$78.1 billion, including the non-valuation reserves. The average total investment return for the last 10 years is 7.3% net of fees, as reported by LACERA.

Financial Exhibits

Exhibit 2 presents a Statement of Fiduciary Net Position and Exhibit 3 presents a Statement of Changes in Fiduciary Net Position. Exhibit 4 describes the allocation of LACERA's assets by the various reserve values determined for accounting purposes as disclosed in the audited financial statements.

Exhibits 2-4 are taken directly from data furnished to us by LACERA in its annual financial report. We have accepted these tables for use in this report without audit, but we have reviewed them both for the prior year and the current year for reasonableness and consistency with previous reports.

Actuarial Asset Method

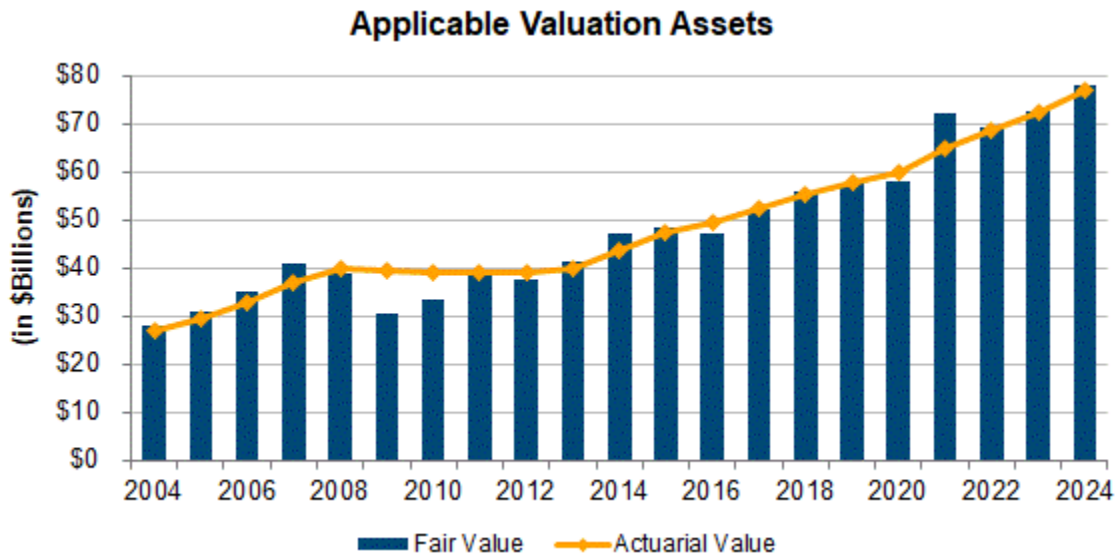
The actuarial asset method projects the expected fair value of assets based on the prior year's fair value of assets, the actual cash flow of contributions and benefit payments, and the assumed investment rate of return. For the previous year, the assumed rate of return was 7.0%, net of all expenses. The difference between the actual fair value and the expected fair value is recognized (or "smoothed") over a five-year period.

Effective with the June 30, 2022 valuation all deferred investment gains and losses were combined into one single amount such that the actuarial asset value was unchanged from the prior method. Beginning with the period

immediately following the June 30, 2022 valuation, offsetting of current period gains or losses against prior period gains or losses occur, as follows: to the extent there is an investment loss for the year and there are unrecognized investment gains from previous years, or to the extent that there is an investment gain for the year and there are unrecognized investment losses from previous years, the gain or loss for the year shall be used to offset unrecognized gains or losses from previous years in the order of oldest to most recent. Any remaining gain or loss for the year is recognized over a five-year period. With this modification to the actuarial asset method, in any given valuation only investment gains or losses will be present, which is expected to result in a less volatile actuarial value of assets.

Actuarial Value of Assets

The development of the actuarial value of assets is shown in Exhibit 5. As of June 30, 2024 there are \$1.1 billion of unrecognized investment gains, which means that the actuarial value of assets is \$1.1 billion less than the fair value of assets. These unrecognized investment gains will be recognized in the actuarial value of assets in the coming years. The following graph shows a historical comparison of the actuarial and fair value of assets used for valuation purposes.



Funding Policy

Under LACERA’s Retirement Benefit Funding Policy adopted on December 9, 2009 and amended effective February 13, 2013, and in effect as of the valuation date, a Funded Ratio equal to or greater than 100% is the Funding Goal. Note that although the allocation of assets used in the actuarial valuation is similar to the process LACERA uses for accounting purposes, there are some differences, including the earnings considered for interest crediting purposes. Effective July 1, 2024 LACERA’s Actuarial Funding Policy adopted on October 9, 2024 supersedes the Retirement Benefit Funding Policy and outlines a principles-based approach to funding. Under this policy the Funding Goal is a Funded Ratio equal to 100% or greater over the long-term with progress towards that goal being achieved through a reasonable and equitable allocation of the cost over time.

For funding purposes and for setting employer contributions rates, recognized earnings for a plan year is determined by the actuarial asset method and includes both unrealized income and net realized income.

Valuation Assets

Valuation Assets are the actuarial value of the fund less the value of any Non-Valuation Reserves. Non-Valuation Reserves include Contingency Reserves (minimum of 1% of the Fiduciary Net Position for Pension Benefits), STAR Reserves, and other reserves that have been set aside for current liabilities and special benefits to be funded outside of the actuarially determined contribution rates. Valuation Assets are used to determine employer contribution rates.

The Non-Valuation Reserves shown in Exhibit 6 for funding purposes are different from those shown in the audited financial statements and in Exhibit 4.

Exhibit 2
Statement of Fiduciary Net Position
As of June 30, 2024 and June 30, 2023

	2024	2023
Assets		
Cash and Short-Term Investments	\$ 3,149,007,337	\$ 2,222,256,792
Cash Collateral on Loaned Securities	2,359,152,208	1,869,432,645
Receivables		
Contributions Receivable	139,949,575	127,192,052
Accounts Receivable - Sale of Investments	154,062,713	233,150,293
Accrued Interest and Dividends	197,731,062	220,243,947
Accounts Receivable - Other	6,420,395	5,940,399
Notes Receivable - Sale of Investments	1,149,152,646	-
Total Receivables	<u>1,647,316,390</u>	<u>586,526,691</u>
Investments at Fair Value		
Equity	29,462,195,615	27,130,122,428
Fixed Income	19,855,303,644	17,921,556,526
Private Equity	13,057,191,539	13,894,495,311
Real Estate	4,406,608,766	5,109,454,330
Hedge Funds	4,875,299,857	4,890,856,047
Real Assets	3,359,136,955	2,514,132,334
Total Investments	<u>75,015,736,377</u>	<u>71,460,616,976</u>
Total Assets	<u>82,171,212,312</u>	<u>76,138,833,103</u>
Liabilities		
Accounts Payable - Purchase of Investments	517,077,120	332,063,234
Retiree Payroll and Other Payables	2,829,681	2,259,401
Accrued Expenses	30,427,606	29,343,832
Tax Withholding Payable	45,366,983	43,525,048
Obligations under Securities Lending Program	2,359,152,208	1,869,432,645
Accounts Payable - Other	14,133,298	10,322,874
Total Liabilities	<u>2,968,986,896</u>	<u>2,286,947,034</u>
Fiduciary Net Position Restricted For Pension Benefits	<u>\$ 79,202,225,416</u>	<u>\$ 73,851,886,070</u>

Exhibit 3
Statement of Changes in Fiduciary Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Additions		
Contributions		
Employer	\$ 2,509,071,263	\$ 2,301,705,589
Member ⁽¹⁾	861,041,933	793,244,127
Total Contributions	<u>3,370,113,196</u>	<u>3,094,949,716</u>
Investment Income		
From Investing Activities:		
Net Appreciation/(Depreciation) in Fair Value of Investments	2,834,757,417	1,943,782,733
Investment Income/(Loss)	3,943,478,965	3,087,891,275
Total Investing Activity Income	<u>6,778,236,382</u>	<u>5,031,674,008</u>
Less Expenses From Investing Activities	<u>(184,366,891)</u>	<u>(189,483,833)</u>
Net Investing Activity Income	6,593,869,491	4,842,190,175
From Securities Lending Activities:		
Securities Lending Income	134,662,625	63,652,080
Less Expenses From Securities Lending Activities:		
Borrower Rebates	(114,314,764)	(47,869,289)
Management Fees	(2,233,061)	(1,687,343)
Total Expenses from Securities Lending Activities	<u>(116,547,825)</u>	<u>(49,556,631)</u>
Net Securities Lending Income	<u>18,114,799</u>	<u>14,095,448</u>
Total Net Investment Income	<u>6,611,984,290</u>	<u>4,856,285,624</u>
Miscellaneous	5,334,164	5,009,033
Total Additions	<u>9,987,431,650</u>	<u>7,956,244,372</u>
Deductions		
Retiree Payroll	4,470,099,259	4,234,600,092
Administrative Expenses	101,832,468	97,014,656
Investment Expenses	16,795,787	15,135,017
Refunds	43,665,970	43,412,068
Lump Sum Death Benefits	4,372,334	3,351,047
Miscellaneous	326,486	457,778
Total Deductions	<u>4,637,092,304</u>	<u>4,393,970,658</u>
Net Increase/(Decrease)	5,350,339,346	3,562,273,714
Fiduciary Net Position Restricted For Pension Benefits		
Beginning of Year	73,851,886,070	70,289,612,355
End of Year	<u>\$ 79,202,225,416</u>	<u>\$ 73,851,886,070</u>

1. Member contributions include employer pick-up contributions.

Exhibit 4
Allocation of Assets by Accounting Reserve Amounts

(Dollars in Thousands)

	June 30, 2024	June 30, 2023
1. Member Reserves		
a. Active Members	\$ 28,180,342	\$ 26,932,000
b. Unclaimed Deposits	<u>-</u>	<u>-</u>
c. Total Member Reserves	28,180,342	26,932,000
2. Employer Reserves		
a. Actual Employer Contributions	33,774,629	32,504,476
b. Advanced Employer Contributions	<u>-</u>	<u>-</u>
c. Total Employer Contributions	33,774,629	32,504,476
3. County Contribution Credit Reserve	-	-
4. STAR Reserve	608,631	611,544
5. Contingency Reserve	<u>-</u>	<u>-</u>
6. Total Reserves at Book Value	62,563,602	60,048,020
7. Unrealized Investment Portfolio Appreciation	16,638,623	13,803,866
8. Total Reserves at Fair Value	<u><u>\$ 79,202,225</u></u>	<u><u>\$ 73,851,886</u></u>

Note: These amounts were determined by LACERA for accounting purposes and are reported in the ACFR for the fiscal year ended June 30, 2024.

Exhibit 5
Five-Year Smoothing of Gains and Losses on Fair Value

(Dollars in Thousands)

June 30, 2024 Valuation									
Plan Year Ending	Contributions	Benefit Payments	Expected Fair Value	Actual Fair Value	Investment Gain / (Loss)	(a) Investment Gain / (Loss) Excluded in Prior Year	(b) Prior Year Investment Gain / (Loss) Offset in Current Year	(c) Investment Gain / (Loss) Recognized in Current Year	(d) Investment Gain / (Loss) Excluded in Current Year (a) - (b) - (c)
06/30/2024	\$ 3,370,113	\$ 4,518,138	\$ 77,833,992	\$ 79,202,225	\$ 1,368,233	\$ 0	\$ 0	\$ 273,647	\$ 1,094,586
06/30/2023	3,094,950	4,281,363	73,982,650	73,851,886	(130,764)	0	0	0	0
06/30/2022	2,958,521	4,044,567	76,999,453	70,289,612	(6,709,841)	0	0	0	0
06/30/2021	2,773,871	3,814,262	61,529,948	73,012,026	11,482,078	86,887	0	43,444	43,443
06/30/2020	2,459,433	3,606,340	61,189,106	58,510,408	(2,678,698)	0	0	0	0
						(A) Total Excluded Gain / (Loss) = \$ 1,138,029			
						(B) Total Fair Value of Assets = \$ 79,202,225			
						(C) Total Actuarial Value of Assets [(B) - (A)] = \$ 78,064,196			

Column (c) for all years except current year = { 20% x [(a) - (b)] } / { 100% - 20% x [Valuation Year - Plan Year Ending] }

Total Actuarial Value of Assets = Total Fair Value of Assets less the Total Excluded Gain / (Loss) amount. Excluded amounts will be recognized in future years.

Projected Recognition of Actuarial Asset Gains / (Losses) in Future Valuations

	2025 Val	2026 Val	2027 Val	2028 Val	Total
Amount to be Recognized	\$ 317,090	\$ 273,647	\$ 273,647	\$ 273,645	\$ 1,138,029

Exhibit 6
Allocation of Valuation and Non-Valuation Assets

(Dollars in Thousands)

	June 30, 2024	June 30, 2023
1. Total Fair Value of Assets	\$ 82,171,212	\$ 76,138,833
2. Current Liabilities	<u>2,968,987</u>	<u>2,286,947</u>
3. Net Assets Held in Trust for Pension Benefits	79,202,225	73,851,886
4. Market Stabilization Reserve ⁽¹⁾	<u>1,138,029</u>	<u>86,887</u>
5. Actuarial Value of Assets	78,064,196	73,764,999
6. Non-Valuation Reserves ⁽²⁾		
a. Contingency Reserve	792,022	738,519
b. Advanced Employer Contributions	-	-
c. County Contribution Credit Reserve	-	-
d. Reserve for STAR Program	<u>608,631</u>	<u>611,544</u>
e. Total Non-Valuation Reserves	1,400,653	1,350,063
7. Actuarial Value of Assets <i>minus</i> Non-Valuation Reserves	<u>\$ 76,663,543</u>	<u>\$ 72,414,936</u>
8. Valuation Assets ⁽²⁾		
a. Member Reserves	28,180,342	26,932,000
b. Employer Reserves for Funding Purposes	<u>48,483,201</u>	<u>45,482,936</u>
c. Total Valuation Assets	<u>\$ 76,663,543</u>	<u>\$ 72,414,936</u>

1. The Market Stabilization Reserve represents the difference between the Fair Value of the fund less Current Liabilities, and the Actuarial Value of the fund as determined in Exhibit 5.

2. The values used for funding purposes for all reserves are based on the Board's Funding Policy. Amounts used for funding purposes may differ from those reported in the audited financial statements as shown in Exhibit 4.

4. Actuarial Liabilities

This section of the report focuses on the commitments of LACERA for retirement benefits, which are referred to as its actuarial liabilities.

LACERA's liabilities are the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member this includes benefits already earned and future benefits projected to be earned. For all members, active and inactive, the liability extends over the rest of their lives and for the lives of any surviving beneficiaries.

All liabilities reflect the benefits effective through June 30, 2024. This includes permanent STAR benefits that have been adopted and are in effect as of the valuation date, but does not include any STAR benefits that have been adopted but are not effective until after the valuation date nor any STAR benefits that may be granted in the future.

The actuarial assumptions used to determine the liabilities are based on the results of the 2022 Investigation of Experience study for the period ended June 30, 2022 which were adopted by the Board of Investments at its January 2023 meeting, as recommended by Milliman. These assumptions are shown in Appendix A and will next be reviewed in detail as part of the 2025 Investigation of Experience study.

Actuarial Balance Sheet

The Actuarial Balance Sheet compares the Present Value of Future Benefits (PVFB) for retired, inactive and active members to the resources available to meet them. For the purpose of the Actuarial Balance Sheet, LACERA's resources are equal to the sum of:

- (a) Assets currently available to pay benefits and considered for funding purposes (Valuation Assets),
- (b) The present value of future contributions expected to be made by current active members, and
- (c) The present value of future Normal Cost contributions expected to be made by the employer.

The amount of any difference is called the Unfunded Actuarial Accrued Liability (UAAL).

Exhibit 7 contains an analysis of the PVFB for inactive members (both retired members and former (not retired) employees) and active members, and is shown by class of membership, by plan and by type of benefit. The Actuarial Balance Sheet for each plan, as well as its UAAL, is based on an estimated allocation of total LACERA Valuation Assets. The allocation is based on the relative value of each plan's employer and member reserves as reported to us by LACERA. These allocations are shown for illustrative purposes only, as the UAAL contribution rates are paid by the employer based on the valuation results in aggregate.

June 30, 2024 Present Value of Benefits (in \$Billions)

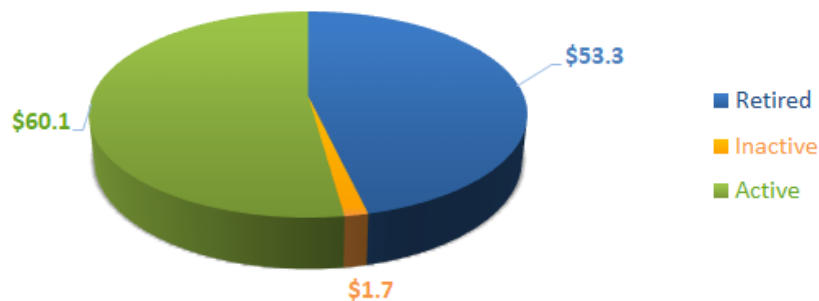


Exhibit 7
Actuarial Balance Sheet – June 30, 2024

(Dollars in Millions)

	General						Safety			All Plans
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan G	Plan A	Plan B	Plan C	
LIABILITIES										
Present Value of Benefits - Inactives										
- Retirees and Beneficiaries	\$ 9,476	\$ 448	\$ 281	\$ 15,516	\$ 6,085	\$ 99	\$ 6,358	\$ 14,959	\$ 33	\$ 53,255
- Vested Former	3	1	0	829	438	196	0	180	31	1,678
- Inactive Total	9,479	449	281	16,345	6,523	295	6,358	15,139	64	54,933
Present Value of Benefits - Actives										
- Service Retirement	46	13	18	23,869	6,203	10,956	0	8,946	2,440	52,491
- Transfer Service (prior LACERA plan)	0	0	0	254	385	21	0	13	0	673
- Disability Retirement	0	0	0	782	N/A	710	0	2,815	1,225	5,532
- Death	0	0	0	280	N/A	193	0	59	35	567
- Termination	0	0	0	113	57	541	0	25	104	840
- Active Total	46	13	18	25,298	6,645	12,421	0	11,858	3,804	60,103
Total Actuarial Liabilities	\$ 9,525	\$ 462	\$ 299	\$ 41,643	\$ 13,168	\$ 12,716	\$ 6,358	\$ 26,997	\$ 3,868	\$ 115,036
ASSETS										
Valuation Assets	(7,709)	253	238	39,878	16,990	7,459	(4,607)	22,425	1,737	76,664
PV Future Member Contributions	0	0	0	2,431	N/A	4,535	0	915	1,461	9,342
PV Future Employer Normal Cost Contributions	1	0	0	2,807	890	4,184	0	1,627	1,382	10,891
UAAL or (Surplus Funding)	17,233	209	61	(3,473)	(4,712)	(3,462)	10,965	2,030	(712)	18,139
Total Current and Future Assets	\$ 9,525	\$ 462	\$ 299	\$ 41,643	\$ 13,168	\$ 12,716	\$ 6,358	\$ 26,997	\$ 3,868	\$ 115,036

Actuarial Accrued Liability

As noted above, the PVFB is the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this includes benefits already earned and future benefits to be earned. For active members, future benefits are expected to be funded by employee contributions and employer Normal Cost contributions (collectively, Normal Cost contributions).

The Actuarial Accrued Liability (AAL) is the PVFB less the present value of expected future Normal Cost contributions. That is, it is the liability for all benefits earned as of the valuation date, as allocated by the actuarial cost method. The difference between the AAL and Valuation Assets is referred to as the Unfunded Actuarial Accrued Liability (UAAL). A summary of the results for all LACERA plans in aggregate is shown below:

(Dollars in millions)	2024	2023	Percent Change
A. Actuarial present value of all future benefits for contributing members, former contributing members, and their survivors	\$ 115,036	\$ 109,965	4.6%
B. Actuarial present value of total future normal costs for current members	20,233	19,314	4.8%
C. Actuarial accrued liability [A-B]	94,803	90,651	4.6%
D. Valuation Assets	76,664	72,415	5.9%
E. UAAL or (Surplus Funding) [C-D]	18,139	18,236	-0.5%
F. Funded Ratio [D/C]	80.9%	79.9%	1.3%

Unfunded Actuarial Accrued Liability

The difference between the AAL and the Valuation Assets is the UAAL. If a UAAL exists, it usually resulted from prior years' benefit or assumption changes and the net effect of accumulated gains and losses. If the employer had always contributed the current Normal Cost, and if there were no prior benefit or assumption changes, and if actual experience exactly matched the actuarial assumptions, then the present value of all future Normal Cost contributions would be sufficient to fund all benefits and there would be no UAAL.

Exhibit 8a provides an analysis of the change in the UAAL since the prior valuation date.

The 2024 actuarial valuation reflects a decrease in the UAAL of approximately \$0.1 billion since the prior year. A summary of these factors is:

- Investment Returns: The return on Valuation Assets was 7.5% compared to the assumed return of 7.0%. This resulted in an actuarial asset gain of \$364 million.
- Active Member Experience (non-salary): This includes gains and losses from termination, service retirement, disability retirement, and death different than assumed. This resulted in an actuarial gain of \$33 million.
- Salary Increases: Individual salaries for continuing active members increased at a higher rate than expected by the valuation assumptions. This resulted in an actuarial loss of \$488 million.
- Mortality Experience: An actuarial loss due to mortality generally indicates that retired members are living longer than the current assumption predicts. Similarly, an actuarial gain on mortality indicates that retired members are not living as long as predicted. This year, there was an actuarial loss of \$56 million due to mortality experience for retirees and beneficiaries.
- Other Experience: Examples of this are gains and losses from retirement and mortality experience of inactive members, reciprocity, unexpected benefit amount changes, and transfers between plans. These factors combined resulted in an actuarial gain of \$3 million.

Change in Unfunded Actuarial Accrued Liability – History

Exhibit 8b shows the sources of change in the UAAL over the past five valuations. The single biggest source of annual change in most years, when there are no changes in the assumptions, is the return on investments being either greater than or less than the assumption.

Funding Adequacy

A key consideration in determining the adequacy of the funding of LACERA is how the UAAL is being funded. Under LACERA's amortization method, a new UAAL "layer" is established each year when the Funded Ratio is less than 100%. All new UAAL layers are amortized over 20-year periods.

If future experience is significantly more favorable than expected based on the actuarial assumptions, then LACERA's UAAL may be eliminated. Conversely, if experience is less favorable, a larger UAAL will develop.

Exhibit 8a
Analysis of Change in Unfunded Actuarial Accrued Liability

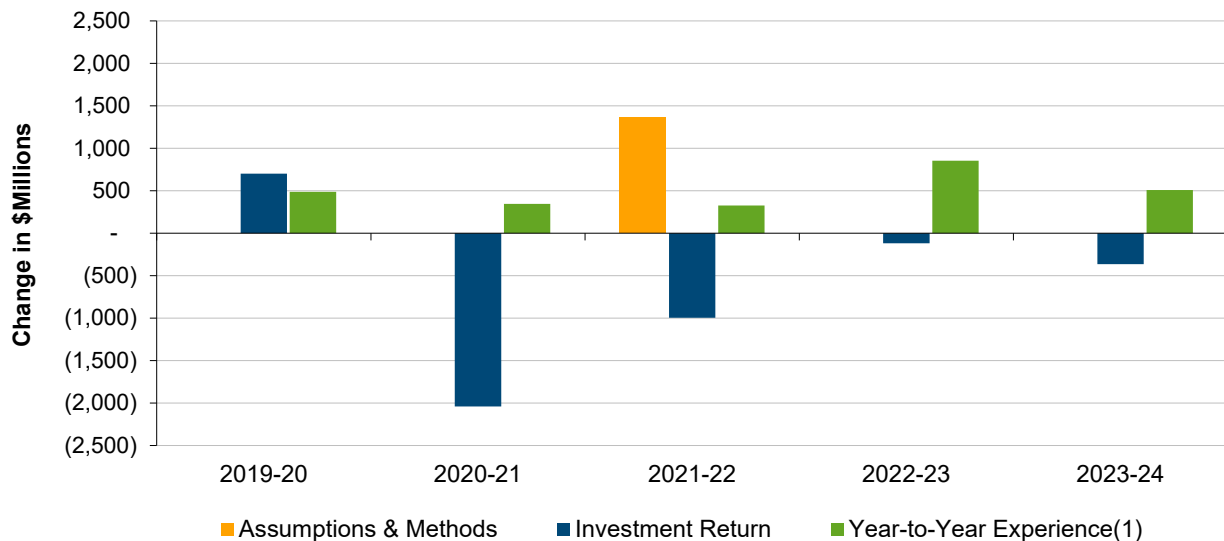
(Dollars in Millions)

	Amount	As a Percent of June 30, 2024 Actuarial Accrued Liability
Unfunded Actuarial Accrued Liability - June 30, 2023	\$ 18,236	19.24%
Interest Accrued	1,285	1.36%
Benefits Accrued (Normal Cost)	1,844	1.95%
<u>Contributions</u>		
Employer - Cash	\$ (2,509)	-2.65%
Member	(861)	-0.91%
Total	<u>(3,370)</u>	-3.55%
Expected Unfunded Actuarial Accrued Liability - June 30, 2024	\$ 17,995	18.98%
Sources of Change:		
<u>Asset (Gains) and Losses</u>		
(Gain) / Loss due to Investment Income	(364)	-0.38%
<u>Liability (Gains) and Losses</u>		
Active Member Experience (non salary)	\$ (33)	-0.03%
Salary Increases Greater than Expected	488	0.51%
Mortality Experience	56	0.06%
All Other Experience	(3)	0.00%
Total	<u>508</u>	0.54%
Total Changes	\$ 144	0.15%
Unfunded Actuarial Accrued Liability - June 30, 2024	\$ 18,139	19.13%

Exhibit 8b
History of Changes in Unfunded Actuarial Accrued Liability

(Dollars in Millions)

	2019-20	2020-21	2021-22	2022-23	2023-24	2019-24
Prior Valuation UAAL	\$ 17,018	\$ 18,512	\$ 16,989	\$ 17,608	\$ 18,236	\$ 17,018
Increase in UAAL due to:						
Expected Increase / (Decrease)	306	171	(76)	(108)	(241)	52
■ Asset (Gains) and Losses	701	(2,039)	(996)	(118)	(364)	(2,816)
■ Changes in Assumptions	-	-	750	-	-	750
■ Changes in Methods	-	-	614	-	-	614
■ Salary Increases	388	484	(21)	771	488	2,110
■ Retiree COLA Increases	43	(73)	355	-	-	325
■ Mortality Experience	1	(96)	(36)	(13)	56	(88)
■ All Other Experience	55	30	29	96	(36)	174
Total Increase / (Decrease)	1,494	(1,523)	619	628	(97)	1,121
Valuation UAAL	\$ 18,512	\$ 16,989	\$ 17,608	\$ 18,236	\$ 18,139	\$ 18,139
Funded Ratio	76.3%	79.3%	79.6%	79.9%	80.9%	80.9%



1. Year-to-Year Experience includes changes due to Salary, Retiree COLA, Mortality and Other Experience.

5. Member Contributions

Normal Contributions for Legacy Plans

Member contributions are of two types: Normal contributions and cost-of-living contributions.

Normal contributions for each of the legacy plans (all plans except General Plan G and Safety Plan C) are defined in the following sections of the CERL:

Plan	CERL	
	Reference	Formula
General A	31621.3	1/240th of FAC at age 55
General B	31621.1	1/120th of FAC at age 55
General C	31621	1/120th of FAC at age 60
General D	31621	1/120th of FAC at age 60
General E	N/A	Plan E is non-contributory
Safety A	31639.5	1/200th of FAC at age 50
Safety B	31639.25	1/100th of FAC at age 50

Note: FAC = Final Average Compensation

Normal member contributions are determined using the Entry Age Cost Method and actuarial assumptions for the expected rate of return on assets, individual salary increase rate (wage growth + merit), and mortality for members on service retirement.

We are not recommending changes to the member contribution rates for legacy plans for the fiscal year beginning July 1, 2025 because new assumptions were not adopted for the 2024 valuation. A sample of the member contribution rates is shown in Exhibit 9. All member contribution rates are shown in Appendix D.

Member contribution rates for General Plan G and Safety Plan C are discussed below.

Cost-of-Living Contributions for Legacy Plans

The determination of the member cost-of-living (COLA) contributions is based on Section 31873 of the CERL. This section requires that the cost of the COLA benefit be shared equally between members and the employer. Unlike the member normal contributions, these rates are based on the actuarial cost of the benefits and reflect all assumptions used in the valuation of liabilities.

We are not recommending changes in the member cost-of-living contribution rates for the fiscal year beginning July 1, 2025 because new assumptions were not adopted for the 2024 valuation. The current cost-of-living contribution rates, expressed as a percentage of the normal member contribution rates, are as follows:

Plan	COLA %
General A	82.08%
General B	26.10%
General C	26.19%
General D	26.59%
General E	0.00%

Plan	COLA %
Safety A	87.15%
Safety B	33.43%

The relative magnitude of these amounts reflects the differences in the normal contribution rates for each plan and the different cost-of-living benefits offered by the different plans. The rate for Plan E is 0.00% since it is non-contributory.

A sample of the current member contribution rates (normal plus cost-of-living) can be found in Exhibit 9.

Full disclosure of the member rates showing both the normal and the total (normal plus cost-of-living) contribution rates can be found in Appendix D.

Member Contribution Rates for General Plan G and Safety Plan C (PEPRA Plans)

Members of the two plans developed in compliance with the California Public Employees’ Pension Reform Act of 2013 (PEPRA) contribute a flat rate (i.e., does not vary by entry age) based on whether they are in the General or Safety plan. This rate is set equal to one-half of the total Normal Cost rate for the respective plan. We are recommending changes to the member contribution rates for these plans, as shown below, to reflect the Plan’s Normal Cost rates for the 2024 valuation.

	General Plan G	Safety Plan C
All Ages: Recommended	9.30%	15.14%
All Ages: Current	9.28%	14.97%
Ratio (Recommended / Current)	100.2%	101.1%

Note that the member contribution rates for these plans are further split for purposes of this report into a “Normal” and “Cost of Living” component. The cost-of-living component for these members, as shown in Exhibit 9 on the following page, represents one-half of the cost of the COLA for these plans.

Based on a review of salary data provided to us for valuations, it was determined by LACERA staff that prior years’ individual salary data for General Plan G and Safety Plan C members included certain non-pensionable amounts. Effective with this valuation, those non-pensionable amounts have been removed from the individual data provided to us by LACERA and thus from the valuation calculations. This data refinement reduces the present value of future pensionable salary (PVFS) more than the present value of future benefits (PVFB). Since the Normal Cost rate, which the member contribution rate is based upon, equals the ratio of PVFB to PVFS, this causes an increase in the rate (as the denominator is reduced more than numerator). The impact of the data refinement is in an increase of 0.12% of pensionable salary in the Safety Plan C member contribution rate which is included with other factors in the increase of 0.17% of pensionable salary shown in the table above. Note that if the revised salary data had been used in prior valuations, this would have meant that Safety Plan C members would have contributed at a higher rate in those years.

This refinement does not cause any change in the General Plan G member contribution rate and does not materially affect the overall funding of LACERA.

Average Member Rates

The average member contribution rate for only those active members in contributory plans at June 30, 2024 is 9.56% of covered payroll, compared to 8.46% of covered payroll for all active members including non-contributory members. The 8.46% offsets the gross normal cost to yield the employer normal cost rate. Note that covered payroll does not include pay for PEPRA plan members that is above the PEPRA compensation limit.

Exhibit 9
Sample Member Contribution Rates

Recommended Rates (Based on 2024 Valuation)						
	Entry Age	Normal	Cost of Living	Total as a % of Pay	Current Rate (Total)	Ratio (New / Current)
General Members						
Plan A	25	3.33%	2.73%	6.06%	6.06%	100.0%
	35	4.06%	3.33%	7.39%	7.39%	100.0%
	45	4.86%	3.99%	8.85%	8.85%	100.0%
	55	5.16%	4.24%	9.40%	9.40%	100.0%
Plan B	25	6.65%	1.74%	8.39%	8.39%	100.0%
	35	8.12%	2.12%	10.24%	10.24%	100.0%
	45	9.73%	2.54%	12.27%	12.27%	100.0%
	55	10.32%	2.69%	13.01%	13.01%	100.0%
Plan C	25	5.70%	1.49%	7.19%	7.19%	100.0%
	35	6.96%	1.82%	8.78%	8.78%	100.0%
	45	8.44%	2.21%	10.65%	10.65%	100.0%
	55	9.74%	2.55%	12.29%	12.29%	100.0%
Plan D	25	5.70%	1.52%	7.22%	7.22%	100.0%
	35	6.96%	1.85%	8.81%	8.81%	100.0%
	45	8.44%	2.24%	10.68%	10.68%	100.0%
	55	9.74%	2.59%	12.33%	12.33%	100.0%
Plan G	All Ages	7.53%	1.77%	9.30%	9.28%	100.2%
Safety Members						
Plan A	25	4.89%	4.26%	9.15%	9.15%	100.0%
	35	5.69%	4.96%	10.65%	10.65%	100.0%
	45	6.70%	5.84%	12.54%	12.54%	100.0%
	55	6.70%	5.84%	12.54%	12.54%	100.0%
Plan B	25	9.77%	3.27%	13.04%	13.04%	100.0%
	35	11.37%	3.80%	15.17%	15.17%	100.0%
	45	13.40%	4.48%	17.88%	17.88%	100.0%
	55	13.41%	4.48%	17.89%	17.89%	100.0%
Plan C	All Ages	11.78%	3.36%	15.14%	14.97%	101.1%

Note: A portion of some of the member contribution rates is paid for (“picked up”) by the employer and is not considered part of the member’s contribution account for refund purposes. Such contributions are referred to as the surcharge amount and are subject to change each year. The rates shown in the table above are prior to any surcharge payments.

6. Employer Contributions

Calculated Employer Contribution Rate

Contributions to LACERA are determined using the Entry Age Cost Method. The portion of the actuarial present value of retirement benefits allocated to a valuation year by the actuarial cost method is called the Normal Cost. These amounts are usually expressed as a percentage of payroll and called the Normal Cost Contribution Rate. Exhibit 10 illustrates the Normal Cost Contribution Rate by type of benefit and for each plan based on this valuation. A comparison with last year is also shown.

Under the Actuarial Funding Policy, the total contribution rate is set equal to the Normal Cost Contribution Rate plus a payment by the employer towards the UAAL. The calculation of the UAAL contribution rate is shown in Exhibit 12. A portion of the Normal Cost contribution is funded by member contributions. The remainder is paid for by the employer.

The total calculated employer contribution rates for each plan, along with a comparison to the prior year's calculated rates, can be found in Exhibit 11. These results are expressed as a percentage of payroll and annual contribution dollars. Note that LACERA's UAAL contribution rate is not determined separately for each plan but is funded evenly as a percentage of pay over salaries for all members.

For the fiscal year beginning in 2025, the total calculated employer contribution rate decreases to 25.61% from the current fiscal year rate of 25.88%. This is equal to the aggregate employer Normal Cost Contribution Rate of 10.88% based on the 2024 valuation, plus the layered UAAL amortization payment, shown in Exhibit 12.

(All values as a % of Payroll)

Employer Normal Cost Contribution Rate	10.88%
Layered Amortization of UAAL	<u>14.73%</u>
Calculated Employer Contribution Rate	25.61%

Employers may reduce their contribution to reflect any benefits they pay directly to members from a Replacement Benefit Plan (RBP) for benefits greater than the maximum allowed under IRC Section 415. Specifically, it is our understanding that Los Angeles County follows this approach. The benefit amounts provided by LACERA for this valuation include the aggregate benefits paid by LACERA and the Los Angeles County RBP, so the calculated employer contribution rate reflects funding for the benefits below the 415 limit and the benefits paid from the RBP. Therefore, we believe this approach of contributing an employer contribution rate reduced by the amount of RBP payments is actuarially reasonable and is not expected to adversely impact the funding of LACERA, provided that the employers do not reduce their contributions (as a result of RBP payments) below those necessary to fund their portion of the normal cost.

Exhibit 10
Calculated Normal Cost Contribution Rates – June 30, 2024

	General							Safety				Grand Total
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan G	Total	Plan A ⁽¹⁾	Plan B	Plan C	Total	
A. Normal Cost Contribution Rate												
Service Retirement	19.23%	19.84%	13.69%	14.95%	10.21%	15.94%	14.71%	19.77%	19.77%	18.40%	19.31%	15.51%
Disability Retirement	0.92%	1.23%	0.70%	1.06%	0.00%	1.26%	1.00%	9.30%	9.30%	10.58%	9.73%	2.54%
Death	0.24%	0.31%	0.23%	0.31%	0.00%	0.30%	0.26%	0.33%	0.33%	0.30%	0.32%	0.27%
Termination	0.48%	0.42%	0.40%	1.10%	0.64%	1.10%	1.03%	0.84%	0.84%	1.00%	0.89%	1.01%
Total	20.87%	21.80%	15.02%	17.42%	10.85%	18.60%	17.00%	30.24%	30.24%	30.28%	30.25%	19.34%
B. Member Contributions	(5.53)%	(10.16)%	(7.28)%	(8.14)%	0.00%	(9.30)%	(7.49)%	(11.95)%	(11.95)%	(15.14)%	(13.02)%	(8.46)%
C. Net Employer Normal Cost as of June 30, 2024 (A) - (B)	15.34%	11.64%	7.74%	9.28%	10.85%	9.30%	9.51%	18.29%	18.29%	15.14%	17.23%	10.88%
D. Net Employer Normal Cost as of June 30, 2023	16.70%	11.25%	7.74%	9.36%	11.02%	9.28%	9.58%	18.36%	18.36%	14.97%	17.30%	11.01%
E. Increase (Decrease) as a Percentage of Payroll (C) - (D)	(1.36)%	0.39%	0.00%	(0.08)%	(0.17)%	0.02%	(0.07)%	(0.07)%	(0.07)%	0.17%	(0.07)%	(0.13)%
F. Estimated Payroll for fiscal year beginning July 1, 2025 ⁽²⁾	\$ 5	\$ 2	\$ 2	\$ 3,757	\$ 1,206	\$ 3,515	\$ 8,486	\$ -	\$ 1,219	\$ 615	\$ 1,835	\$ 10,321
G. Estimated Total Normal Cost Contribution in Dollars (A x F) ⁽³⁾	\$ 1	\$ -	\$ -	\$ 655	\$ 131	\$ 654	\$ 1,443	\$ -	\$ 369	\$ 186	\$ 555	\$ 1,998

- As of the valuation date there are no active members in Safety Plan A. Normal Cost rates are set equal to Safety Plan B rates.
- Estimated Payroll based upon annualized salary rate as of June 30, 2024 increased by 3.25% wage inflation. Dollar figures in millions.
- The timing of the Normal Cost shown in this exhibit is spread over the entire year and corresponds to payroll timing.

Exhibit 11
Total Employer Contributions

	General							Safety				All Plans
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan G	Total	Plan A ⁽¹⁾	Plan B	Plan C	Total	
A. Net Employer Normal Cost												
1. Basic Benefits	12.27%	9.47%	6.22%	7.62%	8.98%	7.53%	7.78%	14.60%	14.60%	11.78%	13.65%	8.81%
2. Cost-of-Living Benefits	3.07%	2.17%	1.52%	1.66%	1.87%	1.77%	1.73%	3.69%	3.69%	3.36%	3.58%	2.07%
3. Total June 30, 2024	15.34%	11.64%	7.74%	9.28%	10.85%	9.30%	9.51%	18.29%	18.29%	15.14%	17.23%	10.88%
B. UAAL Contribution Rate	14.73%	14.73%	14.73%	14.73%	14.73%	14.73%	14.73%	14.73%	14.73%	14.73%	14.73%	14.73%
C. Total June 30, 2024 Contribution Rate (A) + (B)	30.07%	26.37%	22.47%	24.01%	25.58%	24.03%	24.24%	33.02%	33.02%	29.87%	31.96%	25.61%
D. Total June 30, 2023 Contribution Rate	31.57%	26.12%	22.61%	24.23%	25.89%	24.15%	24.45%	33.23%	33.23%	29.84%	32.17%	25.88%
E. Estimated Payroll for fiscal year beginning July 1, 2025 ⁽²⁾	\$ 5	\$ 2	\$ 2	\$ 3,757	\$ 1,206	\$ 3,515	\$ 8,486	\$ -	\$ 1,219	\$ 615	\$ 1,835	\$10,321
F. Est. Employer NC Contribution	\$ 1	\$ -	\$ -	\$ 349	\$ 131	\$ 327	\$ 807	\$ -	\$ 223	\$ 93	\$ 316	\$ 1,123
G. Est. UAAL Contribution	\$ 1	\$ -	\$ -	\$ 553	\$ 177	\$ 518	\$ 1,250	\$ -	\$ 180	\$ 91	\$ 270	\$ 1,520
H. Estimated Annual Contribution (C x E)	\$ 2	\$ -	\$ -	\$ 902	\$ 308	\$ 845	\$ 2,057	\$ -	\$ 403	\$ 184	\$ 586	\$ 2,643
I. Last Year's Estimated Annual Contribution	\$ 2	\$ -	\$ -	\$ 922	\$ 316	\$ 721	\$ 1,962	\$ -	\$ 418	\$ 172	\$ 590	\$ 2,552
J. Increase / (Decrease) in Annual Contribution	\$ -	\$ -	\$ -	\$ (20)	\$ (8)	\$ 124	\$ 95	\$ -	\$ (15)	\$ 12	\$ (4)	\$ 91

1. As of the valuation date there are no active members in Safety Plan A. Normal Cost rates are set equal to Safety Plan B rates.
2. Estimated Payroll based upon annualized salary rate as of June 30, 2024 increased by 3.25% wage inflation. Dollar figures in millions.

Exhibit 12
Unfunded Actuarial Accrued Liability Detail

(Dollars in Millions)

Unfunded Actuarial Accrued Liability - Amortization Detail								
Date Established	Description	Balance as of June 30, 2024	Interest on Balance	Amortization Payment on June 30, 2025 ⁽¹⁾	Balance as of June 30, 2025 ⁽²⁾	Remaining Period as of June 30, 2025 ⁽⁵⁾	July 1, 2025 Amortization Payment	
June 30, 2009	Initial UAAL	\$ 5,359.0	\$ 375.1	\$ 484.9	\$ 5,249.1	14 Years	\$ 477.1	
June 30, 2010	(Gain) / Loss ⁽³⁾	2,963.9	207.5	255.6	2,915.9	15 Years	251.4	
June 30, 2011	(Gain) / Loss ⁽³⁾	1,486.4	104.0	122.6	1,467.8	16 Years	120.6	
June 30, 2012	(Gain) / Loss ⁽³⁾	2,455.7	171.9	194.3	2,433.3	17 Years	191.2	
June 30, 2013	(Gain) / Loss ⁽³⁾	1,388.4	97.2	109.9	1,375.7	17 Years	108.1	
June 30, 2014	(Gain) / Loss	(2,571.0)	(180.0)	(203.5)	(2,547.5)	17 Years	(200.2)	
June 30, 2015	(Gain) / Loss	(2,008.6)	(140.6)	(159.0)	(1,990.3)	17 Years	(156.4)	
June 30, 2016	(Gain) / Loss ⁽³⁾	3,859.4	270.2	305.4	3,824.1	17 Years	300.5	
June 30, 2017	(Gain) / Loss	(20.9)	(1.5)	(1.7)	(20.8)	17 Years	(1.6)	
June 30, 2018	(Gain) / Loss	60.4	4.2	4.8	59.8	17 Years	4.7	
June 30, 2019	(Gain) / Loss ⁽³⁾	3,827.4	267.9	330.0	3,765.3	15 Years	324.6	
June 30, 2020	(Gain) / Loss	1,434.4	100.4	118.3	1,416.5	16 Years	116.4	
June 30, 2021	(Gain) / Loss	(1,732.9)	(121.3)	(137.1)	(1,717.1)	17 Years	(134.9)	
June 30, 2022	(Gain) / Loss ⁽³⁾	859.3	60.2	65.5	854.0	18 Years	64.4	
June 30, 2023	(Gain) / Loss	665.6	46.6	48.9	663.3	19 Years	48.1	
June 30, 2024	(Gain) / Loss	112.5	7.9	34.7	85.8	20 Years	6.0	
Total Amortization Payment July 1, 2025:							\$ 1,520.0	
Projected Payroll July 1, 2025:							\$ 10,320.8	
UAAL as of June 30, 2024:		\$ 18,139.0	UAAL Contribution Rate (as a % of Payroll) FYB July 1, 2025:				14.73%	

Explanatory Notes:

- Amortization Payments are based on a fixed schedule that increases by the payroll assumption each year.
- The assets and liabilities used in the calculation of the UAAL are as of June 30, 2024, whereas the contribution rates are not effective until July 1, 2025. Therefore, the UAAL is projected to June 30, 2025 based on the actual contribution rate for the period, with the projected UAAL as of June 30, 2025 equaling \$17,835 million.
- (Gain) / Loss layers include the impact of assumption and method changes in these years.
- The amortization of UAAL does not begin until July 1, 2025; therefore, the UAAL amount is adjusted by one year to reflect the actual July 1, 2024 contribution rate.
- Effective with the June 30, 2019 valuation, all new UAAL layers are amortized over a 20-year period, beginning with the date the contribution is first expected to be made.

7. Supplemental Information

Governmental Accounting Standards Board (GASB) Statement 67 sets out requirements for defined benefit pension plan reporting and disclosures. GASB Statement 68 sets out requirements for accounting by state and local government employers.

Milliman provides LACERA with results relevant to Statements 67 and 68 in separate stand-alone financial reporting valuation reports.

For informational purposes, we have provided the following exhibits in this report that LACERA may use in the audited financial statements:

- Exhibit 13: Schedule of Funding Progress
- Exhibit 14: Schedule of Employer Contributions
- Exhibit 15: Funded Liabilities by Type
- Exhibit 16: Actuarial Analysis of Financial Experience
- Exhibit 17: Retirants and Beneficiaries added to / removed from Retiree Payroll

Exhibit 13, Schedule of Funding Progress, compares actuarial assets and liabilities of the Plan, based on the actuarial funding method used.

Exhibit 14, Schedule of Employer Contributions, compares the employer contributions required based on the actuarial valuation with the employer contributions actually made. Information shown in this exhibit comes from LACERA's audited financial statements.

Exhibit 15 compares the Actuarial Value of Valuation Assets to the types of Actuarial Accrued Liabilities, applying them first to Active Member contributions, then to retirees and beneficiaries, and then the remaining amount to the Active Members benefits.

Exhibit 16 shows the changes in actual versus expected UAAL from year to year.

Exhibit 17 reconciles the retired members and beneficiaries who have been added to and removed from the retiree payroll.

Exhibit 13
Schedule of Funding Progress

(Dollars in Thousands)

Actuarial Valuation Date	(a) Actuarial Value of Valuation Assets	(b) Actuarial Accrued Liabilities	(b-a) Unfunded Actuarial Accrued Liabilities (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll ⁽¹⁾	[(b-a)/c] UAAL as a Percentage of Covered Payroll
June 30, 2015	\$ 47,328,270	\$ 56,819,215	\$ 9,490,945	83.3%	\$ 6,948,738	136.6%
June 30, 2016 ⁽²⁾	49,357,847	62,199,214	12,841,367	79.4%	7,279,777	176.4%
June 30, 2017	52,166,307	65,310,803	13,144,496	79.9%	7,637,032	172.1%
June 30, 2018	55,233,108	68,527,354	13,294,246	80.6%	7,957,981	167.1%
June 30, 2019 ⁽²⁾	57,617,288	74,635,840	17,018,552	77.2%	8,370,050	203.3%
June 30, 2020	59,762,991	78,275,175	18,512,184	76.3%	8,724,151	212.2%
June 30, 2021	64,909,377	81,898,044	16,988,667	79.3%	9,062,051	187.5%
June 30, 2022 ⁽²⁾	68,711,610	86,320,151	17,608,541	79.6%	9,100,791	193.5%
June 30, 2023	72,414,936	90,651,092	18,236,156	79.9%	9,425,690	193.5%
June 30, 2024	76,663,543	94,803,237	18,139,694	80.9%	9,860,647	184.0%

1. Covered Payroll includes compensation paid to all active employees on which contributions are calculated, as reported by LACERA. Covered Payroll differs from the Active Member Valuation Payroll shown in Table C-1, which is an annualized compensation of only those members who were active on the actuarial valuation date.

2. Assumption and method changes.

Exhibit 14
Schedule of Contributions from the Employer

(Dollars in Thousands)

Fiscal Year Ending	Actuarially Determined Employer Contribution	Actual Employer Contributions			Percentage of Actuarially Determined Contribution Contributed
		Cash Payment	Transfer from Reserve Accounts	Total	
June 30, 2015	\$ 1,494,975	\$ 1,494,975	\$ -	\$ 1,494,975	100%
June 30, 2016	1,443,130	1,443,130	-	1,443,130	100%
June 30, 2017 ⁽¹⁾	1,392,813	1,370,922	21,891	1,392,813	100%
June 30, 2018	1,564,284	1,564,284	-	1,564,284	100%
June 30, 2019	1,708,122	1,708,122	-	1,708,122	100%
June 30, 2020	1,800,137	1,800,137	-	1,800,137	100%
June 30, 2021	2,012,877	2,012,877	-	2,012,877	100%
June 30, 2022	2,199,889	2,199,889	-	2,199,889	100%
June 30, 2023	2,301,706	2,301,706	-	2,301,706	100%
June 30, 2024	2,509,071	2,509,071	-	2,509,071	100%

1. The County Contribution Reserve was used to offset the contribution required from the Courts in the fiscal year ended June 30, 2017.

Exhibit 15
Funded Liabilities by Type

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for			Portion of Actuarial Accrued Liabilities Covered by Assets		
		Active Member Contributions (A)	Retirees and Beneficiaries ⁽¹⁾ (B)	Active Members (Employer Financed Portion) (C)	(A)	(B)	(C)
June 30, 2015	\$ 47,328	\$ 8,805	\$ 32,734	\$ 15,280	100%	100%	38%
June 30, 2016	49,358	8,767	35,316	18,116	100%	100%	29%
June 30, 2017	52,166	9,482	37,077	18,752	100%	100%	30%
June 30, 2018	55,233	9,882	39,192	19,453	100%	100%	32%
June 30, 2019	57,617	10,210	42,235	22,190	100%	100%	23%
June 30, 2020	59,763	10,650	44,500	23,125	100%	100%	20%
June 30, 2021	64,909	11,115	46,774	24,009	100%	100%	29%
June 30, 2022	68,712	11,029	49,637	25,654	100%	100%	31%
June 30, 2023	72,415	11,930	52,116	26,605	100%	100%	31%
June 30, 2024	76,664	12,446	54,933	27,424	100%	100%	34%

1. Includes vested and non-vested former employees.

Notes:

For the purpose of this exhibit, Valuation Assets are allocated, in order, to active member contribution accounts (A), the Actuarial Accrued Liability for retirees and beneficiaries (B) and the employer financed portion of active member liabilities (C). Active member contributions are always assumed to be 100% funded. Assets are then allocated to the Actuarial Accrued Liability for retirees and beneficiaries until that category is 100% funded, and then any remaining Valuation Assets are allocated to the employer financed portion of active member liabilities. The employer's UAAL contributions are based on a percentage of active member salaries and those contributions are projected to eliminate any unfunded liability in that category over the scheduled amortization period.

Exhibit 16
Actuarial Analysis of Financial Experience

(Dollars in Millions)

	Valuation as of June 30						
	2018	2019	2020	2021	2022	2023	2024
Unfunded Actuarial Accrued Liability	\$13,145	\$13,294	\$17,018	\$18,512	\$16,989	\$17,608	\$18,236
Expected Increase/(Decrease) from Prior Valuation	146	25	306	171	(76)	(108)	(241)
Salary Increases Greater/(Less) than Expected	223	486	388	484	(21)	771	488
Retiree COLA Greater/(Less) than Expected	45	44	43	(73)	355	-	-
Change in Assumptions / Methods	-	2,528	-	-	1,364	-	-
Asset Return Less/(Greater) than Expected	(411)	477	701	(2,039)	(996)	(118)	(364)
All Other Experience	146	164	56	(66)	(7)	83	20
Ending Unfunded Actuarial Accrued Liability	\$13,294	\$17,018	\$18,512	\$16,989	\$17,608	\$18,236	\$18,139

Exhibit 17
Retirees and Beneficiaries added to and removed from Retiree Payroll

(Dollars in Thousands)

Valuation Date	Added to Rolls		Removed from Rolls		Rolls at End of Year		% Increase in Retiree Allowance	Average Annual Allowance
	Member Count	Annual Allowance ⁽¹⁾⁽²⁾	Member Count	Annual Allowance ⁽¹⁾	Member Count ⁽³⁾	Annual Allowance ⁽¹⁾		
June 30, 2015	3,501	\$ 180,549	(2,124)	\$ (80,028)	60,606	\$ 2,812,601	3.71%	\$ 46.4
June 30, 2016	3,479	220,632	(2,171)	(80,881)	61,914	2,952,352	4.97%	47.7
June 30, 2017	3,721	245,915	(2,311)	(89,624)	63,324	3,108,643	5.29%	49.1
June 30, 2018	3,826	276,118	(2,270)	(89,033)	64,880	3,295,728	6.02%	50.8
June 30, 2019	3,978	302,022	(2,351)	(97,840)	66,507	3,499,910	6.20%	52.6
June 30, 2020	3,930	311,206	(2,425)	(104,914)	68,012	3,706,202	5.89%	54.5
June 30, 2021	4,350	327,745	(2,865)	(132,185)	69,497	3,901,762	5.28%	56.1
June 30, 2022	4,796	378,343	(2,722)	(130,089)	71,571	4,150,016	6.36%	58.0
June 30, 2023	4,071	347,718	(2,634)	(129,276)	73,008	4,368,458	5.26%	59.8
June 30, 2024	4,276	379,365	(2,517)	(129,488)	74,767	4,618,335	5.72%	61.8

1. Annual allowance is the monthly benefit allowance annualized for those members counted as of June 30.

2. Includes COLAs that occurred during the fiscal year and therefore were not included in the previous years' Annual Allowance totals.

3. For the actuarial valuation year, Member Count includes retirees who due to timing at year end, are not yet included in the total Retired Members count disclosed in Note A - Plan Description of LACERA's ACFR for the fiscal year ended June 30, 2024.

8. Cash Flow History and Projections

Exhibits 18a and 18b contain tables and graphs that illustrate both the cash flow history for the past 10 years and a projection on the valuation basis for the next 10 years.

Contributions include both employer and member contributions. Exhibit 18a shows that net cash outflow has gradually increased over the last ten years. In future years, the cash flow is expected to become increasingly negative. This is a typical pattern for a mature retirement plan where it is expected that contributions will be less than benefits and that the Plan will begin drawing on the fund that has been built up over prior years.

Note that the actual cash contributions do not reflect the transfers made between reserve funds, but only cash coming into the Plan. We are assuming no further transfers, only full cash contributions. In addition, LACERA will receive dividends and interest payments from its investments. These types of payments are not considered for this analysis, which focuses solely on comparing contributions with benefit payments and administrative expenses.

The projected cash flows include contributions, statutory benefits, and administrative expenses only. They are based on the actuarial assumptions as stated in Appendix A of this valuation report. The total employer contribution rate is assumed to be 25.88% for the first year and 25.61% for the second year; total employer contributions for the remainder of the period reflect the expected recognition of asset gains and losses currently being deferred. The aggregate member rate is assumed to stay at the calculated rate for June 30, 2024 of 8.46% of payroll. Expenses are based on the expenses for the year ended June 30, 2024, increased annually with the actuarial inflation assumption of 2.75%.

Any increases or reductions in future contribution rates will increase or decrease the net cash flow. The projected cash flows do not include:

- Projected STAR benefits that have not yet been granted and STAR benefits that have been adopted but are not effective until after the valuation date.
- Projected benefits payable under certain insurance contracts for a group of retired members. These payments are netted against the total expected retiree benefits.

Exhibit 18a
Cash Flow History and Projections – Dollars

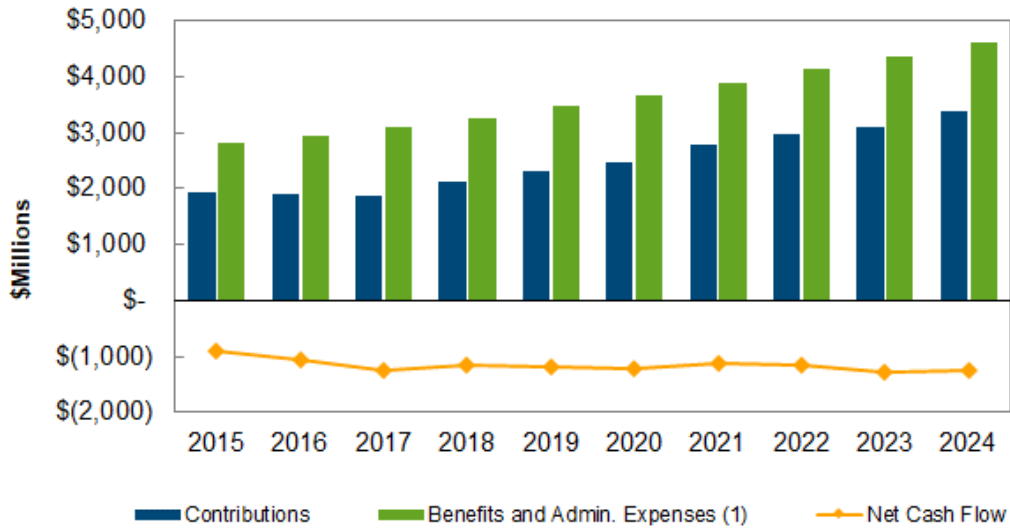
Cash Flow History				
Plan Year Ending	Total Contributions	Benefits & Administrative Expenses ⁽¹⁾	Net Cash Flow	Net Cash Flow as a Percent of Fair Value of Assets
2015	\$ 1,936	\$ 2,829	\$ (893)	-1.9%
2016	1,902	2,954	(1,052)	-2.2%
2017	1,858	3,094	(1,236)	-2.6%
2018	2,116	3,268	(1,152)	-2.2%
2019	2,304	3,475	(1,171)	-2.1%
2020	2,459	3,676	(1,217)	-2.1%
2021	2,774	3,886	(1,112)	-1.9%
2022	2,959	4,126	(1,167)	-1.6%
2023	3,095	4,375	(1,280)	-1.8%
2024	3,370	4,616	(1,246)	-1.7%

Cash Flow Projections⁽²⁾				
Plan Year Ending	Total Contributions	Benefits & Administrative Expenses ⁽¹⁾	Net Cash Flow	Net Cash Flow as a Percent of Fair Value of Assets
2025	\$ 3,479	\$ 5,115	\$ (1,636)	-2.1%
2026	3,573	5,184	(1,611)	-1.9%
2027	3,649	5,433	(1,784)	-2.0%
2028	3,739	5,681	(1,942)	-2.1%
2029	3,831	5,935	(2,104)	-2.2%
2030	3,928	6,197	(2,269)	-2.3%
2031	4,051	6,466	(2,415)	-2.3%
2032	4,176	6,740	(2,564)	-2.4%
2033	4,307	7,018	(2,711)	-2.4%
2034	4,441	7,296	(2,854)	-2.4%

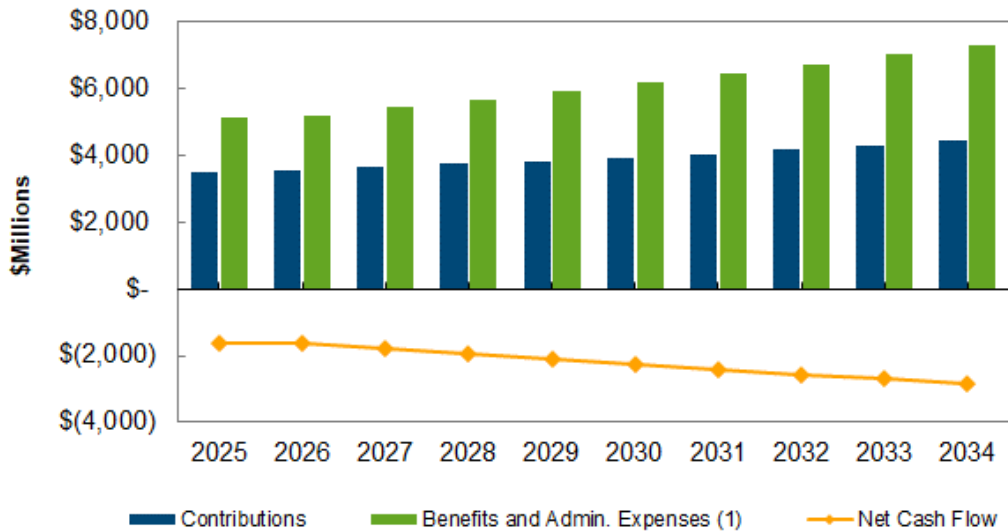
1. Investment expenses are assumed to be covered by investment return.
2. Future contributions reflect the expected impact of asset gains and losses currently being deferred.

Exhibit 18b
 Cash Flow History and Projections – Graphs

Cash Flow History



Cash Flow Projections⁽²⁾



1. Investment expenses are assumed to be covered by investment return.
2. Future contributions reflect the expected impact of asset gains and losses currently being deferred.

9. Risk Discussion

Please refer to the Risk Assessment report dated May 24, 2024 (which is based on the June 30, 2023 valuation) for a detailed analysis of the main risks applicable to LACERA. That report includes detailed identification and assessment of risks.

Overview

The results of any actuarial valuation are based on one set of reasonable assumptions. Although we believe the current assumptions provide a reasonable estimate of future expectations, it is almost certain that future experience will differ from the assumptions to some extent. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the Plan, or of the Plan's members.

Actuarial Standard of Practice 51 (ASOP 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions) addresses these issues by providing actuaries with guidance for assessing and disclosing the risk associated with measuring pension liabilities and the determination of pension plan contributions. Specifically, it directs the actuary to:

- Identify risks that may be significant to the Plan.
- Assess the risks identified as significant to the Plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the Plan's risks.

ASOP 51 states that if in the actuary's professional judgment, a more detailed assessment would be significantly beneficial in helping the individuals responsible for the Plan to understand the risks identified by the actuary, then the actuary should recommend that such an assessment be performed.

In addition, the California Actuarial Advisory Panel (CAAP) has adopted a set of model disclosure elements for actuarial valuation reports of public retirement systems in California. Most of these elements are included in other areas of this report. The remaining CAAP-recommended disclosures are as follows:

Disclosure Element	Description	Value
Gross Normal Cost \$ ¹	Normal Cost allocated to valuation year, paid at mid-year.	\$ 1,964.4
Statutory Contribution \$ ¹	Expected Employer Contribution paid at mid-year.	\$ 2,628.6
Asset Smoothing Ratio	Actuarial Value of Assets divided by Fair Value of Assets	98.6%
Asset Volatility Ratio	Fair Value of Assets divided by Payroll	7.8
Liability Volatility Ratio	Actuarial Accrued Liability divided by Payroll	9.5

1. Amounts shown in millions of dollars.

This Section 9 uses the framework of ASOP 51 and the Asset and Liability Volatility Ratios shown above to communicate important information about: significant risks to the Plan, the Plan's maturity, and relevant historical plan data.

Factors Affecting Future Results

There are a number of factors that affect future valuation results. To the extent actual experience for these factors varies from the assumptions, this will likely cause either increases or decreases in the Plan's future funding level and employer contribution rates (ECR). The factors that can have the most significant impact on LACERA's valuation results are:

- Investment returns
To the extent that actual investment returns differ from the assumed investment return, the Plan's future assets, ECR, and funded status may differ significantly from those presented in this valuation. Additional discussion of the impact of variance of investment returns is included below.
- Compensation increases
Individual member retirement benefits are linked to that member's compensation. As such, assumptions need to be made as to a member's future compensation increases. Higher future compensation increases will generally result in larger retirement benefits, liabilities, ECRs, and a lower funded status. Conversely, lower compensation increases than assumed will generally result in smaller retirement benefits, liabilities, ECRs, and a higher funded status.
- Payroll variation
In the valuation, an assumption is made for the overall rate of payroll growth of LACERA from year-to-year. To the extent that the overall rate of payroll growth is greater than assumed, the ECR may decrease since the UAAL will be amortized over a larger payroll base. If the overall rate of payroll growth is less than assumed, the ECR is expected to increase since the UAAL will be amortized over a smaller payroll base.

This effect often will offset somewhat with individual compensation increases, discussed above.
- Longevity and other demographic risks
The liabilities reported in this valuation have been calculated by assuming that members will follow specific patterns of demographic experience (e.g., mortality, retirement, termination, disability) as described in Appendix A. To the extent that actual demographic experience is different than is assumed to occur, future liabilities, ECRs, and funded status may differ from that presented in this valuation.

All of these assumptions are reviewed in detail during the triennial Investigation of Experience study, and are also reviewed annually during the valuation process. Changes in assumptions are generally recommended as part of the triennial Investigation of Experience if actual experience has been materially different than assumed or forecasts have changed significantly. Additionally, changes may be recommended and discussed at each valuation if they are deemed to be appropriate at that time.

Discussion of Investment Return Risk

Of these factors, we believe the factor with the greatest potential risk to impact future valuation results for LACERA is future investment returns. For example, if actual returns fall short of the current assumption of 7.0% per year, this will cause an increase in the ECR and a decrease in the Funded Ratio, all other things being equal. Conversely, if actual returns exceed the current assumption of 7.0% per year, this will cause a decrease in the ECR and an increase in the Funded Ratio.

The magnitude of the increase or decrease in the ECR is affected by the maturity level, and specifically, the asset volatility ratio. LACERA has accumulated a significant amount of assets relative to its payroll and by several measures is considered a mature plan. Accumulating assets to pay for future benefit obligations is responsible funding, but it does mean that changes in the investment markets can have a significant impact on the ECR.

Low-Default-Risk Obligation Measure (LDRM)

Actuarial Standard of Practice 4 (ASOP 4) states that when performing a funding valuation, the actuary should calculate and disclose a low-default-risk obligation measure (LDRM) of the benefits earned or accrued under the actuarial cost method used as of the measurement date. The actuary should select a discount rate derived from low-default-risk fixed income securities. We have used the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The index is a 20-year high quality AA municipal bond rate and, based on Section 3.11.c. of ASOP 4, we believe this index meets the requirements for a discount rate for the LDRM. The index was 3.93% as of June 30, 2024.

This required disclosure shows significantly higher plan liabilities and a lower funded ratio than under the funding valuation assumption, as shown in the following chart. It provides the Plan Sponsors and other interested parties with additional funding metrics of the Plan for informational purposes, but does not impact the funding of the Plan which is based on the valuation assumptions.

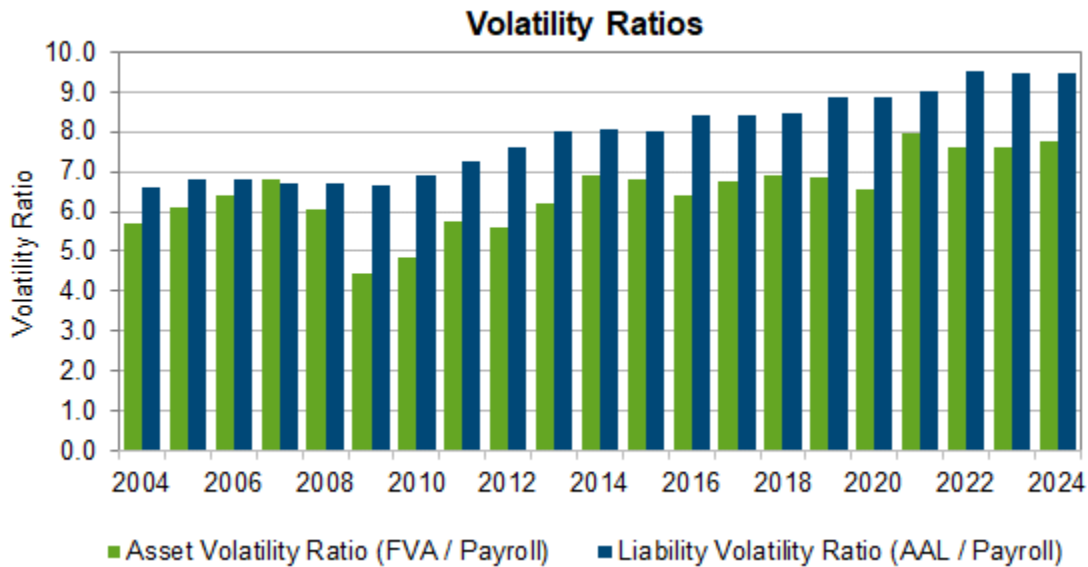
	Bond Buyer Index ¹	Valuation Assumption
Discount Rate	3.93%	7.00%
Actuarial Accrued Liability as of June 30, 2024 ²	\$143.5	\$94.8
Funding Ratio - Valuation Assets	53.4%	80.9%
Funding Ratio - Fair Value of Assets	54.2%	82.1%

- 1. Calculated using the same actuarial assumptions and methods as used for this valuation, except for the discount rate.
- 2. Amounts in billions of dollars.

LACERA’s investment policy and strategy is complex, and its target asset allocation reflects a balance of risk and return. The expected return based on LACERA’s target allocation, and consequently the investment return assumption, is significantly higher than the discount rate based on the Bond Buyer Index. Investing in asset classes with a low default risk would be expected to reduce future investment returns and therefore increase future contributions needed and lower the current Funded Ratio. However, the lower investment risk levels would be expected to result in lower year-to-year volatility in the ECR, and a portfolio with a lower default risk might provide more benefit security for members if the associated liabilities are adequately funded. Conversely, investing in asset classes with higher expected returns and volatility would be expected to decrease future contributions and increase the current Funded Ratio, but it would increase the year-to-year volatility of the ECR and could provide less benefit security for members. A change away from the current return-seeking-with-reasonable-risk investment strategy is not being considered by LACERA.

Asset and Liability Volatility Ratios

Asset and Liability Volatility Ratios are a measure of the level of assets (or liabilities) to payroll. In general, a higher ratio means that the employer contribution rates (ECR) are more sensitive to changes in levels of assets or liabilities. Asset and Liability Volatility Ratios are shown below, and in Exhibit E-4.



As shown above, in the current valuation LACERA has an Asset Volatility Ratio of 7.8 and a Liability Volatility Ratio of 9.5. These ratios have increased over time as LACERA has matured.

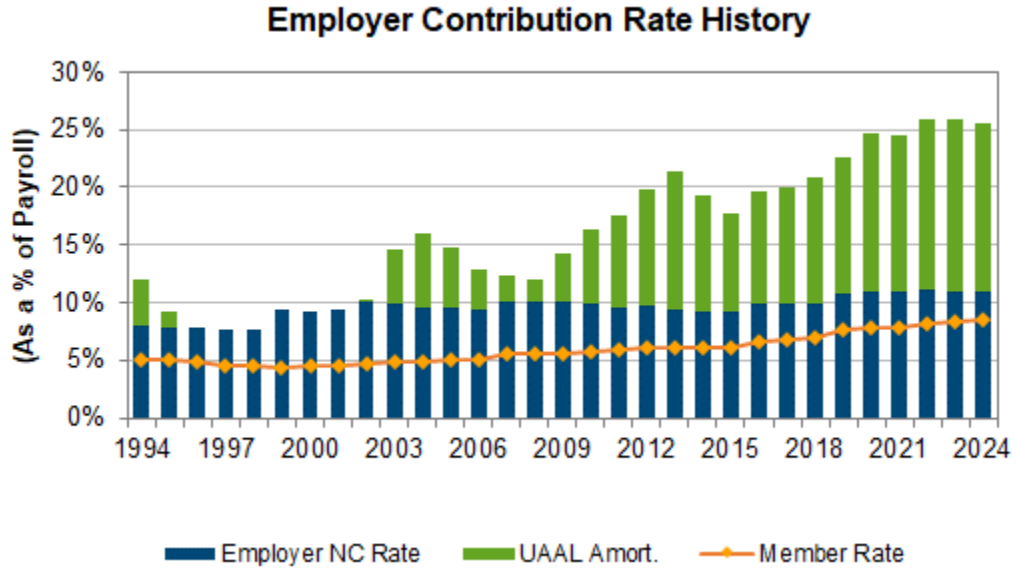
LACERA has accumulated a significant amount of assets relative to its payroll and by several measures is considered a mature plan. Accumulating assets to pay for future benefit obligations is responsible funding, but it does mean changes in the investment markets can have a significant impact on the ECR.

For LACERA, 7.8 Asset Volatility Ratio means that a 10% investment gain or loss relative to the assumed 7.0% investment return assumption (that is, an investment return of -3.0% or of 17.0%) translates to a 5.5% of pay increase (or decrease) in the ECR, all other things being equal. Since LACERA uses actuarial smoothing, the increase would not be immediate, but would occur gradually over five years and could potentially be offset, or further increased, by future investment gains or losses or other factors.

The Liability Volatility Ratio measures the sensitivity of the ECR to changes in the level of liabilities, all else being equal. With a liability volatility ratio of 9.5 an increase (or decrease) in the investment return assumption of 0.5% translates to a decrease (or increase) in the ECR of approximately 5.2% of pay for LACERA.

Historical Variation in Employer Contribution Rate

One way to assess future risks is to look at historical measurements. The following graph shows how the ECR has varied over the last 30 years under various investment return and assumption environments.



Appendix A Actuarial Procedures and Assumptions

The actuarial procedures and assumptions used in this valuation are described in this section. The assumptions were reviewed and changed for the June 30, 2022 actuarial valuation as a result of the 2022 triennial Investigation of Experience Study.

The actuarial assumptions used in the valuations are intended to estimate the future experience of the members of LACERA and of LACERA itself in areas that affect 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 LACERA's benefits.

Table A-1 summarizes the assumptions.

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

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

Table A-5 presents the expected annual percentage increase in salaries.

Tables A-6 to A-13 presents the probabilities that a member will leave the System for various reasons.

Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method (CERL 31453.5). 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).

The portion of this actuarial present value allocated to a valuation year is called the normal cost. 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).

For members who transferred between plans, entry age is based on original entry into the System.

For General Plan G and Safety Plan C, the normal cost rate is rounded up to the nearest 0.02%.

Amortization Method

The original UAAL as of June 30, 2009 is amortized as a level percentage of the projected salaries of present and future members of LACERA over a closed 30-year period. As of the June 30, 2019 valuation, all amortization layers with periods greater than 22 years as of July 1, 2020 were amortized over a 22-year period. Future changes in the UAAL due to actuarial gains and losses and assumption changes are amortized over new closed 20-year periods, beginning with the date the contribution is first expected to be made. This is referred to as "layered" amortization. For increases in the UAAL due to changes in benefit provisions, the increase is amortized over a 10-year period.

Records and Data

The data used in this valuation consists of financial information and the age, service, and income records for active and inactive members and their survivors. All of the data were supplied by LACERA and are accepted for valuation purposes without audit. Certain data edits were made, as follows:

- Blank birth date (retirees and beneficiaries) – assumed to be age 61 at the valuation date.
- Undefined and non-binary gender – Members of General plans are assumed to be female, and members of Safety plans are assumed to be males. Beneficiaries of General plan members are assumed to be male, and beneficiaries of Safety plan members are assumed to be female.

Replacement of Active Employees

The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on the pattern of current members. The normal cost rates for active members within an individual plan will remain fairly stable in future years unless there are changes in the governing law, the actuarial assumptions, or the pattern of the new entrants.

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 or decline in the total number of active members is assumed.

Payroll Growth

Total payroll is expected to grow at 3.25% per year.

Internal Revenue Code Section 415 Limit

The Internal Revenue Code (IRC) Section 415 maximum benefit limitation is not explicitly reflected in the valuation for funding purposes.

Internal Revenue Code Section 401(a)(17)

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes.

Government Code Section 7522.10

The maximum compensation limit under Government Code Section 7522.10 is reflected in the valuation for funding purposes.

Employer Contributions

The employer contribution rate is set by the Board of Investments based on actuarial valuations.

Member Contributions

The member contribution rates of contributory legacy plans (all plans except General Plans E and G and Safety Plan C) vary by entry age and are described in the law. Code references are shown in Appendix B of the valuation report. The methods and assumptions used are detailed later in this section. The individual member rates by entry age, plan, and class are illustrated in Appendix D of the valuation report.

The member contribution rates of the two PEPRA plans are flat rates (i.e., do not vary by entry age) based on whether they are in the General or Safety plan. This rate is set equal to one-half of the total Normal Cost rate for the respective plan. These rates are illustrated in Appendix D of the valuation report.

Valuation of Assets

The assets are valued using a five-year smoothed method based on the difference between the expected fair value and the actual fair value of the assets as of the valuation date. The expected fair value is the prior year's fair value increased with the net increase in the cash flow of funds, all increased with interest during the past fiscal year at the expected investment return rate assumption. To the extent that there is a loss for the year and there are unrecognized gains from previous years, or to the extent that there is a gain for the year and there are unrecognized losses from previous years, the gain or loss for the year shall be used to offset unrecognized gains or losses from previous years in the order of oldest to most recent. Any remaining gain or loss for the year is recognized over a five-year period. Valuation Assets exclude the statutory Contingency Reserve and the STAR Reserve. The five-year smoothing valuation basis for all assets was adopted effective June 30, 2009, and the offsetting methodology and STAR Reserve treatment were adopted effective June 30, 2022.

Price Inflation (Local and National)

The price inflation assumption is used in the determination of assumptions for individual salary increases, overall wage growth, postretirement benefit increases, and PEPRA compensation limit increases. Both the local and national price inflation assumptions are 2.75% per year.

Investment Earnings and Expenses

The future investment earnings of the assets of LACERA are assumed to accrue at an annual rate of 7.00% compounded annually, net of both investment and administrative expenses. This rate was adopted June 30, 2019.

Postretirement Benefit Increases

Postretirement increases are assumed for the valuation in accordance with the benefits provided as described in Appendix B. These adjustments vary by plan and are assumed payable each year in the future but are limited to not exceed the expected local inflation of 2.75% per year, with the exception that any COLA accumulation banks for Plan A members are reflected in the valuation. The local inflation rate used for the postretirement benefit assumptions was adopted June 30, 2016.

Interest on Member Contributions

The annual credited interest rate on member contributions is assumed to be 7.00% compounded semi-annually for an annualized rate of 7.12%. This rate was adopted effective June 30, 2019.

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, excluding megaflex compensation. The mid-year timing reflects that salary increases occur throughout the year, or on average mid-year.

For plans with a one-year final average compensation period, actual average annual compensation is used. For Plan E, Plan G and Safety Plan C, the monthly rate as of June of the valuation year was annualized. Due to irregular compensation payments included as pensionable earnings, actual annual pay is preferred over annualizing a single monthly payment amount.

Social Security Wage Base

Plan E members have their benefits offset by an assumed Social Security Benefit. For valuation funding purposes, we need to project the Social Security Benefit. We assume the current Social Security provisions will continue and the annual Wage Base will increase at the rate of 3.25% per year. Note that statutory provisions describe exactly how to compute the offset for purposes of determining a member's offset amount at time of termination or retirement. This rate was adopted June 30, 2016.

Note also, that it is assumed all Plan E members born after 1950 have less than 10 years of Social Security-covered service and, therefore, do not have their benefit offset.

General Plan G and Safety Plan C members have their compensation limited to approximately 120% of the Social Security Wage Base. The limit for 2024 is \$181,734 (after applying the 120% factor) and is projected to increase at the assumed national CPI rate of 2.75%. This rate of future increase was adopted effective June 30, 2016.

Retirement

Members in General Plans A-D may retire at age 50 with 10 years of service, or any age with 30 years of service, or age 70 regardless of the number of years of service. General Plan G members are eligible to retire at age 52 with 5 years of service, or age 70 regardless of the number of years of service. Non-contributory Plan E members may retire at age 55 with 10 years of service. Members of Safety Plans A and B may retire at age 50 with 10 years of service, or any age with 20 years of service. Safety Plan C members are eligible to retire at age 50 with 5 years of County service. Retirement probabilities vary by age and are shown by plan in Tables A-6 through A13.

All General members who attain or have attained age 75 in active service and all Safety members who attain or 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).

Vested former employees are assumed to retire at the later of their current age and the assumed retirement age specified as follows:

Assumption for Deferred Commencement	
Plan	Age at Commencement
GA	62
GB	62
GC	62
GD	59
GE	62
GG	57
SA	55
SB	50
SC	50

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 Plan D member hired at age 30 has a probability of withdrawing from LACERA due to death, disability or other termination of employment until age 50. After age 50, the member can withdraw due to death, disability, or retirement. Thus, in no year during the member's projected employment would the member be eligible for both a probability of other termination of employment and a probability of retirement.

The retirement probabilities were adopted June 30, 2022.

Disability

The probabilities of disability used in the valuation are also 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 as for healthy members of the same sex. Future beneficiaries are assumed to be of the opposite sex 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 members retired for disability, the mortality probabilities used in the valuation are illustrated in Table A-3. 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.

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. Projected 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 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. It is assumed that all terminating members will not 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 vested benefit. All non-vested members are assumed to elect a refund and withdraw their contributions. These probabilities were adopted June 30, 2022.

Probability of Eligible Survivors

For members not currently in pay status, 77% of all males and 48% of all females are assumed to have eligible survivors (spouses or qualified domestic partners). Survivors are assumed to be three years younger than male members and two years older than female members. Survivors are assumed to be of the opposite gender as the member. There is no explicit assumption for children’s benefits. We believe the survivor benefits based on this assumption are sufficient to cover children’s benefits as they occur. These probabilities were adopted June 30, 2022.

Valuation of Vested Former Employees

The deferred retirement benefit is calculated based on the member's final compensation and service at termination. The compensation amount is projected until the assumed retirement age for members who are assumed to be employed by a reciprocal agency. For members who are missing compensation data, Final Compensation is estimated as the average amount for all members who terminated during the same year and had a valid compensation amount. The greater of the present value of the calculated benefit and the employee's current contribution balance is valued for future deferred vested members.

Reciprocal Employment

17% of General and 36% of Safety current and future vested former employees are assumed to work for a reciprocal employer. These probabilities were adopted June 30, 2022.

Current vested reciprocal members are assumed to receive annual salary increases of 4.25%. Future reciprocal vested members are assumed to receive the same salary increases they would have received if they had stayed in active employment with LACERA and retired at the assumed retirement age.

Other Technical Assumptions

Decrements are assumed to occur mid-year, except that if the retirement rate is 100% at a given age then the member is assumed to retire at the beginning of the year at that age.

Decrement rates shown are probabilities and are non-competing.

Termination rates are assumed to be 0% if the member is eligible for service retirement.

Valuation of Annuity Purchases

Over 30 years ago, LACERA purchased single life annuities from two insurance companies for some retired members (currently less than 1% of the retired population). The total liability for these members is calculated and then offset by the expected value of the benefit to be paid by the insurance companies.

For affected members, the insurance companies are responsible for:

1. Straight life annuity payments
2. Statutory COLAs

LACERA is responsible for:

1. Benefit payments payable to any beneficiary
2. STAR COLAs

Member Contribution Rate Assumptions

The following assumptions summarize the procedures used to compute member contribution rates based on entry age:

In general, the member rate is determined by the Present Value of the Future Benefit (PVFB) payable at retirement age, divided by the present value of all future salaries payable between age at entry and retirement age. For these purposes, per the CERL:

- A. The Annuity factor used for General members is based on a 35% / 65% blend of the male and female valuation mortality tables and projection scale, with a static projection to 2044. For Safety members, it is based on an 85% / 15% blend of the male and female annuity factors determined using the same mortality tables as used for service-retired members.
- B. The annuity factor used in determining the present value of future benefits (PVFB) at entry age is equal to the life only annuity factor at 7.00%.
- C. The Final Compensation is based on the salary paid in the year prior to attaining the retirement age.
- D. Example: For a General Plan C Member who enters at age 59 or earlier, the Final Compensation at retirement (age 60) will be the monthly average of the annual salaries during age 59.
- E. Member Rates are assumed to increase with entry age. There are a few exceptions at the higher entry ages where the calculated rate is less than the previous entry age. In these cases the member contribution rate is adjusted so that it is no less than the value for the previous entry age.

Table A-1
Summary of Valuation Assumptions as of June 30, 2024

- I. Economic assumptions
 - A. Payroll / General wage increases 3.25%
 - B. Investment earnings 7.00%
 - C. Growth in membership 0.00%
 - D. Postretirement benefit increases (varies by plan) Plan COLA not greater than local price inflation assumption⁽¹⁾
 - E. National price inflation assumption 2.75%
 - F. Local price inflation assumption 2.75%

- 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⁽²⁾ 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⁽²⁾ 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 – Beneficiaries are assumed to have the same mortality as a General member of the opposite gender who has taken a service retirement.
- H. Other terminations of employment Tables A-6 to A-13
- I. Refund of contributions on vested termination Table A-4

1. To account for existing Plan A COLA accumulation balances, retirees and beneficiaries with a retirement date prior to April 1, 2024 are assumed to receive 3.00% annual COLAs.

2. All mortality probabilities are projected using the MP-2021 Ultimate projection scale.

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%

Mortality Improvement Scale

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 2024 is 6.8707% calculated as follows:

$$\begin{aligned} \text{Age 85 probability in 2024} &= \text{Age 85 probability in 2010 with 14 years improvement} \\ &= 7.7648\% \times (100.0\% - 0.87\%)^{14} = 6.8707\% \end{aligned}$$

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.

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⁽¹⁾

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%

1. The total expected increase in salary includes both merit (shown above) and the general wage increase assumption of 3.25% per annum increase. The total result is compounded rather than additive. For example, the total assumed increase for General members for service less than one year is 9.45%.

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.
Withdrawal:	Member terminates and elects a refund of member contributions, or a deferred vested retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

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

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

Table A-7
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

Table A-8
Probability of Separation from Active Service for General Members
Plans 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 rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

Table A-9
Probability of Separation from Active Service for General Members
Plans 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 rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate 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 rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate 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 rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate 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⁾						Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
	Plans A & B	Plan C	Service Disability	Ordinary Disability	Service Death	Ordinary Death			
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 rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate 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⁾						Years of Service	Other Terminations	Retirement Rate Loading ⁽²⁾
	Plans A & B	Plan C	Service Disability	Ordinary Disability	Service Death	Ordinary Death			
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 rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

Appendix B Summary of Plan Provisions

All actuarial calculations are based on our understanding of the statutes governing LACERA as contained in the County Employees Retirement Law (CERL) of 1937 and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Government Code Section. This summary does not attempt to cover all the detailed provisions of the law.

MEMBERSHIP	Government Code Section
Permanent employees of Los Angeles County (County) and participating districts who work $\frac{3}{4}$ time or more are eligible for membership in LACERA.	(31551, 31552, Bylaws)
Employees eligible for safety membership (law enforcement, firefighting and specific lifeguards) become safety members on the first day of the month after date of hire. Employees who become members on or after January 1, 2013, will enter into Safety Plan C.	(31558)
All other employees become general members on the first day of the month after date of hire or the first day of the month after they make an election of either Plan D or Plan E, depending on the law in effect at that time. Employees who become members on or after January 1, 2013 will enter into General Plan G.	(31493, 31493.5, 31493.6, Bylaws)
Elective officers become members on the first day of the month after filing a declaration with the Board of Retirement (Board).	(31553, 31562)
General members in Plan E may transfer all their Plan E service credit to Plan D during an approved transfer period by making the required contributions. Transferred members relinquish, waive, and forfeit any and all vested or accrued benefits available under any other retirement plan and are entitled only to the benefits of Plan D.	(31494.1, 31494.3)

RETIREMENT PLANS

The County has established nine defined benefit plans. The following outlines the dates these plans were available, based on a member’s date of entry into LACERA:

Safety Member Plans:

- Plan A:** Inception to August 1977
- Plan B:** September 1977 through December 2012
- Plan C:** January 2013 to present (7522.02)

General Member Plans:

- Plan A:** Inception through August 1977
- Plan B:** September 1977 through September 1978
- Plan C:** October 1978 through May 1979
- Plan D:** June 1979 through December 2012
- Plan E:** February 1982 through December 2012 (31487, 31496)
- Plan G:** January 2013 to present (7522.02)

NOTE: After review of a new member’s account, a member with prior membership may be enrolled into one of the pre-PEPRA plans.

MEMBER CONTRIBUTIONS

Plans A, B, D and General Plan C members

Contributions are based on the entry age and class of each member and are required of all members in Plans A, B, C, and D. Current member rates are shown in Appendix D. Section 5 provides additional detail on how these rates are calculated. (31620)

Contributions cease when general members are credited with 30 years of service in a contributory plan, provided they were members of LACERA or a reciprocal plan on March 7, 1973, and continuously thereafter. All safety members are eligible for the 30-year cessation of contributions. (31625.2, 31836.1)

Interest is credited to contributions semiannually on June 30 and December 31 at an interest rate set by the Board of Investments on amounts that have been on deposit for at least six months. (31591, 31700)

In addition to the normal contributions, members pay one-half of the cost of their plan’s COLA. This is discussed further in Section 5 of this report. (31873)

General Plan G and Safety Plan C members

Members contribute 50% of the aggregate Normal Cost rate for their Plan. (7522.30)

EMPLOYER CONTRIBUTIONS

The employer (County or District) contributes to the retirement fund a percent of the total compensation provided for all members based on an actuarial valuation and recommendation of the actuary and the Board of Investments. (31453, 31454 31581)

SERVICE RETIREMENT ALLOWANCE

Eligibility

- Plans A-B: Safety members** (31662.4, 31662.6, 31663.25)
 Age 50 with 10 years of County service;
 Any age with 20 years of service; or
- Plans A-D: General members** (31672)
 Age 50 with 10 years of County service;
 Any age with 30 years of service; or
 Age 70 and actively employed, regardless of service.
- Plan C: Safety members** (7522.25(d))
 Age 50 with 5 years of service.
- Plan E: General members** (31491, 31491.3)
 Age 65 with 10 years of service.
 A reduced benefit is also payable at age 55 with 10 years of service.
- Plan G: General members** (7522.20(a))
 Age 52 with 5 years of service.

Final Compensation

- General Plans A-D and Safety Plans A-B** (31462.3)
 Average of the member’s highest monthly pensionable earnings during any 12-consecutive-month period.
- Plan E:** Average of the member’s highest monthly pensionable earnings during any three 12-consecutive month periods. (31488)
- General Plan G and Safety Plan C** (7522.32)
 Average of the member’s highest monthly pensionable earnings during any 36-consecutive month period.

The amount of compensation that is taken into account in computing benefits payable to any person who first becomes a member on or after July 1, 1996, shall not exceed the dollar limitations in Section 401(a)(17) of Title 26 of the US Code. (31671)

The amount of compensation taken into account for General Plan G and Safety Plan C members is limited to \$181,734 for 2024. The amount of compensation taken into account shall be adjusted based on changes in the Consumer Price Index for All Urban Consumers: U.S. City Average. Adjustments shall be effective annually on January 1. (7522.10)

SERVICE RETIREMENT ALLOWANCE (continued)

Monthly Allowance

Plans A-B: Safety members

1/50 x Final Compensation x Safety age factor x Years of service. (The Safety Plan A and Safety Plan B age factors are the same.) (31664)

Plans A-D: General members

1/60 x Final Compensation x a Plan specific age factor x years of service. (The General Plan C and General D age factors are the same.) (31676.1)
 (31676.11)
 (31676.14)
 (7522.25(d))

Plan C: Safety members

Final Compensation x Safety Plan percentage x Years of service.

Plan E: General members [(a)+(b)-(c)] x d where:

(a) 2% x Final Compensation x (Years of Service (up to 35 years), plus
 (b) 1 % x Final Compensation x Years of Service in excess of 35 (up to 10)
 (c) Estimated Primary Insurance Amount (PIA) x Years of Covered Service (up to 35) divided by 35.
 (d) Early Retirement Adjustment Factor
 The PIA is calculated based on certain assumptions specified by statute, and an assumed Social Security retirement age of 62.
 If retirement occurs prior to age 65, benefit amount is adjusted by an Early Retirement Adjustment Factor.

(31491,
 31491.3 (b)&(c))

Plan G: General members

Final Compensation x General Plan percentage x Years of Service. (7522.20(a))

Social Security Integration

Plans A-C: General Members

For County service covered by Social Security prior to January 1, 1983, the 1/60 factor is replaced by 1/90 for the first \$350 of compensation. (31808)

Plan D: The 1/90 factor is applied to the first \$1,050 of compensation.

SERVICE RETIREMENT ALLOWANCE (continued)

Sample Plan Age Factors

Plan	Age 50	Age 55	Age 60	Age 65 & Up	
General A	0.8850	1.1686	1.4638	1.5668	(31676.14)
General B	0.7454	1.0000	1.3093	1.5668	(31676.11)
General C&D	0.7091	0.8954	1.1500	1.4593	(31676.1)
General E	N/A	0.3748	0.6009	1.0000	(31491.3(a))
Safety A&B	1.0000	1.3099	1.3099	1.3099	(31664)

Sample Plan Age Percentages

Plan	Age 50	Age 55	Age 60	Age 65 & Up	
General G	N/A	1.30%	1.80%	2.30%*	(7522.20(a))
Safety C	2.00%	2.50%	2.70%	2.70%	(7522.25(d))

*Maximum percentage for General Plan G is 2.50% at age 67.

Maximum Allowance

Plans A-D, G:	Allowance may not exceed 100% of final compensation.	(31676.1, 31676.11, 31676.14)
Plan E:	The sum of the normal retirement allowance and the estimated PIA cannot exceed 70% of Final Compensation for a member with 35 or less years of service, and cannot exceed 80% of Final Compensation if service exceeds 35 years.	(31491)

Unmodified Retirement Allowance (Normal Form)

Plans A-D, G:	Life Annuity payable to retired member with 65% continuance to an eligible survivor (or eligible children).	(31760.12, 31785.4)
Plan E:	Life Annuity payable to retired member with 55% continuance to an eligible survivor (or eligible children).	(31492.1)

Eligible survivor includes certain domestic partners. (31780.2)

Optional Retirement Allowance

A member may elect to have the actuarial equivalent of the service or disability retirement allowance applied to a lesser retirement allowance during the retired member's life in order to provide an optional survivor allowance. (31760)

Unmodified Plus:	Members with eligible survivors may elect a higher percent than the standard unmodified continuance, up to 100%. The benefit is actuarially reduced from the unmodified amount. The elected percent of the member's reduced allowance is payable to the eligible survivor.	(31760.5)
Option 1:	Member's allowance is reduced to pay a cash refund of any unpaid annuity payments (up to the amount of the member's contributions at retirement) to the member's estate or to a beneficiary having an insurable interest in the life of the member.	(31761)
Option 2:	100% of member's reduced allowance is payable to a beneficiary having an insurable interest in the life of the member.	(31762)
Option 3:	50% of member's reduced allowance is payable to a beneficiary having an insurable interest in the life of the member.	(31763)
Option 4:	Other % of member's reduced allowance is payable to a beneficiary(ies) having an insurable interest in the life of the member.	(31764)
	A member may not revoke and name another beneficiary if the member elects Option 2, 3, or 4.	(31782)
Pension Advance Option:	The Pension Advance Option is available to members who are fully insured under Social Security for the purpose of coordinating a member's retirement allowance with benefits receivable from Social Security. It is not available to disability retirees or members who elect Option 2, 3, or 4. The allowance is increased prior to age 62 and then reduced after 62 by amounts which have equivalent actuarial values. The automatic 65% continuance for eligible spouses of members who elect the Pension Advance Option is based on the unmodified allowance the member would have received if the member had not elected the option.	(31810, 31811)
All Allowances		(31452.7, 31600)
	All allowances are made on a pro-rata basis (based on the number of days in that month) if not in effect for the entire month of retirement. For deaths that occur mid-month, the full month's payment is made.	

SERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

Eligibility

Plans A-D, G:	Any age or years of service; disability must result from occupational injury or disease, and member must be permanently incapacitated for the performance of duty.	(31720)
Plan E:	Not available under Plan E.	(31487)

Monthly Allowance

Greater of (1) 50% of final compensation, and (2) the service retirement allowance, if eligible to retire. (31727.4)

Normal Form Of Payment

Life Annuity with 100% continuance to a surviving spouse (or eligible children). (31786)

NONSERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

Eligibility

Plans A-D, G:	Any age with five years of service, and permanently incapacitated for the performance of duty.	(31720)
Plan E:	Not available under Plan E.	(31487)

Monthly Allowance

The monthly allowance is equal to a service retirement allowance if a General member is age 65 or a Safety member is age 55; otherwise the monthly allowance is the greater of that to which the member would be entitled as service retirement or the sum of (a) or (b) where: (31726, 31726.5)

General Members:	(a) 90% of 1/60 of Final Compensation x years of service, if member must rely on service in another retirement plan in order to be eligible to retire, or allowance exceeds 1/3 of final compensation.	(31727(a))
	(b) 90% of 1/60 of Final Compensation x years of service projected to age 65, not to exceed 1/3 of Final Compensation.	(31727(b))

Safety Members: 1/60 is replaced by 1/50 and age 65 is replaced by age 55 in (a) and (b) above. (31727.2)

Normal Form of Payment

Life Annuity with 65% continuance to a surviving spouse (or eligible children). (31760.1,
31760.12, 31785,
31785.4)

SERVICE-CONNECTED PRE-RETIREMENT DEATH BENEFITS

Eligibility

Plans A-D, G:	Active members who die in service as a result of injury or disease arising out of and in the course of employment.	(31787)
Plan E:	Not available under Plan E.	(31487)

Monthly Allowance (31787)

A monthly allowance payable to an eligible survivor (or eligible children) equal to the retirement allowance the deceased member would have received under a service-connected disability retirement.

Optional Combined Benefit (31781.3)

In lieu of the monthly allowance above, a surviving spouse may elect:

- (a) A lump sum equal to 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation), plus
- (b) A monthly payment equal to 50% of the member's Final Compensation, reduced by a monthly amount, which is the actuarial equivalent of (a) above based on the age of surviving spouse.

Death Benefit (Lump Sum) (31781)

The member's accumulated contributions with interest, plus 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation).

Additional Allowance for Children (31787.5)

In the case of a surviving spouse of a member who is killed in the performance of duty or who dies as the result of an accident or an injury caused by external violence or physical force, incurred in the performance of the member's duty: 25% of death allowance (whether or not the monthly allowance or combined benefit is chosen) for one child, 40% for two children, and 50% for three or more children.

Additional Amount for Spouse of Safety Member (31787.6)

A surviving spouse of a safety member, who is killed in the performance of duty or who dies as the result of an accident or injury caused by external violence or physical force, incurred in the performance of his or her duty, is also entitled to receive a lump-sum death benefit equal to 12 x monthly rate of compensation at the time of member's death in addition to all other benefits.

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the monthly allowance or the lump sum, whichever is more valuable.

NONSERVICE-CONNECTED PRE-RETIREMENT DEATH BENEFITS

Eligibility

Plans A-D, G:	Active members who die while in service or while physically or mentally incapacitated for the performance of duty.	(31780)
Plan E:	Not available under Plan E.	(31487)

Death Benefit (Lump Sum) (31781)

The member's accumulated contributions with interest, plus 1/12 of the compensation earned in preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation).

Optional Death Benefit

In lieu of the lump-sum death benefit, the following several optional death benefits are available to provide flexibility to survivors.

First Optional Death Benefit (31781.1,
31781.12)

If a member who would have been entitled to a non-service-connected disability retirement allowance dies prior to retirement as a result of such disability, the surviving spouse (or eligible children) may elect to receive an optional death allowance equal to 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death.

Second Optional Death Benefit (31781.2,
31765.2)

If a member dies prior to reaching the minimum retirement age but has 10 or more years of County service, a surviving spouse (or eligible children) may elect to leave the amount of the death benefit on deposit until the earliest date the member could have retired and at that time receive the allowance provided for in Section 31765 (an Option 3 benefit) or 31765.2 (a 65% continuance).

Third Optional Death Benefit

A surviving spouse of a member who dies after five years of County service may elect a combined benefit equal to:

- (a) A lump sum equal to 1/12 of the compensation earnable in the preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation), plus (31781.3)
- (b) A monthly payment equal to 65% of the monthly retirement allowance to which the member would have been entitled if the member retired or could have retired for a non-service-connected disability as of the date of death, reduced by a monthly amount which is the actuarial equivalent of (a) above based on the age of surviving spouse. (31781.1,
31781.12)

NONSERVICE-CONNECTED PRE-RETIREMENT DEATH BENEFITS (continued)

Fourth Optional Death Benefit

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary, the spouse (or eligible children) may elect to receive 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death. (31765.1, 31765.2)

Fifth Optional Death Benefit

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary and survives the member by not less than 30 days, the spouse (or eligible children) may elect to receive the same retirement allowance as the spouse would have received had the member retired on the date of death and selected Option 3. (31765)

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the first optional death benefit or the lump sum, whichever is more valuable.

POSTRETIREMENT DEATH/BURIAL BENEFIT

Plans A-E: A one-time lump-sum benefit of \$5,000 is payable to the estate or to the beneficiary designated by the member upon the death of any member while receiving a retirement allowance. This is in addition to any other death or survivor benefits. The amount is currently paid by the County based on agreement with LACERA. It is not included for valuation purposes. (31789.3)

DEFERRED RETIREMENT ALLOWANCE

Eligibility

Plans A, B, D and General Plan C: Five years of county or reciprocal service. Member contributions must be left on deposit. (31700)

Safety Plan C: Age 50 with 5 years of service. (7522.25(d))

Plan E: Age 55 with 10 years of service. (31491)

Plan G: Age 52 with 5 years of service. (7522.20(a))

DEFERRED RETIREMENT ALLOWANCE (continued)

Monthly Allowance

Plans A-D, G:	Same as service retirement allowance; payable any time after the member would have been eligible for service retirement.	(31703, 31704, 31705)
	If a former employee dies before the effective date of the deferred retirement allowance, the member's accumulated contributions are paid to the estate or to the named beneficiary.	(31702)
Plan E:	Same as service retirement allowance at normal retirement age 65 or in an actuarially equivalent reduced amount at early retirement, after age 55.	(31491)

TRANSFERS BETWEEN PLAN D AND PLAN E

Members in Plan D may transfer to Plan E on a prospective basis. Members in Plan E may transfer to Plan D on a prospective basis.	(31494.2, 31494.5)
---	--------------------

RECIPROCITY

All Plans:	Reciprocal benefits are granted to members who are entitled to retirement benefits from two or more retirement plans established under the CERL or from a County retirement plan and the California Public Employees' Retirement System (CalPERS). Reciprocity also applies to the members of the State Teachers' Retirement System Defined Benefit Plan.	(31830, 31840.4, 31840.8)
	Final Compensation may be based on service with CalPERS or another County retirement plan, if greater.	(31835)
	Vested former employees are eligible for disability and death benefits from LACERA, if disabled while a member of CalPERS or another County retirement plan, but combined benefits are limited.	(31837, 31838, 31838.5, 31839)

TRANSFER FROM CALPERS

Whenever firefighting or law enforcement functions performed by a public agency or the state subject to the California Public Employees Retirement Law are transferred to the County, fire authority, or district, employees performing those functions become members of LACERA. LACERA and CalPERS may enter into an agreement whereby the members' service credit plus the members' and the cities' or states' retirement contributions are transferred from CalPERS to LACERA. (31657)

COST-OF-LIVING INCREASES

Cost-of-living increases (or decreases) are applied to all retirement allowances (service and disability), optional death allowances, and annual death allowances effective April 1, based on changes in the Consumer Price Index (CPI) from the previous January 1 to the current January 1, to the nearest ½ of 1%. (31870, 31870.1)

Plan A: Members (and their beneficiaries) are limited to a maximum 3% cost-of-living increase. (31870.1)

Plans B-D, G: Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. (31870)

When the CPI exceeds 2% or 3%, the difference between the actual CPI and the maximum cost-of-living increase given in any year is credited to the COLA Accumulation. It may be used in future years to provide cost-of-living increases when the CPI falls below 2% or 3%, depending on the retirement plan.

Plan E: Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. The 2% is pro-rated based on service earned after June 4, 2002. "Elective COLA" increases for service earned prior to June 4, 2002 may be purchased by the member. (31495.5)

STAR PROGRAM

Contributory plan members who have a COLA Accumulation of more than 20% resulting from CPI increases that exceeded the maximum cost-of-living increases that could be granted are eligible for a supplemental cost-of-living increase effective January 1 known as the Supplemental Targeted Adjustment for Retirees Cost-of-Living Adjustment (STAR COLA). These benefits are not evaluated in this report, or as part of the actuarially required funding amount, unless they have been vested by the Board of Retirement. (31874.3(b))

Appendix C Valuation Data and Schedules

On the following table, Exhibit C-1, we present a summary of LACERA membership at June 30, 2024 for active members. Similar information is shown in Exhibits C-2 for retired members and beneficiaries, and former (not retired) employees.

Note that salary amounts shown are the prior year annual pensionable earnings for those members of plans with a one-year final compensation period. For plans with a three-year final compensation period, the monthly rate of pay at June 2024 is shown.

Additional statistical data on both active and retired members is shown in the following tables. Additional detailed summaries are supplied to LACERA staff in a supplementary report.

Exhibit C-3: Age Distribution of Active Members

Exhibit C-4: Age, Service, Compensation Distribution of Active Members

Exhibit C-5: Age, Retirement Year, Benefit Amount and Plan Distribution of Retired Members

Exhibits C-4 and C-5 are shown for all plans combined as well as for each plan separately.

Data on LACERA membership as of June 30, 2024 was supplied to us by LACERA staff. Based on our review of this data and discussions with LACERA staff, all retiree and beneficiary records were included in our valuation.

**Exhibit C-1
 LACERA Membership – Active Members as of June 30, 2024**

	Sex	Vested	NonVested	Total Number	Annual Salary	Average Age	Average Monthly Salary	Average Service
General Members								
Plan A	M	15	-	15	\$ 2,520,252	79.5	\$ 14,001	44.0
	F	25	-	25	2,438,820	74.5	8,129	43.4
Plan B	M	3	-	3	366,576	74.3	10,183	31.0
	F	7	-	7	1,043,880	71.1	12,427	43.3
Plan C	M	3	-	3	239,028	72.0	6,640	45.5
	F	10	-	10	1,530,096	69.5	12,751	43.8
Plan D	M	10,251	42	10,293	1,226,407,980	53.2	9,929	21.8
	F	21,701	60	21,761	2,424,505,584	52.8	9,285	22.0
Plan E	M	3,729	3	3,732	404,582,364	56.9	9,034	25.1
	F	8,339	4	8,343	762,869,820	57.2	7,620	25.8
Plan G	M	7,258	6,738	13,996	1,257,350,376	40.9	7,486	5.2
	F	14,128	13,957	28,085	2,269,060,452	40.2	6,733	5.1
Total		65,469	20,804	86,273	\$ 8,352,915,228	47.4	\$ 8,068	14.3
Safety Members								
Plan A	M	-	-	-	-	N/A	N/A	N/A
	F	-	-	-	-	N/A	N/A	N/A
Plan B	M	5,873	63	5,936	931,990,980	48.0	13,084	21.2
	F	1,079	1	1,080	162,920,148	46.4	12,571	20.1
Plan C	M	2,549	2,042	4,591	508,053,948	34.1	9,222	5.6
	F	446	357	803	88,179,252	33.3	9,151	5.7
Total		9,947	2,463	12,410	\$ 1,691,144,328	41.8	\$ 11,356	14.4
Grand Total		75,416	23,267	98,683	\$ 10,044,059,556	46.7	\$ 8,482	14.3

Notes

1. 19 members were provided without a gender code, or with a non-binary gender code designation. Members of General plans are included in the female categories above, and members of Safety plans are included in the male categories above.

Exhibit C-2
LACERA Membership – Retired Members and Beneficiaries as of June 30, 2024

	Sex	Number	Annual Allowance	Average Age	Average Monthly Benefit
General Members					
Plan A	M	5,563	\$ 450,878,342	82.4	\$ 6,754
	F	10,611	637,024,624	81.9	5,003
Plan B	M	188	14,691,512	77.4	6,512
	F	484	29,095,792	77.2	5,010
Plan C	M	139	8,713,706	76.6	5,224
	F	322	17,196,359	76.3	4,450
Plan D	M	8,531	460,693,238	69.7	4,500
	F	16,319	790,878,679	69.6	4,039
Plan E	M	5,588	211,349,823	73.5	3,152
	F	11,981	376,667,582	73.5	2,620
Plan G	M	186	3,517,064	64.5	1,576
	F	250	3,856,319	64.3	1,285
Total		60,162	\$ 3,004,563,040	74.2	\$ 4,162
Safety Members					
Plan A	M	3,708	\$ 451,739,864	79.6	\$ 10,152
	F	2,014	174,592,861	80.4	7,224
Plan B	M	7,237	846,554,675	62.7	9,748
	F	1,602	138,823,111	60.5	7,221
Plan C	M	32	1,600,689	52.7	4,168
	F	12	460,326	41.3	3,197
Total		14,605	\$ 1,613,771,526	69.1	\$ 9,208
Grand Total		74,767	\$ 4,618,334,566	73.2	\$ 5,147

Notes

- 205 retirees and beneficiaries were provided without a gender code, or with a non-binary gender code designation. Retirees of General plans are included in the female categories above, and retirees of Safety plans are included in the male categories above. Beneficiaries are included in the opposite categories of retirees based on plan.

Exhibit C-2
LACERA Membership –Former Employees (not retired) as of June 30, 2024

	<u>Sex</u>	<u>Number</u>	<u>Average Age</u>
General Members			
Plan A	M	12	77.4
	F	29	76.8
Plan B	M	2	76.5
	F	6	74.3
Plan C	M	5	71.0
	F	7	69.6
Plan D	M	2,427	51.4
	F	5,190	51.1
Plan E	M	842	57.5
	F	1,865	58.1
Plan G	M	2,838	39.6
	F	6,549	39.0
Total		19,772	46.5
Safety Members			
Plan A	M	4	72.0
	F	-	-
Plan B	M	649	46.8
	F	120	47.0
Plan C	M	631	33.4
	F	98	33.8
Total		1,502	40.4
Grand Total		21,274	46.1

Notes

1. *Includes vested and non-vested former employees*
2. *309 former employees were provided without a gender code, or with a non-binary gender code designation. Former employees of General plans are included in the female categories above, and former employees of Safety plans are included in the male categories above.*

Exhibit C-2a
LACERA Membership – Retired Members and Beneficiaries as of June 30, 2024
Subtotaled by Plan and Retirement Type

Plan	Retirement Type	Number	Annual Benefits in Thousands	Average Monthly Benefit
General Plans:				
Plan A				
	Healthy	11,176	\$ 859,273	\$ 6,407
	Disabled	1,028	49,732	4,031
	Beneficiaries	3,970	178,898	3,755
	Total	<u>16,174</u>	<u>\$ 1,087,903</u>	<u>\$ 5,605</u>
Plan B				
	Healthy	557	\$ 38,843	\$ 5,811
	Disabled	42	1,643	3,260
	Beneficiaries	73	3,301	3,768
	Total	<u>672</u>	<u>\$ 43,787</u>	<u>\$ 5,430</u>
Plan C				
	Healthy	352	\$ 22,113	\$ 5,235
	Disabled	43	1,669	3,234
	Beneficiaries	66	2,128	2,687
	Total	<u>461</u>	<u>\$ 25,910</u>	<u>\$ 4,684</u>
Plan D				
	Healthy	20,177	\$ 1,088,254	\$ 4,495
	Disabled	2,546	102,997	3,371
	Beneficiaries	2,127	60,322	2,363
	Total	<u>24,850</u>	<u>\$ 1,251,573</u>	<u>\$ 4,197</u>
Plan E				
	Healthy	15,828	\$ 557,594	\$ 2,936
	Disabled	N/A	N/A	N/A
	Beneficiaries	1,741	30,424	1,456
	Total	<u>17,569</u>	<u>\$ 588,018</u>	<u>\$ 2,789</u>
Plan G				
	Healthy	342	\$ 5,095	\$ 1,241
	Disabled	56	1,789	2,662
	Beneficiaries	38	490	1,074
	Total	<u>436</u>	<u>\$ 7,374</u>	<u>\$ 1,409</u>
Safety Plans:				
Plan A				
	Healthy	1,755	\$ 223,456	\$ 10,610
	Disabled	2,315	263,574	9,488
	Beneficiaries	1,652	139,302	7,027
	Total	<u>5,722</u>	<u>\$ 626,332</u>	<u>\$ 9,122</u>
Plan B				
	Healthy	3,393	\$ 387,336	\$ 9,513
	Disabled	4,995	564,152	9,412
	Beneficiaries	451	33,889	6,262
	Total	<u>8,839</u>	<u>\$ 985,377</u>	<u>\$ 9,290</u>
Plan C				
	Healthy	16	\$ 816	\$ 4,249
	Disabled	24	1,130	3,923
	Beneficiaries	4	116	2,407
	Total	<u>44</u>	<u>\$ 2,062</u>	<u>\$ 3,903</u>
Grand Totals		74,767	4,618,336	5,147

Exhibit C-2b
LACERA Membership – Retired Members and Beneficiaries as of June 30, 2024
Subtotaled by Retirement Type and Plan

<u>Type</u>	<u>Plan</u>	<u>Number</u>	<u>Annual Benefits in Thousands</u>	<u>Average Monthly Benefit</u>
Healthy Retirees				
	General A	11,176	\$ 859,273	\$ 6,407
	General B	557	38,843	5,811
	General C	352	22,113	5,235
	General D	20,177	1,088,254	4,495
	General E	15,828	557,594	2,936
	General G	342	5,095	1,241
	Safety A	1,755	223,456	10,610
	Safety B	3,393	387,336	9,513
	Safety C	16	816	4,249
	Total	53,596	\$ 3,182,780	\$ 4,949
Disabled Retirees				
	General A	1,028	\$ 49,732	\$ 4,031
	General B	42	1,643	3,260
	General C	43	1,669	3,234
	General D	2,546	102,997	3,371
	General E	N/A	N/A	N/A
	General G	56	1,789	2,662
	Safety A	2,315	263,574	9,488
	Safety B	4,995	564,152	9,412
	Safety C	24	1,130	3,923
	Total	11,049	\$ 986,686	\$ 7,442
Beneficiaries				
	General A	3,970	\$ 178,898	\$ 3,755
	General B	73	3,301	3,768
	General C	66	2,128	2,687
	General D	2,127	60,322	2,363
	General E	1,741	30,424	1,456
	General G	38	490	1,074
	Safety A	1,652	139,302	7,027
	Safety B	451	33,889	6,262
	Safety C	4	116	2,407
	Total	10,122	\$ 448,870	\$ 3,695
Grand Totals		74,767	\$ 4,618,336	\$ 5,147

**Exhibit C-3
 Age Distribution of Active Members as of June 30, 2024**

	Age Groups						Total
	0-29	30-39	40-49	50-59	60-69	70+	
General Plans:							
Plan A							
Male	-	-	-	-	1	14	15
Female	-	-	-	-	2	23	25
Plan B							
Male	-	-	-	-	-	3	3
Female	-	-	-	-	3	4	7
Plan C							
Male	-	-	-	-	-	3	3
Female	-	-	-	-	5	5	10
Plan D							
Male	-	436	3,172	4,278	2,121	286	10,293
Female	-	863	7,142	9,006	4,242	508	21,761
Plan E							
Male	-	100	711	1,393	1,237	291	3,732
Female	-	161	1,448	3,199	3,025	510	8,343
Plan G							
Male	1,505	5,782	3,902	1,906	824	77	13,996
Female	3,119	12,493	7,393	3,715	1,255	110	28,085
Safety Plans:							
Plan A							
Male	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-
Plan B							
Male	-	675	2,624	2,434	198	5	5,936
Female	-	157	572	332	18	1	1,080
Plan C							
Male	1,125	2,703	628	110	22	3	4,591
Female	212	495	82	12	2	-	803
Grand Totals:	<u>5,961</u>	<u>23,865</u>	<u>27,674</u>	<u>26,385</u>	<u>12,955</u>	<u>1,843</u>	<u>98,683</u>

**Exhibit C-4
 Age and Service Distribution of Active Members by Count
 and Average Compensation as of June 30, 2024
 All Plans**

Count														
Age	Years of Service												Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over		
Under 25	608	190	35	9	16	-	-	-	-	-	-	-	-	858
25-29	1,715	1,098	638	487	540	624	1	-	-	-	-	-	-	5,103
30-34	1,756	1,339	878	904	1,169	4,273	393	5	-	-	-	-	-	10,717
35-39	1,186	863	683	663	911	5,459	2,324	1,033	26	-	-	-	-	13,148
40-44	793	611	407	414	593	3,674	2,408	4,144	717	63	1	-	-	13,825
45-49	661	436	243	278	362	2,349	1,567	3,913	3,039	929	72	-	-	13,849
50-54	425	293	201	186	266	1,603	1,106	2,777	3,149	2,727	1,024	74	-	13,831
55-59	294	216	143	143	205	1,221	739	1,950	2,241	2,171	2,173	1,058	-	12,554
60-64	128	93	74	79	113	774	628	1,442	1,533	1,231	1,389	1,591	-	9,075
65 & Over	44	26	33	21	60	454	426	1,131	1,224	761	614	929	-	5,723
Total Count	7,610	5,165	3,335	3,184	4,235	20,431	9,592	16,395	11,929	7,882	5,273	3,652	-	98,683

Compensation														
Age	Years of Service												Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over		
Under 25	52,853	65,688	69,326	81,281	84,493	-	-	-	-	-	-	-	-	57,255
25-29	60,210	69,556	72,869	80,039	89,978	91,497	62,436	-	-	-	-	-	-	72,672
30-34	69,084	75,219	79,196	79,484	85,913	91,622	100,482	111,490	-	-	-	-	-	83,549
35-39	75,037	78,481	86,069	91,831	89,258	96,476	106,408	108,913	119,334	-	-	-	-	94,864
40-44	76,409	82,724	88,906	86,873	92,713	99,619	114,643	114,014	120,088	119,889	125,628	-	-	104,635
45-49	77,576	83,157	84,556	84,760	83,266	97,693	117,204	112,342	119,282	129,412	145,724	-	-	108,870
50-54	72,540	78,178	85,710	83,323	83,604	94,360	114,317	109,914	119,758	132,507	139,040	142,951	-	114,456
55-59	74,149	72,180	78,639	85,789	82,546	91,851	102,110	106,286	115,989	124,903	124,653	123,996	-	111,984
60-64	79,755	77,273	75,308	92,936	78,193	89,013	105,886	94,524	103,369	115,426	117,925	120,398	-	106,529
65 & Over	117,839	115,725	103,479	86,760	80,561	92,694	98,649	90,765	93,173	104,331	109,166	114,062	-	99,853
Avg. Annual Compensation	\$ 69,066	\$ 76,049	\$ 81,388	\$ 84,455	\$ 87,281	\$ 95,205	\$ 110,194	\$ 108,361	\$ 114,114	\$ 124,559	\$ 124,159	\$ 120,286	\$	\$ 101,781

Exhibit C-4a
Age and Service Distribution of Active Members by Count
and Average Compensation as of June 30, 2024
General Plan A

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	2	2	2	3	1	30	40
Total Count	-	-	-	-	-	-	2	2	2	3	1	30	40

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	59,802	-	75,222	136,212	54,288	140,870	123,977
Avg. Annual Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,802	\$ -	\$ 75,222	\$ 136,212	\$ 54,288	\$ 140,870	\$ 123,977

**Exhibit C-4b
 Age and Service Distribution of Active Members by Count
 and Average Compensation as of June 30, 2024
 General Plan B**

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	2	1	-	7	10
Total Count	-	-	-	-	-	-	-	-	2	1	-	7	10

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	157,518	175,776	-	131,378	141,046
Avg. Annual Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,518	\$ 175,776	\$ -	\$ 131,378	\$ 141,046

Exhibit C-4c
Age and Service Distribution of Active Members by Count
and Average Compensation as of June 30, 2024
General Plan C

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	4	4
65 & Over	-	-	-	-	-	-	-	-	-	-	-	9	9
Total Count	-	-	-	-	-	-	-	-	-	-	-	13	13

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	104,511	104,511
65 & Over	-	-	-	-	-	-	-	-	-	-	-	150,120	150,120
Avg. Annual Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,086	\$ 136,086

Exhibit C-4d
Age and Service Distribution of Active Members by Count
and Average Compensation as of June 30, 2024
General Plan D

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	3	34	3	-	-	-	-	40
35-39	1	3	1	1	4	42	693	496	18	-	-	-	1,259
40-44	4	4	3	10	4	93	1,085	2,565	427	52	1	-	4,248
45-49	4	9	5	3	5	66	769	2,649	1,927	572	57	-	6,066
50-54	1	7	2	2	6	58	529	1,946	1,995	1,587	595	62	6,790
55-59	3	2	3	1	3	54	353	1,374	1,440	1,396	1,251	614	6,494
60-64	-	2	3	1	2	23	250	976	1,051	797	742	691	4,538
65 & Over	-	-	1	1	2	11	178	726	730	425	284	261	2,619
Total Count	13	27	18	19	26	350	3,891	10,735	7,588	4,829	2,930	1,628	32,054

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	95,500	77,094	90,684	-	-	-	-	79,493
35-39	161,952	118,252	119,424	48,000	132,804	114,719	102,408	94,138	110,147	-	-	-	99,823
40-44	93,819	179,679	94,116	119,438	148,062	121,660	115,052	106,412	110,897	116,225	125,628	-	109,646
45-49	139,056	153,771	114,610	65,904	106,061	119,906	122,902	109,126	114,010	118,012	134,448	-	113,684
50-54	210,144	207,141	95,484	124,428	157,540	127,379	120,264	108,993	117,322	121,896	128,494	136,957	117,615
55-59	160,444	54,582	206,180	255,000	105,180	136,675	105,986	107,557	118,524	124,053	124,369	128,135	118,951
60-64	-	108,678	157,036	340,200	154,464	90,185	113,436	98,630	106,879	121,661	122,202	131,230	114,298
65 & Over	-	-	142,596	55,200	144,672	97,657	100,846	94,521	98,695	111,600	118,883	136,190	105,735
Avg. Annual Compensation	\$ 137,302	\$ 156,812	\$ 133,224	\$ 123,124	\$ 135,108	\$ 120,714	\$ 113,152	\$ 105,613	\$ 113,092	\$ 121,054	\$ 124,323	\$ 131,076	\$ 113,899

Exhibit C-4e
Age and Service Distribution of Active Members by Count
and Average Compensation as of June 30, 2024
General Plan E

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	9	-	-	-	-	-	9
35-39	-	-	-	-	-	1	106	145	-	-	-	-	252
40-44	-	-	-	-	-	2	162	519	90	1	-	-	774
45-49	-	-	-	-	-	-	129	628	522	105	1	-	1,385
50-54	-	-	-	-	-	1	118	519	633	463	174	4	1,912
55-59	-	-	-	-	-	-	89	436	552	510	715	378	2,680
60-64	-	-	-	-	-	1	110	425	439	384	626	868	2,853
65 & Over	-	-	-	-	-	2	81	393	479	326	319	610	2,210
Total Count	-	-	-	-	-	7	804	3,065	2,715	1,789	1,835	1,860	12,075

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	81,005	-	-	-	-	-	81,005
35-39	-	-	-	-	-	70,800	94,046	80,477	-	-	-	-	86,146
40-44	-	-	-	-	-	135,816	99,209	90,001	86,553	67,056	-	-	91,616
45-49	-	-	-	-	-	-	106,727	93,243	91,217	95,882	95,880	-	93,937
50-54	-	-	-	-	-	61,668	105,973	94,578	93,803	105,092	99,361	143,661	98,091
55-59	-	-	-	-	-	-	97,317	89,373	90,505	103,954	105,609	102,792	98,869
60-64	-	-	-	-	-	46,008	102,186	80,914	90,345	96,087	110,665	108,591	100,163
65 & Over	-	-	-	-	-	61,968	115,000	83,134	83,324	93,638	98,770	101,079	93,084
Avg. Annual Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,006	\$ 102,312	\$ 88,760	\$ 89,987	\$ 100,186	\$ 105,547	\$ 105,024	\$ 96,683

Exhibit C-4f
Age and Service Distribution of Active Members by Count
and Average Compensation as of June 30, 2024
General Plan G

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	517	130	21	4	7	-	-	-	-	-	-	-	679
25-29	1,541	926	521	331	295	330	1	-	-	-	-	-	3,945
30-34	1,646	1,215	765	733	900	3,198	197	-	-	-	-	-	8,654
35-39	1,150	811	621	569	786	4,653	1,021	10	-	-	-	-	9,621
40-44	782	585	383	372	539	3,229	829	10	-	-	-	-	6,729
45-49	650	421	229	258	326	2,162	505	15	-	-	-	-	4,566
50-54	420	278	193	176	250	1,497	397	12	3	-	-	-	3,226
55-59	289	210	136	133	195	1,145	276	7	3	1	-	-	2,395
60-64	127	90	71	71	108	744	250	12	3	-	-	-	1,476
65 & Over	44	26	31	19	58	438	163	8	2	1	-	-	790
Total Count	7,166	4,692	2,971	2,666	3,464	17,396	3,639	74	11	2	-	-	42,081

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	50,623	54,727	53,728	48,807	61,435	-	-	-	-	-	-	-	51,606
25-29	58,256	64,772	68,692	67,216	70,494	72,068	62,436	-	-	-	-	-	63,987
30-34	68,572	72,889	76,500	72,991	77,766	83,358	84,769	-	-	-	-	-	77,042
35-39	74,790	77,042	84,632	89,118	85,194	92,439	96,917	86,875	-	-	-	-	88,209
40-44	76,344	81,323	88,169	83,924	89,917	96,516	107,892	109,907	-	-	-	-	92,573
45-49	76,956	81,430	83,254	82,709	79,677	95,508	105,081	139,580	-	-	-	-	90,304
50-54	71,920	73,948	85,051	80,064	80,532	92,171	105,656	131,587	136,944	-	-	-	87,824
55-59	73,035	71,742	74,623	80,042	80,880	88,906	96,518	182,038	119,672	50,748	-	-	84,701
60-64	79,461	76,133	71,854	80,343	75,065	88,511	97,735	139,359	146,948	-	-	-	86,894
65 & Over	117,839	115,725	105,555	85,043	78,350	92,578	87,814	131,003	99,366	139,260	-	-	93,513
Avg. Annual Compensation	\$ 68,537	\$ 73,631	\$ 79,356	\$ 79,246	\$ 81,170	\$ 91,101	\$ 100,455	\$ 130,205	\$ 128,129	\$ 95,004	\$ -	\$ -	\$ 83,801

Exhibit C-4g
Age and Service Distribution of Active Members by Count
and Average Compensation as of June 30, 2024
Safety Plan A

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	-	-	-	-	-	-	-	-	-	-	-

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Avg. Annual Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Exhibit C-4h
 Age and Service Distribution of Active Members by Count
 and Average Compensation as of June 30, 2024
 Safety Plan B**

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	1	-	-	-	1	5	74	2	-	-	-	-	83
35-39	-	-	-	3	4	20	335	379	8	-	-	-	749
40-44	1	-	2	7	10	32	252	1,046	200	10	-	-	1,560
45-49	-	-	-	6	6	21	133	617	587	252	14	-	1,636
50-54	-	1	-	5	2	7	53	299	516	677	255	8	1,823
55-59	-	-	-	7	1	4	17	133	244	264	207	66	943
60-64	-	-	-	4	1	-	10	29	40	50	20	28	182
65 & Over	-	-	-	1	-	-	2	2	8	5	10	12	40
Total Count	2	1	2	33	25	89	876	2,507	1,603	1,258	506	114	7,016

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	98,112	-	-	-	124,440	136,992	133,327	142,698	-	-	-	-	133,242
35-39	-	-	-	112,692	131,796	138,227	137,620	139,428	140,007	-	-	-	138,445
40-44	84,816	-	122,490	119,522	130,571	132,820	140,845	144,520	154,801	144,227	-	-	144,734
45-49	-	-	-	140,340	129,944	145,499	138,323	144,865	161,530	169,257	195,189	-	154,437
50-54	-	141,252	-	158,503	122,880	136,608	135,750	141,642	160,959	176,131	190,722	189,050	166,826
55-59	-	-	-	162,237	119,148	156,411	132,760	144,615	158,418	170,149	192,156	206,935	170,072
60-64	-	-	-	158,343	181,980	-	141,625	137,230	150,809	164,561	186,901	221,387	167,080
65 & Over	-	-	-	150,936	-	-	162,792	156,606	166,260	143,201	170,296	188,538	170,031
Avg. Annual Compensation	\$ 91,464	\$ 141,252	\$ 122,490	\$ 143,311	\$ 131,355	\$ 138,619	\$ 138,187	\$ 143,421	\$ 159,681	\$ 172,654	\$ 190,878	\$ 207,293	\$ 156,059

Exhibit C-4i
Age and Service Distribution of Active Members by Count
and Average Compensation as of June 30, 2024
Safety Plan C

Count													
Age	Years of Service											Total Count	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	91	60	14	5	9	-	-	-	-	-	-	-	179
25-29	174	172	117	156	245	294	-	-	-	-	-	-	1,158
30-34	109	124	113	171	268	1,067	79	-	-	-	-	-	1,931
35-39	35	49	61	90	117	743	169	3	-	-	-	-	1,267
40-44	6	22	19	25	40	318	80	4	-	-	-	-	514
45-49	7	6	9	11	25	100	31	4	3	-	-	-	196
50-54	4	7	6	3	8	40	9	1	2	-	-	-	80
55-59	2	4	4	2	6	18	4	-	2	-	-	-	42
60-64	1	1	-	3	2	6	8	-	-	-	1	-	22
65 & Over	-	-	1	-	-	3	-	-	1	-	-	-	5
Total Count	429	445	344	466	720	2,589	380	12	8	-	1	-	5,394

Compensation													
Age	Years of Service											Average Comp.	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35&Over
Under 25	65,522	89,438	92,724	107,261	102,427	-	-	-	-	-	-	-	78,687
25-29	77,508	95,309	91,467	107,248	113,438	113,306	-	-	-	-	-	-	102,259
30-34	76,554	98,050	97,442	107,315	113,128	116,169	121,185	-	-	-	-	-	110,673
35-39	80,658	99,868	100,155	108,771	113,610	119,637	126,038	144,320	-	-	-	-	116,442
40-44	71,908	102,342	99,407	108,582	115,382	121,108	127,776	138,120	-	-	-	-	119,044
45-49	99,938	98,386	100,980	107,700	114,298	120,242	126,342	122,067	122,880	-	-	-	117,544
50-54	103,146	108,159	103,646	121,780	114,332	121,817	129,971	115,056	109,926	-	-	-	118,111
55-59	105,690	103,974	119,508	115,818	119,298	130,359	122,235	-	143,010	-	-	-	123,194
60-64	117,060	117,060	-	221,340	118,950	153,868	130,859	-	-	-	109,704	-	146,174
65 & Over	-	-	-	-	-	111,832	-	-	90,504	-	-	-	85,200
Avg. Annual Compensation	\$ 75,730	\$ 96,501	\$ 95,981	\$ 108,514	\$ 113,425	\$ 117,871	\$ 125,574	\$ 132,397	\$ 120,627	\$ -	\$ 109,704	\$ -	\$ 110,536

Exhibit C-5
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
All Plans

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	5	3	10	49	83	150	\$ 1,184
35-39	-	-	-	-	-	1	2	5	4	47	79	138	2,513
40-44	-	-	-	-	-	-	2	8	21	85	133	249	3,052
45-49	-	-	-	-	-	2	4	23	74	142	200	445	3,572
50-54	-	-	-	-	1	8	59	73	101	183	805	1,230	3,763
55-59	-	-	-	1	24	85	130	118	194	831	2,876	4,259	6,500
60-64	-	-	-	10	73	152	158	167	652	2,734	3,757	7,703	6,056
65-69	-	1	19	51	113	131	179	566	2,238	3,406	5,543	12,247	5,376
70-74	-	21	64	94	119	173	578	2,167	3,251	5,100	2,726	14,293	4,939
75-79	11	97	173	146	206	746	2,319	2,972	3,735	2,225	1,349	13,979	5,073
80-84	22	105	141	167	654	1,602	2,277	2,058	1,414	862	734	10,036	5,111
85-89	35	68	106	380	976	1,083	1,161	671	509	446	461	5,896	4,675
90-94	43	57	221	359	677	489	288	226	194	237	210	3,001	4,213
95-99	16	66	134	132	174	93	69	73	90	59	55	961	3,774
100 & Over	7	26	32	31	25	13	12	5	12	11	6	180	3,045
Total Count	134	441	890	1,371	3,042	4,578	7,243	9,135	12,499	16,417	19,017	74,767	
Avg Monthly Benefit	\$ 2,586	\$ 3,234	\$ 3,255	\$ 3,758	\$ 4,871	\$ 4,983	\$ 5,802	\$ 5,017	\$ 4,988	\$ 5,096	\$ 5,445		\$ 5,147

Exhibit C-5a
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
General Plan A

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	1	-	1	-	4	6	\$ 678
35-39	-	-	-	-	-	-	-	2	-	4	-	6	1,120
40-44	-	-	-	-	-	-	1	3	2	2	6	14	2,410
45-49	-	-	-	-	-	-	1	3	5	-	-	9	2,600
50-54	-	-	-	-	-	2	1	4	3	3	5	18	3,565
55-59	-	-	-	1	1	2	4	4	3	1	7	23	2,208
60-64	-	-	-	-	-	3	3	11	6	12	8	43	3,932
65-69	-	-	4	7	3	7	14	53	108	94	39	329	5,270
70-74	-	12	24	23	21	28	218	495	784	224	143	1,972	6,124
75-79	6	44	57	45	71	419	877	1,291	594	203	235	3,842	6,348
80-84	11	50	59	65	463	746	1,327	620	244	209	252	4,046	5,993
85-89	21	41	50	292	636	714	545	192	179	187	229	3,086	5,264
90-94	25	40	181	257	540	298	116	94	96	128	129	1,904	4,370
95-99	14	57	112	120	137	52	40	47	63	38	41	721	3,915
100 & Over	7	24	30	29	17	11	10	5	10	7	5	155	3,040
Total Count	84	268	517	839	1,889	2,282	3,158	2,824	2,098	1,112	1,103	16,174	
Avg Monthly Benefit	\$ 1,985	\$ 2,634	\$ 2,558	\$ 3,177	\$ 4,672	\$ 4,935	\$ 6,757	\$ 6,893	\$ 6,757	\$ 5,190	\$ 4,495		\$ 5,605

Exhibit C-5b
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
General Plan B

Age	Retirement Year											Total Count	Average Monthly Benefit	
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24			
Under 35	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	1	-	1	1	2,964
55-59	-	-	-	-	-	-	-	-	-	-	1	1	1	3,385
60-64	-	-	-	-	-	-	-	1	1	1	2	5	5	3,812
65-69	-	-	-	-	1	1	-	14	17	41	10	84	84	5,905
70-74	-	-	-	1	2	1	11	25	84	51	9	184	184	6,825
75-79	-	-	2	4	3	11	22	52	57	14	7	172	172	5,419
80-84	-	-	1	4	5	12	33	23	16	5	6	105	105	4,539
85-89	-	-	1	-	5	15	22	12	8	2	5	70	70	4,512
90-94	-	-	-	2	7	13	2	6	2	2	1	35	35	3,315
95-99	-	-	1	2	5	1	3	1	-	2	-	15	15	2,079
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	5	13	28	54	93	134	185	119	41	672		
Avg Monthly Benefit	\$ -	\$ -	\$ 1,685	\$ 1,606	\$ 1,941	\$ 2,670	\$ 3,845	\$ 5,110	\$ 6,812	\$ 7,348	\$ 5,958			\$ 5,430

Exhibit C-5c
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
General Plan C

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	-	1	1	2	\$ 2,708
35-39	-	-	-	-	-	-	-	-	-	1	-	1	5,415
40-44	-	-	-	-	-	-	-	-	-	-	1	1	1,393
45-49	-	-	-	-	-	-	-	-	2	-	-	2	1,596
50-54	-	-	-	-	-	-	-	-	1	-	-	1	1,757
55-59	-	-	-	-	-	-	-	-	-	1	1	2	1,298
60-64	-	-	-	-	-	-	1	-	1	2	2	6	4,597
65-69	-	-	1	2	-	1	-	3	11	33	19	70	5,745
70-74	-	1	2	3	2	3	10	15	40	36	6	118	6,113
75-79	-	-	2	2	1	5	14	21	40	16	3	104	5,208
80-84	-	-	-	2	8	8	12	24	10	3	2	69	3,079
85-89	-	-	-	6	6	9	15	4	4	2	2	48	3,160
90-94	-	-	-	1	4	7	5	4	3	1	-	25	2,340
95-99	-	-	-	-	6	2	-	1	1	2	-	12	2,009
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	1	5	16	27	35	57	72	113	98	37	461	
Avg Monthly Benefit	\$ -	\$ 2,116	\$ 1,739	\$ 1,093	\$ 1,537	\$ 2,348	\$ 2,991	\$ 3,650	\$ 6,222	\$ 6,622	\$ 5,996		\$ 4,684

**Exhibit C-5d
 Distribution of Retired Members and Beneficiaries by Age and Retirement Year
 as of June 30, 2024
 General Plan D**

Age	Retirement Year										Total Count	Average Monthly Benefit	
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19			2020-24
Under 35	-	-	-	-	-	-	2	1	7	27	34	71	\$ 926
35-39	-	-	-	-	-	-	1	-	1	19	25	46	1,826
40-44	-	-	-	-	-	-	1	2	6	32	55	96	2,096
45-49	-	-	-	-	-	1	1	6	32	47	81	168	2,595
50-54	-	-	-	-	1	3	14	15	37	80	479	629	2,460
55-59	-	-	-	-	3	5	27	38	84	490	1,096	1,743	3,308
60-64	-	-	-	-	8	33	45	57	411	969	2,257	3,780	4,579
65-69	-	-	2	7	22	37	62	327	666	1,791	2,949	5,863	4,932
70-74	-	1	3	11	24	43	200	441	1,116	2,309	1,293	5,441	4,484
75-79	-	-	2	12	26	134	240	575	1,319	1,016	467	3,791	3,977
80-84	-	-	1	8	37	114	264	574	535	275	151	1,959	3,539
85-89	-	-	3	9	35	87	250	223	144	90	62	903	2,934
90-94	-	-	1	5	20	67	71	53	23	29	19	288	2,663
95-99	-	-	-	2	8	21	8	12	7	3	4	65	2,106
100 & Over	-	-	-	1	4	-	-	-	-	2	-	7	1,207
Total Count	-	1	12	55	188	545	1,186	2,324	4,388	7,179	8,972	24,850	
Avg Monthly Benefit	\$ -	\$ 3,296	\$ 2,205	\$ 1,808	\$ 1,972	\$ 2,197	\$ 2,558	\$ 3,007	\$ 3,845	\$ 4,344	\$ 4,962		\$ 4,197

Exhibit C-5e
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
General Plan E

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	-	14	16	30	\$ 812
35-39	-	-	-	-	-	1	-	3	2	5	15	26	831
40-44	-	-	-	-	-	-	-	2	5	10	11	28	1,201
45-49	-	-	-	-	-	1	-	1	6	21	17	46	1,262
50-54	-	-	-	-	-	-	-	3	11	18	31	63	1,250
55-59	-	-	-	-	-	-	2	7	15	33	320	377	1,210
60-64	-	-	-	-	-	-	2	3	21	405	734	1,165	2,113
65-69	-	-	-	-	-	-	2	9	480	752	2,232	3,475	3,464
70-74	-	-	-	-	-	4	8	542	765	2,317	1,080	4,716	3,186
75-79	-	-	-	-	-	8	367	609	1,631	860	493	3,968	2,777
80-84	-	-	-	-	2	193	272	776	550	280	202	2,275	2,393
85-89	-	-	-	-	55	114	302	203	128	103	75	980	1,785
90-94	-	-	-	13	41	93	75	43	32	35	19	351	1,477
95-99	-	-	-	-	17	16	10	3	6	5	4	61	1,151
100 & Over	-	-	1	1	2	2	1	-	1	-	-	8	576
Total Count	-	-	1	14	117	432	1,041	2,204	3,653	4,858	5,249	17,569	
Avg Monthly Benefit	\$ -	\$ -	\$ 81	\$ 261	\$ 530	\$ 780	\$ 1,243	\$ 1,703	\$ 2,666	\$ 3,139	\$ 3,537		\$ 2,789

Exhibit C-5f
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
General Plan G

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	-	-	8	8	\$ 1,372
35-39	-	-	-	-	-	-	-	-	-	2	9	11	2,184
40-44	-	-	-	-	-	-	-	-	-	1	5	6	1,979
45-49	-	-	-	-	-	-	-	-	-	2	5	7	1,730
50-54	-	-	-	-	-	-	-	-	-	2	20	22	1,381
55-59	-	-	-	-	-	-	-	-	-	4	35	39	1,109
60-64	-	-	-	-	-	-	-	1	-	6	72	79	1,103
65-69	-	-	-	-	-	-	-	-	-	13	123	136	1,335
70-74	-	-	-	-	-	-	-	-	-	13	73	86	1,412
75-79	-	-	-	-	-	-	-	-	-	10	24	34	2,007
80-84	-	-	-	-	-	-	-	-	-	2	4	6	3,486
85-89	-	-	-	-	-	-	-	-	-	1	1	2	1,306
90-94	-	-	-	-	-	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	-	-	-	-	-	-	1	56	379	436	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,027	\$ 1,789	\$ 1,354		\$ 1,409

Exhibit C-5g
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
Safety Plan A

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	2	1	1	4	\$ -
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	1	1	272
45-49	-	-	-	-	-	-	-	-	1	1	-	2	7,452
50-54	-	-	-	-	-	-	-	-	-	1	1	2	11,204
55-59	-	-	-	-	-	1	3	-	2	-	3	9	7,825
60-64	-	-	-	-	2	-	2	-	6	9	5	24	7,111
65-69	-	1	3	2	3	5	7	8	87	19	27	162	11,148
70-74	-	7	27	31	33	61	72	387	144	61	83	906	10,378
75-79	5	53	102	72	90	144	747	317	54	86	115	1,785	9,557
80-84	11	55	80	88	134	526	351	37	53	86	114	1,535	8,965
85-89	14	27	52	73	237	144	26	37	45	60	87	802	8,014
90-94	18	17	39	81	64	11	18	25	37	41	42	393	7,262
95-99	2	9	21	8	1	1	8	9	13	9	6	87	6,223
100 & Over	-	2	1	-	2	-	1	-	1	2	1	10	6,387
Total Count	50	171	325	355	566	893	1,235	820	445	376	486	5,722	
Avg Monthly Benefit	\$ 3,595	\$ 4,182	\$ 4,492	\$ 5,934	\$ 8,127	\$ 9,392	\$ 11,064	\$ 11,568	\$ 10,519	\$ 8,170	\$ 7,907		\$ 9,122

Exhibit C-5h
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
Safety Plan B

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	2	2	-	5	11	20	\$ 1,776
35-39	-	-	-	-	-	-	1	-	1	15	25	42	4,487
40-44	-	-	-	-	-	-	-	1	8	40	51	100	4,656
45-49	-	-	-	-	-	-	2	13	28	70	96	209	4,949
50-54	-	-	-	-	-	3	44	51	49	78	265	490	5,859
55-59	-	-	-	-	20	77	94	69	90	302	1,410	2,062	10,322
60-64	-	-	-	10	63	116	105	95	205	1,327	668	2,589	10,186
65-69	-	-	9	33	84	80	94	152	869	663	141	2,125	9,533
70-74	-	-	8	25	37	33	59	262	318	88	39	869	8,709
75-79	-	-	8	11	15	25	52	107	39	20	5	282	6,405
80-84	-	-	-	-	5	3	18	4	6	2	3	41	4,878
85-89	-	-	-	-	2	-	1	-	1	1	-	5	4,354
90-94	-	-	-	-	1	-	1	1	1	1	-	5	1,836
95-99	-	-	-	-	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	25	79	227	337	473	757	1,615	2,612	2,714	8,839	
Avg Monthly Benefit	\$ -	\$ -	\$ 2,829	\$ 3,026	\$ 3,807	\$ 4,158	\$ 4,582	\$ 6,851	\$ 9,223	\$ 10,231	\$ 11,263		\$ 9,290

Exhibit C-5i
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2024
Safety Plan C

Age	Retirement Year										Total Count	Average Monthly Benefit	
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19			2020-24
Under 35	-	-	-	-	-	-	-	-	-	1	8	9	\$ 3,503
35-39	-	-	-	-	-	-	-	-	-	1	5	6	2,755
40-44	-	-	-	-	-	-	-	-	-	-	3	3	4,032
45-49	-	-	-	-	-	-	-	-	-	1	1	2	3,769
50-54	-	-	-	-	-	-	-	-	-	-	4	4	2,421
55-59	-	-	-	-	-	-	-	-	-	-	3	3	2,329
60-64	-	-	-	-	-	-	-	-	-	3	9	12	2,819
65-69	-	-	-	-	-	-	-	-	-	-	3	3	2,140
70-74	-	-	-	-	-	-	-	-	-	1	-	1	26,602
75-79	-	-	-	-	-	-	-	-	1	-	-	1	20,537
80-84	-	-	-	-	-	-	-	-	-	-	-	-	-
85-89	-	-	-	-	-	-	-	-	-	-	-	-	-
90-94	-	-	-	-	-	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	-	-	-	-	-	-	1	7	36	44	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,537	\$ 5,737	\$ 3,085		\$ 3,903

Appendix D Member Contribution Rates

This section illustrates the member normal contribution rates and the normal plus cost-of-living contribution rates by entry age.

Exhibit D-1
Normal Member Contribution Rates

Entry Age	General					Safety		
	Plan A	Plan B	Plan C	Plan D	Plan G	Plan A	Plan B	Plan C
16	2.78%	5.57%	4.77%	4.77%	7.53%	4.47%	8.94%	11.78%
17	2.84%	5.68%	4.86%	4.86%	7.53%	4.47%	8.94%	11.78%
18	2.90%	5.79%	4.96%	4.96%	7.53%	4.47%	8.94%	11.78%
19	2.95%	5.91%	5.06%	5.06%	7.53%	4.55%	9.09%	11.78%
20	3.01%	6.03%	5.16%	5.16%	7.53%	4.58%	9.16%	11.78%
21	3.07%	6.15%	5.27%	5.27%	7.53%	4.61%	9.22%	11.78%
22	3.13%	6.27%	5.37%	5.37%	7.53%	4.69%	9.38%	11.78%
23	3.20%	6.39%	5.48%	5.48%	7.53%	4.77%	9.54%	11.78%
24	3.26%	6.52%	5.59%	5.59%	7.53%	4.85%	9.70%	11.78%
25	3.33%	6.65%	5.70%	5.70%	7.53%	4.89%	9.77%	11.78%
26	3.39%	6.79%	5.82%	5.82%	7.53%	4.92%	9.84%	11.78%
27	3.46%	6.92%	5.93%	5.93%	7.53%	5.00%	10.01%	11.78%
28	3.53%	7.06%	6.05%	6.05%	7.53%	5.09%	10.18%	11.78%
29	3.60%	7.21%	6.17%	6.17%	7.53%	5.18%	10.36%	11.78%
30	3.68%	7.35%	6.30%	6.30%	7.53%	5.23%	10.47%	11.78%
31	3.75%	7.50%	6.42%	6.42%	7.53%	5.29%	10.58%	11.78%
32	3.83%	7.66%	6.55%	6.55%	7.53%	5.38%	10.77%	11.78%
33	3.91%	7.81%	6.69%	6.69%	7.53%	5.48%	10.96%	11.78%
34	3.98%	7.96%	6.82%	6.82%	7.53%	5.58%	11.16%	11.78%
35	4.06%	8.12%	6.96%	6.96%	7.53%	5.69%	11.37%	11.78%
36	4.14%	8.28%	7.10%	7.10%	7.53%	5.79%	11.59%	11.78%
37	4.22%	8.43%	7.25%	7.25%	7.53%	5.90%	11.80%	11.78%
38	4.30%	8.59%	7.39%	7.39%	7.53%	6.01%	12.02%	11.78%
39	4.38%	8.75%	7.54%	7.54%	7.53%	6.12%	12.24%	11.78%
40	4.46%	8.91%	7.69%	7.69%	7.53%	6.23%	12.47%	11.78%
41	4.54%	9.08%	7.83%	7.83%	7.53%	6.35%	12.69%	11.78%
42	4.62%	9.24%	7.98%	7.98%	7.53%	6.45%	12.90%	11.78%
43	4.70%	9.41%	8.13%	8.13%	7.53%	6.55%	13.10%	11.78%
44	4.78%	9.57%	8.28%	8.28%	7.53%	6.64%	13.28%	11.78%
45	4.86%	9.73%	8.44%	8.44%	7.53%	6.70%	13.40%	11.78%
46	4.94%	9.88%	8.59%	8.59%	7.53%	6.70%	13.41%	11.78%
47	5.01%	10.03%	8.75%	8.75%	7.53%	6.70%	13.41%	11.78%
48	5.07%	10.15%	8.91%	8.91%	7.53%	6.70%	13.41%	11.78%
49	5.12%	10.24%	9.06%	9.06%	7.53%	6.70%	13.41%	11.78%
50	5.15%	10.29%	9.21%	9.21%	7.53%	6.70%	13.41%	11.78%
51	5.16%	10.32%	9.36%	9.36%	7.53%	6.70%	13.41%	11.78%
52	5.16%	10.32%	9.49%	9.49%	7.53%	6.70%	13.41%	11.78%
53	5.16%	10.32%	9.61%	9.61%	7.53%	6.70%	13.41%	11.78%
54	5.16%	10.32%	9.69%	9.69%	7.53%	6.70%	13.41%	11.78%
55	5.16%	10.32%	9.74%	9.74%	7.53%	6.70%	13.41%	11.78%
56	5.16%	10.32%	9.76%	9.76%	7.53%	6.70%	13.41%	11.78%
57	5.16%	10.32%	9.76%	9.76%	7.53%	6.70%	13.41%	11.78%
58	5.16%	10.32%	9.76%	9.76%	7.53%	6.70%	13.41%	11.78%
59	5.16%	10.32%	9.76%	9.76%	7.53%	6.70%	13.41%	11.78%
60	5.16%	10.32%	9.76%	9.76%	7.53%	6.70%	13.41%	11.78%

Exhibit D-2
Normal Plus Cost-of-Living Member Contribution Rates

Entry Age	General					Safety		
	Plan A	Plan B	Plan C	Plan D	Plan G	Plan A	Plan B	Plan C
16	5.06%	7.02%	6.02%	6.04%	9.30%	8.37%	11.93%	15.14%
17	5.17%	7.16%	6.13%	6.15%	9.30%	8.37%	11.93%	15.14%
18	5.28%	7.30%	6.26%	6.28%	9.30%	8.37%	11.93%	15.14%
19	5.37%	7.45%	6.39%	6.41%	9.30%	8.52%	12.13%	15.14%
20	5.48%	7.60%	6.51%	6.53%	9.30%	8.57%	12.22%	15.14%
21	5.59%	7.76%	6.65%	6.67%	9.30%	8.63%	12.30%	15.14%
22	5.70%	7.91%	6.78%	6.80%	9.30%	8.78%	12.52%	15.14%
23	5.83%	8.06%	6.92%	6.94%	9.30%	8.93%	12.73%	15.14%
24	5.94%	8.22%	7.05%	7.08%	9.30%	9.08%	12.94%	15.14%
25	6.06%	8.39%	7.19%	7.22%	9.30%	9.15%	13.04%	15.14%
26	6.17%	8.56%	7.34%	7.37%	9.30%	9.21%	13.13%	15.14%
27	6.30%	8.73%	7.48%	7.51%	9.30%	9.36%	13.36%	15.14%
28	6.43%	8.90%	7.63%	7.66%	9.30%	9.53%	13.58%	15.14%
29	6.55%	9.09%	7.79%	7.81%	9.30%	9.69%	13.82%	15.14%
30	6.70%	9.27%	7.95%	7.98%	9.30%	9.79%	13.97%	15.14%
31	6.83%	9.46%	8.10%	8.13%	9.30%	9.90%	14.12%	15.14%
32	6.97%	9.66%	8.27%	8.29%	9.30%	10.07%	14.37%	15.14%
33	7.12%	9.85%	8.44%	8.47%	9.30%	10.26%	14.62%	15.14%
34	7.25%	10.04%	8.61%	8.63%	9.30%	10.44%	14.89%	15.14%
35	7.39%	10.24%	8.78%	8.81%	9.30%	10.65%	15.17%	15.14%
36	7.54%	10.44%	8.96%	8.99%	9.30%	10.84%	15.46%	15.14%
37	7.68%	10.63%	9.15%	9.18%	9.30%	11.04%	15.74%	15.14%
38	7.83%	10.83%	9.33%	9.36%	9.30%	11.25%	16.04%	15.14%
39	7.98%	11.03%	9.51%	9.54%	9.30%	11.45%	16.33%	15.14%
40	8.12%	11.24%	9.70%	9.73%	9.30%	11.66%	16.64%	15.14%
41	8.27%	11.45%	9.88%	9.91%	9.30%	11.88%	16.93%	15.14%
42	8.41%	11.65%	10.07%	10.10%	9.30%	12.07%	17.21%	15.14%
43	8.56%	11.87%	10.26%	10.29%	9.30%	12.26%	17.48%	15.14%
44	8.70%	12.07%	10.45%	10.48%	9.30%	12.43%	17.72%	15.14%
45	8.85%	12.27%	10.65%	10.68%	9.30%	12.54%	17.88%	15.14%
46	8.99%	12.46%	10.84%	10.87%	9.30%	12.54%	17.89%	15.14%
47	9.12%	12.65%	11.04%	11.08%	9.30%	12.54%	17.89%	15.14%
48	9.23%	12.80%	11.24%	11.28%	9.30%	12.54%	17.89%	15.14%
49	9.32%	12.91%	11.43%	11.47%	9.30%	12.54%	17.89%	15.14%
50	9.38%	12.98%	11.62%	11.66%	9.30%	12.54%	17.89%	15.14%
51	9.40%	13.01%	11.81%	11.85%	9.30%	12.54%	17.89%	15.14%
52	9.40%	13.01%	11.98%	12.01%	9.30%	12.54%	17.89%	15.14%
53	9.40%	13.01%	12.13%	12.17%	9.30%	12.54%	17.89%	15.14%
54	9.40%	13.01%	12.23%	12.27%	9.30%	12.54%	17.89%	15.14%
55	9.40%	13.01%	12.29%	12.33%	9.30%	12.54%	17.89%	15.14%
56	9.40%	13.01%	12.32%	12.36%	9.30%	12.54%	17.89%	15.14%
57	9.40%	13.01%	12.32%	12.36%	9.30%	12.54%	17.89%	15.14%
58	9.40%	13.01%	12.32%	12.36%	9.30%	12.54%	17.89%	15.14%
59	9.40%	13.01%	12.32%	12.36%	9.30%	12.54%	17.89%	15.14%
60	9.40%	13.01%	12.32%	12.36%	9.30%	12.54%	17.89%	15.14%

Appendix E Historical Information

This section presents historical statistical information on LACERA's membership and the calculated contribution rates.

**Exhibit E-1
 Active Membership Data**

General Members						Safety Members					Total Members				
Valuation Date (June 30)	Annual Salary (in millions)	Average Age	Average Service	Average Monthly Salary	Number	Annual Salary (in millions)	Average Age	Average Service	Average Monthly Salary	Number	Annual Salary (in millions)	Average Age	Average Service	Average Monthly Salary	Number
1998	\$ 2,837	44.7	12.9	\$ 3,594	65,782	\$ 725	39.9	13.8	\$ 5,519	10,947	\$ 3,562	44.0	13.0	\$ 3,870	76,729
1999	\$ 3,105	44.6	12.7	\$ 3,769	68,652	\$ 753	40.0	13.7	\$ 5,696	11,024	\$ 3,858	43.9	12.8	\$ 4,035	79,676
2000	\$ 3,353	44.4	12.5	\$ 3,884	71,940	\$ 790	39.8	13.8	\$ 5,849	11,264	\$ 4,143	43.8	12.6	\$ 4,150	83,204
2001	\$ 3,608	44.5	12.3	\$ 4,006	75,048	\$ 860	39.6	13.0	\$ 5,967	12,021	\$ 4,468	43.9	12.4	\$ 4,277	87,069
2002	\$ 3,833	44.7	12.3	\$ 4,145	77,062	\$ 894	39.6	13.8	\$ 6,115	12,190	\$ 4,727	44.0	12.5	\$ 4,414	89,252
2003	\$ 3,954	45.2	12.7	\$ 4,336	75,995	\$ 899	40.1	13.7	\$ 6,370	11,765	\$ 4,853	44.5	12.9	\$ 4,609	87,760
2004	\$ 3,967	45.6	13.1	\$ 4,418	74,826	\$ 885	40.6	14.7	\$ 6,467	11,409	\$ 4,852	44.9	13.3	\$ 4,689	86,235
2005	\$ 4,046	45.8	13.2	\$ 4,486	75,167	\$ 905	41.0	14.9	\$ 6,722	11,217	\$ 4,951	45.2	13.4	\$ 4,777	86,384
2006	\$ 4,267	45.7	13.0	\$ 4,608	77,167	\$ 969	41.2	15.0	\$ 7,047	11,464	\$ 5,236	45.1	13.3	\$ 4,924	88,631
2007	\$ 4,673	45.7	12.8	\$ 4,878	79,829	\$ 1,104	40.8	14.4	\$ 7,499	12,267	\$ 5,777	45.1	13.0	\$ 5,227	92,096
2008	\$ 5,017	45.8	12.8	\$ 5,119	81,664	\$ 1,187	40.5	13.7	\$ 7,714	12,828	\$ 6,204	45.1	12.9	\$ 5,471	94,492
2009	\$ 5,348	46.1	13.1	\$ 5,377	82,878	\$ 1,240	40.8	14.0	\$ 8,002	12,910	\$ 6,588	45.4	13.2	\$ 5,731	95,788
2010	\$ 5,318	46.6	13.6	\$ 5,444	81,413	\$ 1,257	41.3	14.5	\$ 8,062	12,997	\$ 6,575	45.9	13.7	\$ 5,804	94,410
2011	\$ 5,295	47.0	14.0	\$ 5,506	80,145	\$ 1,240	41.9	15.1	\$ 8,172	12,641	\$ 6,535	46.3	14.2	\$ 5,869	92,786
2012	\$ 5,272	47.3	14.4	\$ 5,528	79,467	\$ 1,230	42.3	15.5	\$ 8,209	12,485	\$ 6,502	46.7	14.6	\$ 5,892	91,952
2013	\$ 5,253	47.6	14.8	\$ 5,541	79,006	\$ 1,235	42.3	15.7	\$ 8,207	12,539	\$ 6,488	46.9	14.9	\$ 5,906	91,545
2014	\$ 5,488	47.6	14.9	\$ 5,720	79,943	\$ 1,253	42.6	15.8	\$ 8,337	12,523	\$ 6,741	47.0	15.0	\$ 6,075	92,466
2015	\$ 5,706	47.6	14.8	\$ 5,854	81,228	\$ 1,300	42.8	16.0	\$ 8,702	12,446	\$ 7,006	46.9	15.0	\$ 6,233	93,674
2016	\$ 5,950	47.4	14.6	\$ 5,980	82,916	\$ 1,343	42.8	16.0	\$ 8,931	12,528	\$ 7,293	46.8	14.8	\$ 6,367	95,444
2017	\$ 6,290	47.3	14.5	\$ 6,202	84,513	\$ 1,388	42.5	15.6	\$ 9,110	12,698	\$ 7,678	46.7	14.6	\$ 6,582	97,211
2018	\$ 6,610	47.2	14.4	\$ 6,428	85,703	\$ 1,452	42.2	15.3	\$ 9,471	12,771	\$ 8,062	46.6	14.5	\$ 6,822	98,474
2019	\$ 6,816	47.3	14.4	\$ 6,574	86,392	\$ 1,540	42.0	15.1	\$ 10,032	12,794	\$ 8,356	46.6	14.5	\$ 7,020	99,186
2020	\$ 7,186	47.3	14.4	\$ 6,889	86,930	\$ 1,591	41.4	14.4	\$ 10,058	13,178	\$ 8,777	46.5	14.4	\$ 7,306	100,108
2021	\$ 7,438	47.5	14.6	\$ 7,210	85,963	\$ 1,651	41.4	14.2	\$ 10,471	13,138	\$ 9,088	46.7	14.5	\$ 7,642	99,101
2022	\$ 7,335	47.6	14.7	\$ 7,304	83,689	\$ 1,627	41.6	14.3	\$ 10,551	12,850	\$ 8,962	46.8	14.7	\$ 7,736	96,539
2023	\$ 7,843	47.6	14.6	\$ 7,753	84,295	\$ 1,683	41.7	14.3	\$ 11,125	12,610	\$ 9,526	46.9	14.6	\$ 8,192	96,905
2024	\$ 8,413	47.4	14.3	\$ 8,127	86,273	\$ 1,718	41.8	14.4	\$ 11,533	12,410	\$ 10,131	46.7	14.3	\$ 8,555	98,683

Exhibit E-2
Retired Membership Data

Valuation Date (June 30)	General Members				Safety Members				Total Members			
	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit
1998	35,462	\$ 692	71.1	\$ 1,626	7,425	\$ 267	62.5	\$ 3,001	42,887	\$ 959	69.6	\$ 1,864
1999	35,837	\$ 725	71.4	\$ 1,686	7,674	\$ 291	63.1	\$ 3,166	43,511	\$ 1,016	70.0	\$ 1,947
2000	36,596	\$ 780	71.4	\$ 1,778	8,032	\$ 324	63.1	\$ 3,358	44,628	\$ 1,104	69.9	\$ 2,062
2001	37,077	\$ 890	71.6	\$ 2,001	8,319	\$ 382	63.4	\$ 3,828	45,396	\$ 1,272	70.1	\$ 2,336
2002	37,618	\$ 914	71.8	\$ 2,025	8,624	\$ 403	63.7	\$ 3,892	46,242	\$ 1,317	70.3	\$ 2,374
2003	38,283	\$ 984	71.9	\$ 2,142	8,949	\$ 443	63.9	\$ 4,128	47,232	\$ 1,427	70.4	\$ 2,518
2004	39,097	\$ 1,056	72.0	\$ 2,250	9,235	\$ 478	64.2	\$ 4,318	48,332	\$ 1,534	70.5	\$ 2,645
2005	40,251	\$ 1,138	72.1	\$ 2,355	9,518	\$ 514	64.6	\$ 4,504	49,769	\$ 1,652	70.7	\$ 2,766
2006	41,309	\$ 1,224	72.2	\$ 2,469	9,683	\$ 549	65.0	\$ 4,728	50,992	\$ 1,773	70.8	\$ 2,898
2007	41,584	\$ 1,280	72.2	\$ 2,565	9,808	\$ 578	65.4	\$ 4,914	51,392	\$ 1,858	70.9	\$ 3,013
2008	42,298	\$ 1,356	72.4	\$ 2,671	10,052	\$ 623	65.8	\$ 5,167	52,350	\$ 1,979	71.1	\$ 3,150
2009	42,825	\$ 1,423	72.6	\$ 2,768	10,244	\$ 663	66.3	\$ 5,394	53,069	\$ 2,086	71.4	\$ 3,275
2010	43,752	\$ 1,514	72.7	\$ 2,883	10,444	\$ 706	66.7	\$ 5,638	54,196	\$ 2,220	71.6	\$ 3,414
2011	44,726	\$ 1,597	72.9	\$ 2,976	10,645	\$ 746	67.0	\$ 5,836	55,371	\$ 2,343	71.7	\$ 3,526
2012	45,899	\$ 1,686	73.0	\$ 3,061	10,871	\$ 789	67.3	\$ 6,049	56,770	\$ 2,475	71.9	\$ 3,633
2013	46,939	\$ 1,774	73.2	\$ 3,149	11,147	\$ 837	67.5	\$ 6,261	58,086	\$ 2,611	72.1	\$ 3,746
2014	47,867	\$ 1,836	73.4	\$ 3,196	11,362	\$ 876	67.8	\$ 6,427	59,229	\$ 2,712	72.3	\$ 3,816
2015	48,958	\$ 1,898	73.5	\$ 3,231	11,648	\$ 914	68.0	\$ 6,541	60,606	\$ 2,813	72.5	\$ 3,867
2016	50,034	\$ 1,988	73.6	\$ 3,311	11,880	\$ 965	68.3	\$ 6,766	61,914	\$ 2,952	72.6	\$ 3,974
2017	51,083	\$ 2,079	73.8	\$ 3,391	12,241	\$ 1,030	68.4	\$ 7,012	63,324	\$ 3,109	72.7	\$ 4,091
2018	52,292	\$ 2,192	73.9	\$ 3,493	12,588	\$ 1,104	68.5	\$ 7,308	64,880	\$ 3,296	72.8	\$ 4,233
2019	53,560	\$ 2,316	73.9	\$ 3,603	12,947	\$ 1,184	68.6	\$ 7,620	66,507	\$ 3,500	72.9	\$ 4,385
2020	54,693	\$ 2,436	74.0	\$ 3,712	13,319	\$ 1,270	68.8	\$ 7,946	68,012	\$ 3,706	73.0	\$ 4,541
2021	55,828	\$ 2,552	74.1	\$ 3,809	13,669	\$ 1,350	68.8	\$ 8,228	69,497	\$ 3,902	73.0	\$ 4,679
2022	57,606	\$ 2,716	74.0	\$ 3,928	13,965	\$ 1,434	68.9	\$ 8,560	71,571	\$ 4,150	73.0	\$ 4,832
2023	58,745	\$ 2,848	74.1	\$ 4,040	14,263	\$ 1,520	69.0	\$ 8,883	73,008	\$ 4,368	73.1	\$ 4,986
2024	60,162	\$ 3,005	74.2	\$ 4,162	14,605	\$ 1,614	69.1	\$ 9,208	74,767	\$ 4,618	73.2	\$ 5,147

**Exhibit E-3
 Contribution Rates**

Valuation Date (June 30)	General Plans				Safety Plans					Total All Plans					
	Calculated Normal Cost	Member Contributions	Net Employer Normal Cost	UAAL Rate	Total Employer Contribution	Calculated Normal Cost	Member Contributions	Net Employer Normal Cost	UAAL Rate	Total Employer Contribution	Calculated Normal Cost	Member Contributions	Net Employer Normal Cost	UAAL Rate	Total Employer Contribution
1998	10.27%	3.06%	7.21%	0.00%	7.21%	25.00%	8.70%	16.30%	0.00%	16.30%	13.27%	4.21%	9.06%	0.00%	9.06%
1999	10.98%	3.20%	7.78%	0.00%	7.78%	25.41%	9.12%	16.29%	0.00%	16.29%	13.81%	4.36%	9.45%	0.00%	9.45%
2000	10.91%	3.33%	7.58%	0.00%	7.58%	25.22%	9.44%	15.78%	0.00%	15.78%	13.66%	4.51%	9.15%	0.00%	9.15%
2001	11.27%	3.45%	7.82%	0.00%	7.82%	25.47%	9.27%	16.20%	0.00%	16.20%	14.01%	4.57%	9.44%	0.00%	9.44%
2002	12.04%	3.53%	8.51%	0.21%	8.72%	25.92%	9.37%	16.55%	0.21%	16.76%	14.66%	4.63%	10.03%	0.21%	10.24%
2003	12.25%	3.72%	8.53%	4.66%	13.19%	25.89%	9.55%	16.34%	4.66%	21.00%	14.80%	4.81%	9.99%	4.66%	14.65%
2004	12.20%	3.82%	8.38%	6.41%	14.79%	24.61%	9.61%	15.00%	6.41%	21.41%	14.48%	4.88%	9.60%	6.41%	16.01%
2005	12.22%	3.91%	8.31%	5.33%	13.64%	24.69%	9.68%	15.01%	5.33%	20.34%	14.50%	4.97%	9.53%	5.33%	14.86%
2006	12.22%	4.07%	8.15%	3.49%	11.64%	24.70%	9.70%	15.00%	3.49%	18.49%	14.54%	5.12%	9.42%	3.49%	12.91%
2007	13.15%	4.38%	8.77%	2.24%	11.01%	26.04%	10.18%	15.86%	2.24%	18.10%	15.67%	5.51%	10.16%	2.24%	12.40%
2008	13.18%	4.47%	8.71%	1.99%	10.70%	26.01%	10.22%	15.79%	1.99%	17.78%	15.68%	5.59%	10.09%	1.99%	12.08%
2009	13.29%	4.57%	8.72%	4.12%	12.84%	26.08%	10.21%	15.87%	4.12%	19.99%	15.75%	5.65%	10.10%	4.12%	14.22%
2010	13.32%	4.68%	8.64%	6.47%	15.11%	25.00%	10.19%	14.81%	6.47%	21.28%	15.59%	5.75%	9.84%	6.47%	16.31%
2011	13.36%	4.91%	8.45%	7.89%	16.34%	25.09%	10.50%	14.59%	7.89%	22.48%	15.65%	6.00%	9.65%	7.89%	17.54%
2012	13.50%	5.01%	8.49%	10.09%	18.58%	25.42%	10.52%	14.90%	10.09%	24.99%	15.81%	6.08%	9.73%	10.09%	19.82%
2013	13.25%	5.01%	8.24%	11.90%	20.14%	24.67%	10.26%	14.41%	11.90%	26.31%	15.47%	6.03%	9.44%	11.90%	21.34%
2014	13.14%	5.09%	8.05%	10.04%	18.09%	24.71%	10.23%	14.48%	10.04%	24.52%	15.37%	6.08%	9.29%	10.04%	19.33%
2015	13.28%	5.22%	8.06%	8.49%	16.55%	24.71%	10.26%	14.45%	8.49%	22.94%	15.46%	6.18%	9.28%	8.49%	17.77%
2016	14.51%	5.72%	8.79%	9.73%	18.52%	25.54%	10.57%	14.97%	9.73%	24.70%	16.62%	6.65%	9.97%	9.73%	19.70%
2017	14.62%	5.87%	8.75%	10.10%	18.85%	25.69%	10.56%	15.13%	10.10%	25.23%	16.70%	6.76%	9.94%	10.10%	20.04%
2018	14.77%	6.04%	8.73%	10.99%	19.72%	25.70%	10.59%	15.11%	10.99%	26.10%	16.80%	6.88%	9.92%	10.99%	20.91%
2019	16.24%	6.74%	9.50%	11.73%	21.23%	28.58%	11.78%	16.80%	11.73%	28.53%	18.54%	7.68%	10.86%	11.73%	22.59%
2020	16.31%	6.86%	9.45%	13.75%	23.20%	28.95%	11.88%	17.07%	13.75%	30.82%	18.69%	7.80%	10.89%	13.75%	24.64%
2021	16.35%	6.94%	9.41%	13.58%	22.99%	29.09%	11.88%	17.21%	13.58%	30.79%	18.75%	7.87%	10.88%	13.58%	24.46%
2022	16.85%	7.23%	9.62%	14.72%	24.34%	29.97%	12.45%	17.52%	14.72%	32.24%	19.33%	8.21%	11.12%	14.72%	25.84%
2023	16.95%	7.37%	9.58%	14.87%	24.45%	30.14%	12.84%	17.30%	14.87%	32.17%	19.38%	8.37%	11.01%	14.87%	25.88%
2024	17.00%	7.49%	9.51%	14.73%	24.24%	30.25%	13.02%	17.23%	14.73%	31.96%	19.34%	8.46%	10.88%	14.73%	25.61%

**Exhibit E-4
Funded Status History**

Dollars in Millions

Valuation Year	Actuarial Accrued Liability (AAL)	Fair Value Basis			Actuarial Value Basis			Annual Total Payroll	Asset Smoothing Ratio (AVA / FVA)	Asset Volatility Ratio (FVA / Payroll)	Liability Volatility Ratio (AAL / Payroll)
		Fair Value of Assets (FVA) ¹	Unfunded AAL (UAAL)/Surplus FVA Basis	Funded Ratio FVA Basis	Actuarial Value of Assets (AVA) ¹	Unfunded AAL (UAAL)/Surplus AVA Basis	Funded Ratio AVA Basis				
1996 ²	17,300	18,600	1,300	107.5%	17,700	400	102.3%	3,356	95.2%	5.5	5.2
1997 ²	19,300	21,100	1,800	109.3%	19,600	300	101.6%	3,373	92.9%	6.3	5.7
1998	20,960	22,332	1,372	106.5%	20,851	(109)	99.5%	3,562	93.4%	6.3	5.9
1999	22,785	24,382	1,597	107.0%	23,536	751	103.3%	3,858	96.5%	6.3	5.9
2000	24,721	27,257	2,536	110.3%	25,427	706	102.9%	4,143	93.3%	6.6	6.0
2001	26,490	23,916	(2,574)	90.3%	26,490	-	100.0%	4,469	110.8%	5.4	5.9
2002	28,437	24,085	(4,352)	84.7%	28,262	(175)	99.4%	4,730	117.3%	5.1	6.0
2003	30,474	24,616	(5,858)	80.8%	26,564	(3,910)	87.2%	4,934	107.9%	5.0	6.2
2004	32,700	28,094	(4,606)	85.9%	27,089	(5,611)	82.8%	4,942	96.4%	5.7	6.6
2005	34,375	30,904	(3,471)	89.9%	29,497	(4,878)	85.8%	5,051	95.4%	6.1	6.8
2006	36,259	34,256	(2,003)	94.5%	32,820	(3,439)	90.5%	5,333	95.8%	6.4	6.8
2007	39,503	40,073	570	101.4%	37,042	(2,461)	93.8%	5,886	92.4%	6.8	6.7
2008	41,975	37,834	(4,141)	90.1%	39,662	(2,313)	94.5%	6,257	104.8%	6.0	6.7
2009	44,469	29,723	(14,746)	66.8%	39,542	(4,927)	88.9%	6,673	133.0%	4.5	6.7
2010	46,646	32,629	(14,017)	69.9%	38,839	(7,807)	83.3%	6,739	119.0%	4.8	6.9
2011	48,599	38,587	(10,012)	79.4%	39,194	(9,405)	80.6%	6,705	101.6%	5.8	7.2
2012	50,809	37,453	(13,356)	73.7%	39,039	(11,770)	76.8%	6,675	104.2%	5.6	7.6
2013	53,247	41,334	(11,913)	77.6%	39,932	(13,315)	75.0%	6,656	96.6%	6.2	8.0
2014	54,942	47,223	(7,719)	86.0%	43,654	(11,288)	79.5%	6,815	92.4%	6.9	8.1
2015	56,819	48,308	(8,511)	85.0%	47,328	(9,491)	83.3%	7,078	98.0%	6.8	8.0
2016	62,199	47,347	(14,852)	76.1%	49,358	(12,841)	79.4%	7,390	104.2%	6.4	8.4
2017	65,311	52,217	(13,094)	80.0%	52,166	(13,145)	79.9%	7,749	99.9%	6.7	8.4
2018	68,527	55,737	(12,790)	81.3%	55,233	(13,294)	80.6%	8,079	99.1%	6.9	8.5
2019	74,635	57,712	(16,923)	77.3%	57,617	(17,018)	77.2%	8,423	99.8%	6.9	8.9
2020	78,275	57,925	(20,350)	74.0%	59,763	(18,512)	76.3%	8,819	103.2%	6.6	8.9
2021	81,898	72,282	(9,616)	88.3%	64,909	(16,989)	79.3%	9,080	89.8%	8.0	9.0
2022	86,320	68,973	(17,347)	79.9%	68,712	(17,608)	79.6%	9,048	99.6%	7.6	9.5
2023	90,651	72,502	(18,149)	80.0%	72,415	(18,236)	79.9%	9,548	99.9%	7.6	9.5
2024	94,803	77,802	(17,001)	82.1%	76,664	(18,139)	80.9%	9,996	98.5%	7.8	9.5

1. Asset values exclude non-valuation reserves.

2. Only rounded values are available.

Exhibit E-5
Reconciliation of Changes in Unfunded Actuarial Accrued Liability or Surplus

Valuation Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Prior Year UAAL	13,315	11,288	9,491	12,841	13,145	13,294	17,018	18,512	16,989	17,608	18,236
Normal Cost	1,163	1,068	1,118	1,246	1,243	1,352	1,553	1,634	1,681	1,743	1,844
Contributions	(1,824)	(1,936)	(1,902)	(1,880)	(2,116)	(2,303)	(2,459)	(2,774)	(2,959)	(3,095)	(3,370)
Interest	999	814	682	954	968	976	1,212	1,311	1,202	1,244	1,285
Changes in Assumptions/Methodology	-	-	2,922	-	-	2,528	-	-	1,364	-	-
Changes in Benefit Provisions	-	-	-	-	-	-	-	-	-	-	-
Expected Current Year UAAL	13,653	11,234	12,311	13,161	13,240	15,847	17,324	18,683	18,277	17,500	17,995
Actual Current Year UAAL	11,288	9,491	12,841	13,145	13,294	17,018	18,512	16,989	17,608	18,236	18,139
Total (Gain)/Loss on UAAL	(2,365)	(1,743)	530	(16)	54	1,171	1,188	(1,694)	(669)	736	144
Asset (Gains)/Losses	(1,664)	(1,263)	496	(421)	(411)	477	701	(2,039)	(996)	(118)	(364)
Salary Increases	(291)	79	162	277	223	486	388	484	(21)	771	488
All Other Actuarial (Gains)/Losses	(410)	(559)	(128)	128	242	208	99	(139)	348	83	20

Exhibit E-6
Reconciliation of Changes in Calculated Employer Contribution Rate

Valuation Year	Prior Year Contribution Rate	Changes in Existing Amortization Bases	Assumption/ Method Changes	Salary/Payroll Variations	Plan Amendments	Asset (Gains)/Losses	Demographic/Other (Gains)/Losses	Current Year Contribution Rate
2004	14.65%	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	16.01%
2005	16.01%	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	14.86%
2006	14.86%	-0.29%	0.00%	0.02%	0.00%	-1.82%	0.14%	12.91%
2007	12.91%	-0.28%	1.34%	0.61%	0.00%	-2.14%	-0.04%	12.40%
2008	12.40%	-0.17%	0.00%	0.21%	0.00%	-0.24%	-0.12%	12.08%
2009	12.08%	-0.04%	-1.76%	0.21%	0.00%	3.91%	-0.18%	14.22%
2010	14.22%	0.00%	-0.27%	-0.10%	0.00%	2.29%	0.17%	16.31%
2011	16.31%	0.00%	0.25%	-0.14%	0.00%	1.39%	-0.27%	17.54%
2012	17.54%	0.00%	0.54%	-0.11%	0.00%	1.92%	-0.07%	19.82%
2013	19.82%	0.00%	0.82%	-0.01%	0.00%	0.74%	-0.03%	21.34%
2014	21.34%	0.00%	0.00%	-0.15%	0.00%	-1.43%	-0.43%	19.33%
2015	19.33%	0.00%	0.00%	0.04%	0.00%	-1.04%	-0.56%	17.77%
2016	17.77%	0.00%	2.87%	0.20%	0.00%	0.39%	-0.02%	21.21%
2017	21.21%	0.00%	0.00%	0.05%	0.00%	-0.32%	0.06%	21.00%
2018	21.00%	0.00%	0.00%	0.04%	0.00%	-0.30%	0.17%	20.91%
2019	20.91%	0.00%	1.10%	0.20%	0.00%	0.42%	-0.04%	22.59%
2020	22.59%	0.00%	1.09%	0.04%	0.00%	0.58%	0.34%	24.64%
2021	24.64%	0.00%	1.10%	0.39%	0.00%	-1.69%	0.02%	24.46%
2022	24.46%	0.00%	1.38%	0.49%	0.00%	-0.80%	0.31%	25.84%
2023	25.84%	0.00%	0.00%	0.26%	0.00%	-0.09%	-0.13%	25.88%
2024	25.88%	0.00%	0.00%	0.14%	0.00%	-0.26%	-0.15%	25.61%

1. Data not available.

**Exhibit E-7
 Funding Policy History**

	Description of changes, if any	Effective Date	Impact on Contribution Rate	Impact on Funded Ratio	Rationale
2009	Changed from 3-year to 5-year asset smoothing. Included STAR reserve as a valuation asset. Adopted 30-year layered amortization period.	June 30, 2009	-1.68% ¹	4.40%	See June 30, 2009 valuation report.
2010	Included STAR reserve as a valuation asset.	June 30, 2010	-0.52% ¹	1.40%	See June 30, 2010 valuation report.
2011	Included STAR reserve as a valuation asset.	June 30, 2011	-0.52% ¹	1.20%	See June 30, 2011 valuation report.
2012	Included STAR reserve as a valuation asset for 2012 and future valuations (adopted February 2013).	June 30, 2012	-0.53% ¹	1.20%	See June 30, 2012 valuation report.
2019	Adopted 20-year layered amortization period for new layers. Existing layers are set to be no greater than 22 years, so they are fully amortized no later than 2042.	June 30, 2019	0.30%	0.00%	See June 30, 2019 valuation report.
2022	Excluded STAR reserve from valuation assets.	June 30, 2022	0.46%	-0.70%	See June 30, 2022 valuation report.

1. Note that savings due to inclusion of STAR reserve as valuation asset are not cumulative from year to year.

Exhibit E-8
History of Changes in Economic Assumptions

Valuation Year	Price Inflation	Wage Inflation	Real Wage Inflation ¹	Investment Return Assumption	Real Investment Return ²	Effective Date	Change in Contribution Rate	Change in Funded Ratio
2004	3.50%	3.75%	0.25%	7.75%	4.25%	July 1, 2004	1.65%	N/A ³
2007	3.50%	4.00%	0.50%	7.75%	4.25%	July 1, 2007	0.66%	-1.3%
2011	3.45%	3.95%	0.50%	7.70%	4.25%	July 1, 2011	0.25%	-0.3%
2012	3.35%	3.85%	0.50%	7.60%	4.25%	July 1, 2012	0.54%	-0.7%
2013	3.00%	3.50%	0.50%	7.50%	4.50%	July 1, 2013	0.37%	-0.1%
2016	2.75%	3.25%	0.50%	7.25%	4.50%	July 1, 2016	1.14%	-1.4%
2019	2.75%	3.25%	0.50%	7.00%	4.25%	July 1, 2019	2.20%	-2.3%

1. Excess of assumed wage inflation over price inflation.

2. Excess of assumed investment return over price inflation.

3. Information not available.

Exhibit E-9 History of Changes in Demographic and Other Non-Economic Assumptions

	Demographic Assumption Revisions	Effective Date	Change in Contribution Rate	Change in Funded Ratio	Rationale
2004	Mortality, merit salary scale, retirement, termination, probability of refund, probability of eligible survivor revised.	July 1, 2004	-0.63%	N/A ¹	Refer to the 2004 Investigation of Experience Report.
2007	Mortality, retirement, termination, probability of refund, merit salary scale for Safety members revised.	July 1, 2007	0.68%	N/A ¹	Refer to the 2007 Investigation of Experience Report.
2010	Mortality, retirement, termination, probability of refund, assumed benefit commencement age revised.	July 1, 2010	-0.27%	-0.1%	Refer to the 2010 Investigation of Experience Report.
2013	Mortality, retirement, termination, probability of refund, merit salary scale for Safety members, probability of eligible survivor, assumption for beneficiary age, reciprocity assumption revised.	July 1, 2013	0.45%	-0.6%	Refer to the 2013 Investigation of Experience Report.
2016	Mortality, retirement, termination, probability of eligible survivor, assumed benefit commencement age, reciprocity assumption revised.	July 1, 2016	1.73%	-2.5%	Refer to the 2016 Investigation of Experience Report.
2019	Mortality, retirement, termination, probability of refund, merit salary scale, assumed benefit commencement age.	July 1, 2019	0.80%	-0.4%	2019 Investigation of Experience.
2022	Mortality, retirement, termination, probability of refund, merit salary scale, probability of eligible survivor, assumption for beneficiary age, reciprocity assumption revised.	July 1, 2022	0.92%	-0.7%	2022 Investigation of Experience.

1. Information not available.

Appendix F Glossary

The following definitions include excerpts from a list adopted by the major actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to LACERA and include terms used exclusively by LACERA. Defined terms are capitalized throughout this Appendix.

Accrued Benefit

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

Actuarial Accrued Liability

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

Actuarial Gain (Loss)

A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

Actuarial Valuation

The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

Actuarially Equivalent

Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

Amortization Payment

That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Contingency Reserve

Reserves accumulated for future earning deficiencies, investment losses, and other contingencies. Additions include investment income and other revenues; deductions include investment expense, administrative expense, interest allocated to other reserves, funding the STAR Reserve, and distributions to the Contribution Credit Reserve. Amounts are allocated to the Contingency Reserve to the extent there are positive recognized earnings to allocate. The California Government Code (Sections 31592 and 31592.2) requires the Contingency Reserve to be set at a minimum of 1.0% of the fair value of total assets.

County Contribution Credit Reserve

The accumulated balance of the County's proportionate share of excess earnings as stipulated in the Retirement System Funding Agreement between LACERA and the County. Additions include distributions from excess earning during the fiscal years ending 1994 through 1998 and related earnings. Deductions include payments, as the County authorizes, for future employer contributions due LACERA and for funding a portion of the Retiree Healthcare Program under the provisions of Internal Revenue Code 401(h).

Employer Reserve

The accumulation of employer contributions for future retirement benefit payments. Additions include contributions from employers and related earnings. Deductions include annuity payments to retired members and survivors, lump sum death benefit payments to member survivors, and supplemental disability payments.

Entry Age Actuarial Cost Method

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

Funded Ratio

A measurement of the funded status of the Plan. The Funded Ratio is calculated by dividing the Valuation Assets by the Actuarial Accrued Liability. For example, a Funded Ratio of 90% indicates assets are 10% less than liabilities.

Funding Goal

The Funding Goal is the funded status the Board of Investments would like LACERA to achieve. The main goal is to provide benefit security for its members as well as to achieve and maintain stable employer contributions that are as low as possible. A Funded Ratio equal to 100% is the Funding Goal.

Layered Amortization Period

Payment of each year's change in the Unfunded Actuarial Accrued Liability (UAAL) is amortized over separate closed periods. For LACERA, the original UAAL as of June 30, 2009 is being amortized over a closed 30-year period. Subsequent changes in the UAAL were amortized over new closed 30-year periods. Effective with the June 30, 2019 valuation all existing layers with more than 22 years remaining as of June 30, 2020 were re-amortized over closed 22-year periods. All new UAAL layers thereafter are amortized over closed 20-year periods beginning with the date the contribution is first expected to be made. All amortization payments are based on a level percent of pay.

Member Reserve

The accumulation of member contributions. Additions include member contributions and related earnings. Deductions include annuity payments to retirees and refunds to members.

Non-Valuation Reserves

Reserves excluded from the calculation of contribution rates, including the Contingency Reserve, the County Contribution Credit Reserve, and any other reserves specifically excluded by the Board of Investments.

Normal Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

Plan Year

A 12-month period beginning July 1 and ending June 30.

Projected Benefits

Those pension 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.

STAR Reserve

Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3.

Supplemental Targeted Adjustment for Retirees (STAR) Benefits Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.

Surplus Funding

The excess, if any, of the Actuarial Value of Assets over the Actuarial Accrued Liability. Standard actuarial terminology defines this as the "Funding Excess." LACERA uses the term "Surplus Funding."

Unfunded Actuarial Accrued Liability

The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Valuation Date

The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.

Valuation Reserves

All reserves excluding the Non-Valuation Reserves

LACERA

June 30, 2024 Actuarial Valuation of Retirement Benefits

Nick Collier
Craig Glyde

FEBRUARY 12, 2025

 **Milliman**
Solutions for a world at risk™

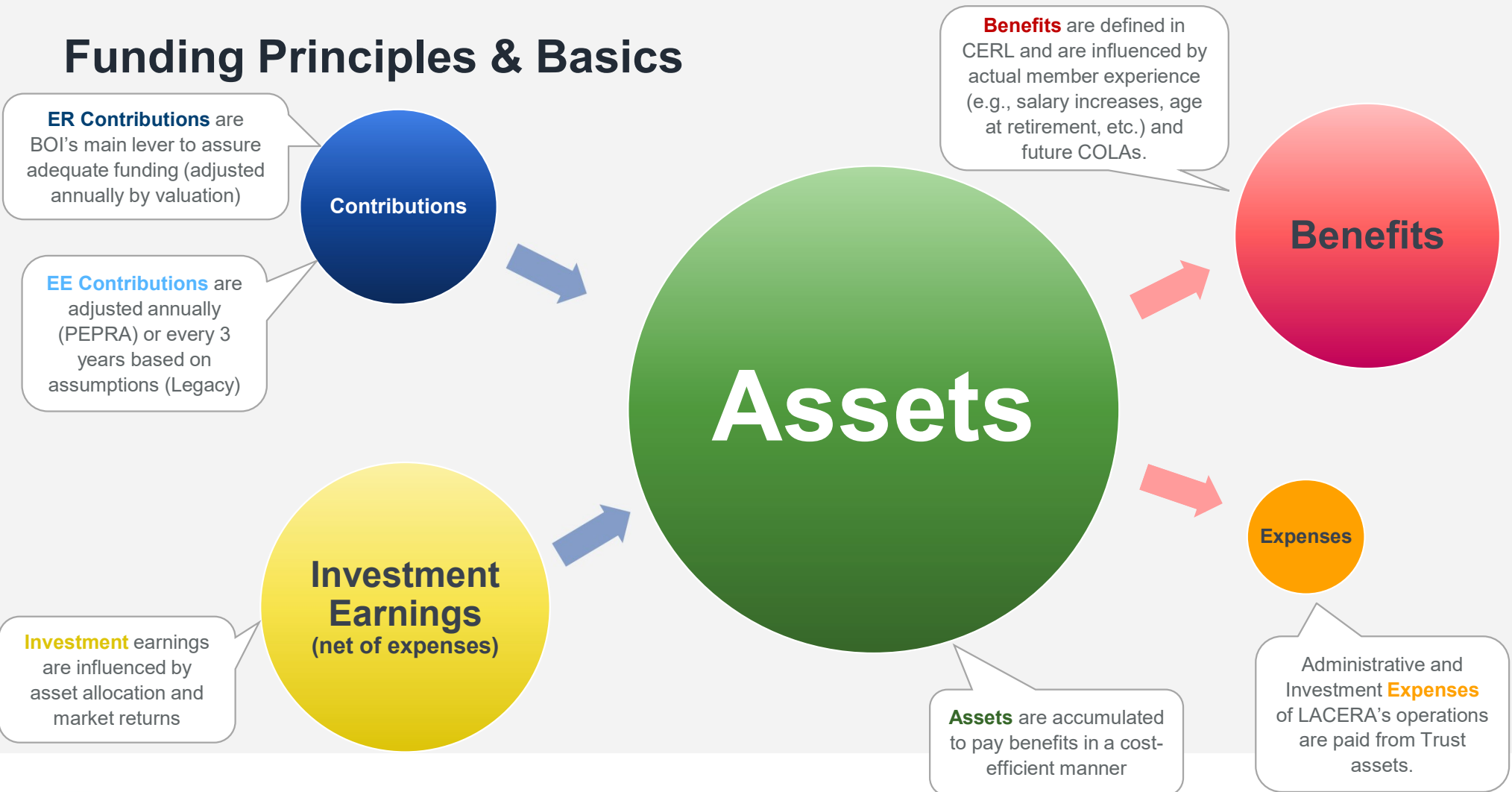
Agenda

- Review the purpose of the actuarial valuation
 - Review of Funding Principles
- Review the key results of the June 30, 2024 actuarial valuation
 - Funded status
 - Employer and member contribution rates effective July 1, 2025
 - Changes since the prior valuation
- Looking Ahead – projections of future funded status and employer contribution rates

Purpose of the actuarial valuation

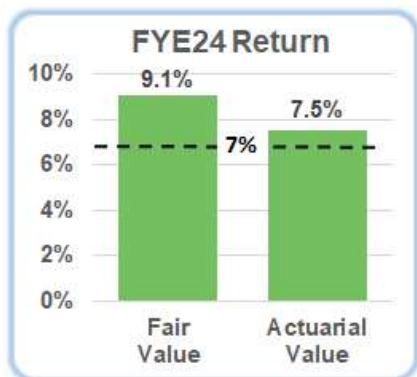
- To determine the level of contributions necessary so that, along with the assets already accumulated by the Plan, there are sufficient assets to meet the future benefit payments and administration expenses of the Plan when they become due
- To provide information necessary for LACERA and the Board of Investments to fulfill their fiduciary and operational requirements under the California Government Code and CERL

Funding Principles & Basics



Overview of Valuation Results

Strong Investment Returns



Funded Ratio Increased



Lower Aggregate Rate



Liability Increased



Valuation Assets Increased

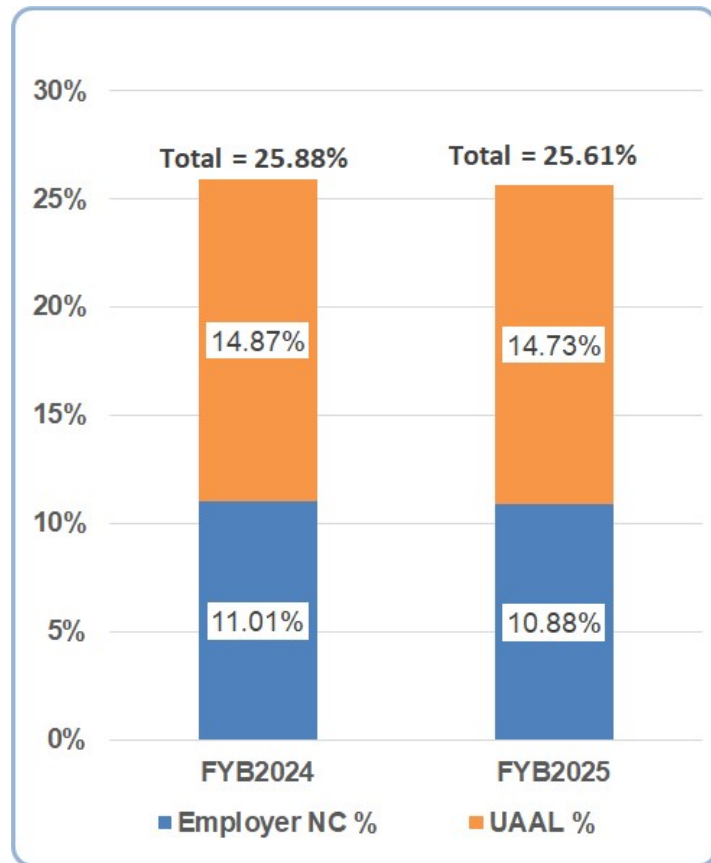


Lower Unfunded Liability



Summary of Valuation Results

Employer Contribution Rates ⁽¹⁾

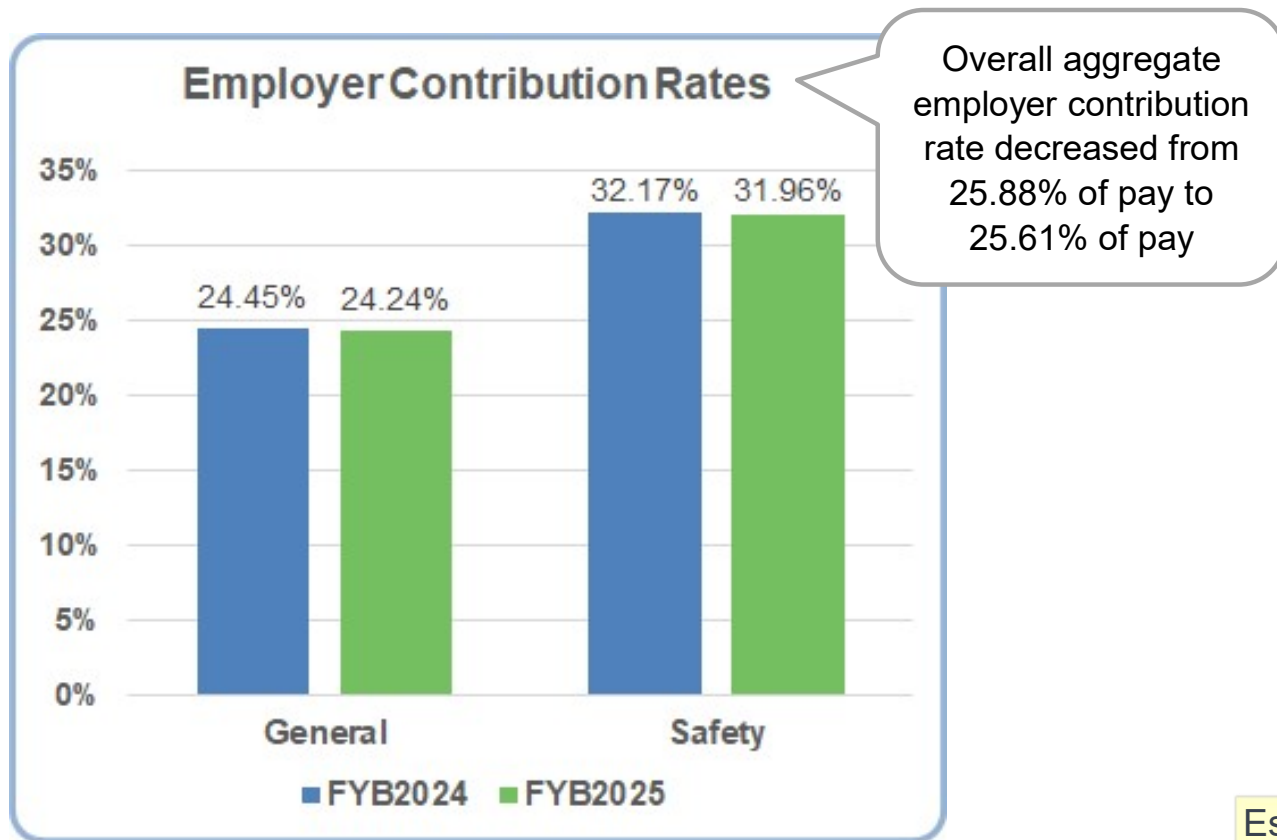


- Employer Normal Cost Rates are determined separately for each plan
- Unfunded Actuarial Accrued Liability (UAAL) contribution rate is determined in the aggregate
 - Paid entirely by employers
 - Emerging UAAL is amortized over closed 20-year periods
- Included in Supplemental Exhibits:
 - Normal Cost Rates for individual plans for the current and prior year
 - 30-year historical contribution rates

1. Rates shown are aggregate rates for all plans

Summary of Valuation Results

Employer Contribution Rates (continued)



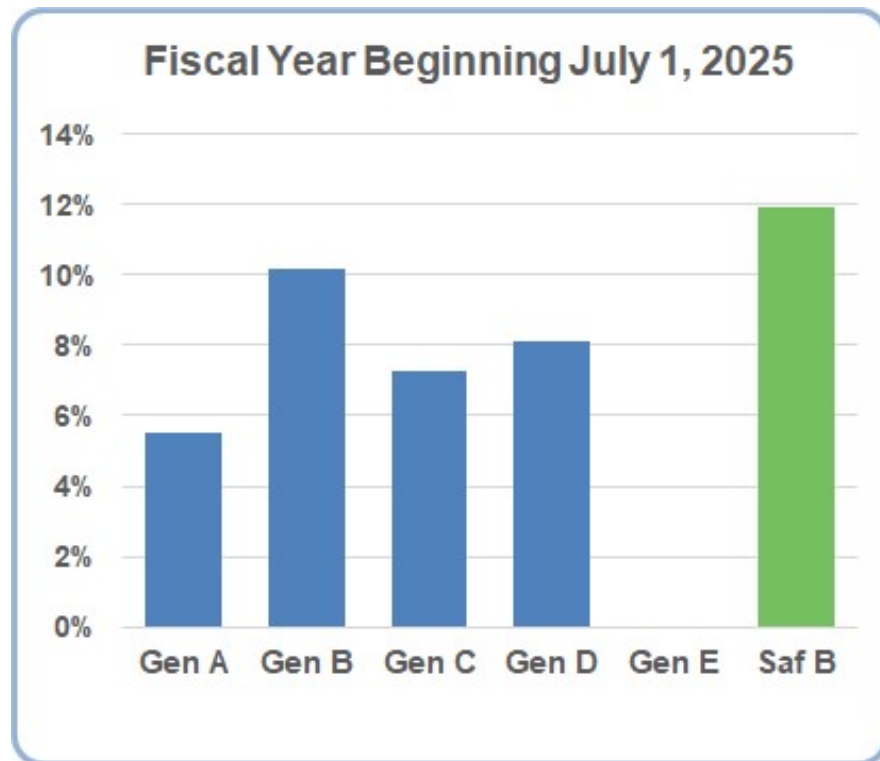
Est. Employer FYB2025 Contribution by Plan (\$Millions)



Estimated total employer contribution for FYB2025 is \$2.64B (actual FYB2024 was \$2.51B)

Summary of Valuation Results

Member Contribution Rates – Legacy Plans

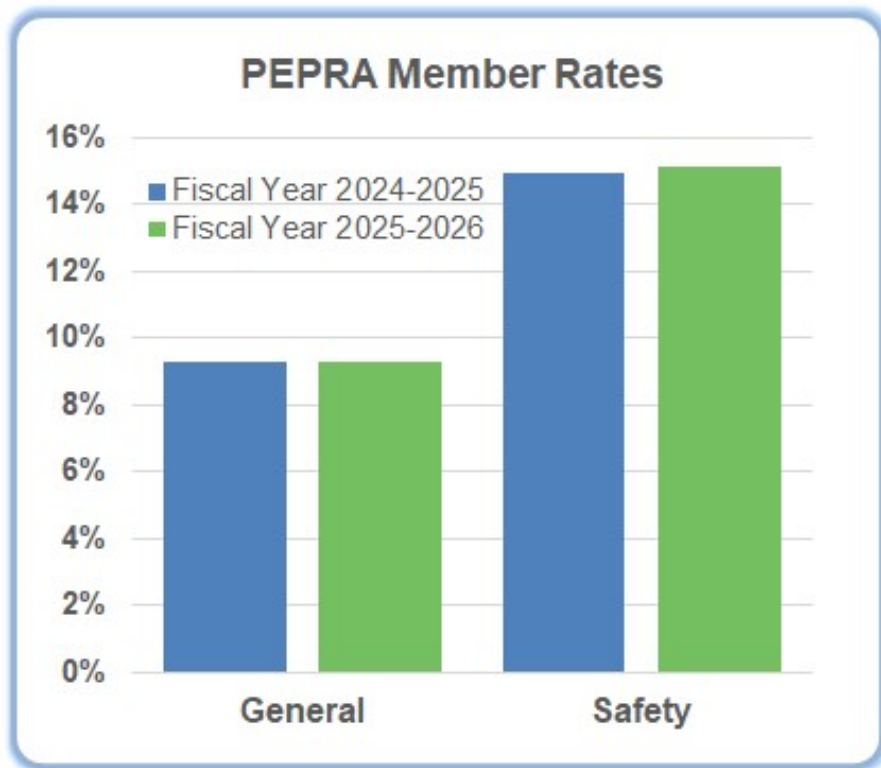


Rates shown above are aggregate member rates for each plan

- Individual Legacy Member Contribution Rates are:
 - determined separately for each plan
 - based upon age upon joining LACERA
- Individual rates are determined by formula
 - Only change when certain assumptions change
 - No changes to these rates since no assumption changes in this valuation
 - Next triennial Experience Study will be conducted as of June 30, 2025
- General Plan E is non-contributory
- Safety Plan A has no active members

Summary of Valuation Results

Member Contribution Rates – PEPRA Plans

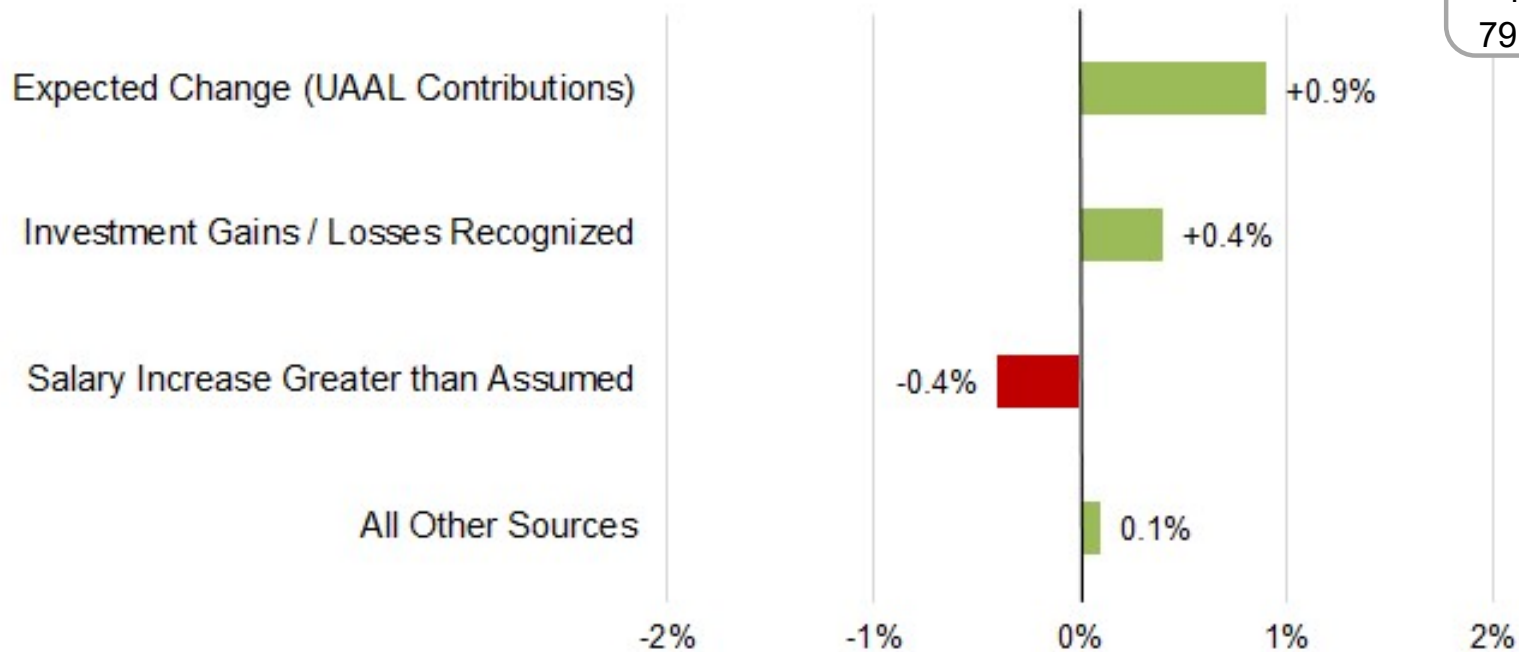


- PEPRA Member Contribution Rates are equal to one-half of their Plan's total Normal Cost Rate
- Increases for both General Plan G and Safety Plan C effective July 1, 2025
 - General Plan G: 9.28% -> 9.30%
 - Safety Plan C: 14.97% -> 15.14%
- PEPRA member rates are expected to change each year due to changes in the active member demographics
 - The Safety Plan C change includes an increase of 0.12% of pay as a result of removing non-pensionable items from the salary data element.

Summary of Valuation Results

Analysis of changes since last year

Sources of Change in Funded Ratio Since Prior Valuation

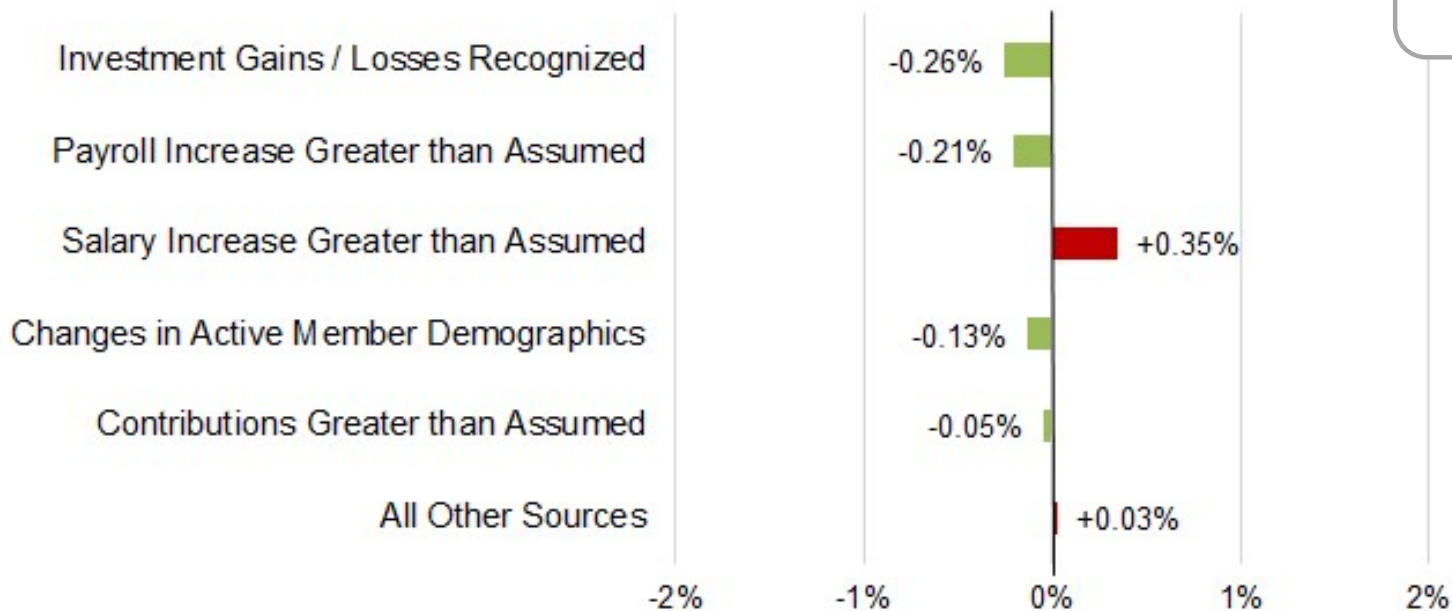


Funded Ratio increases **1.0%** in total from 79.9% to 80.9%

Summary of Valuation Results

Analysis of changes since last year

Sources of Change in Employer Rate Since Prior Valuation

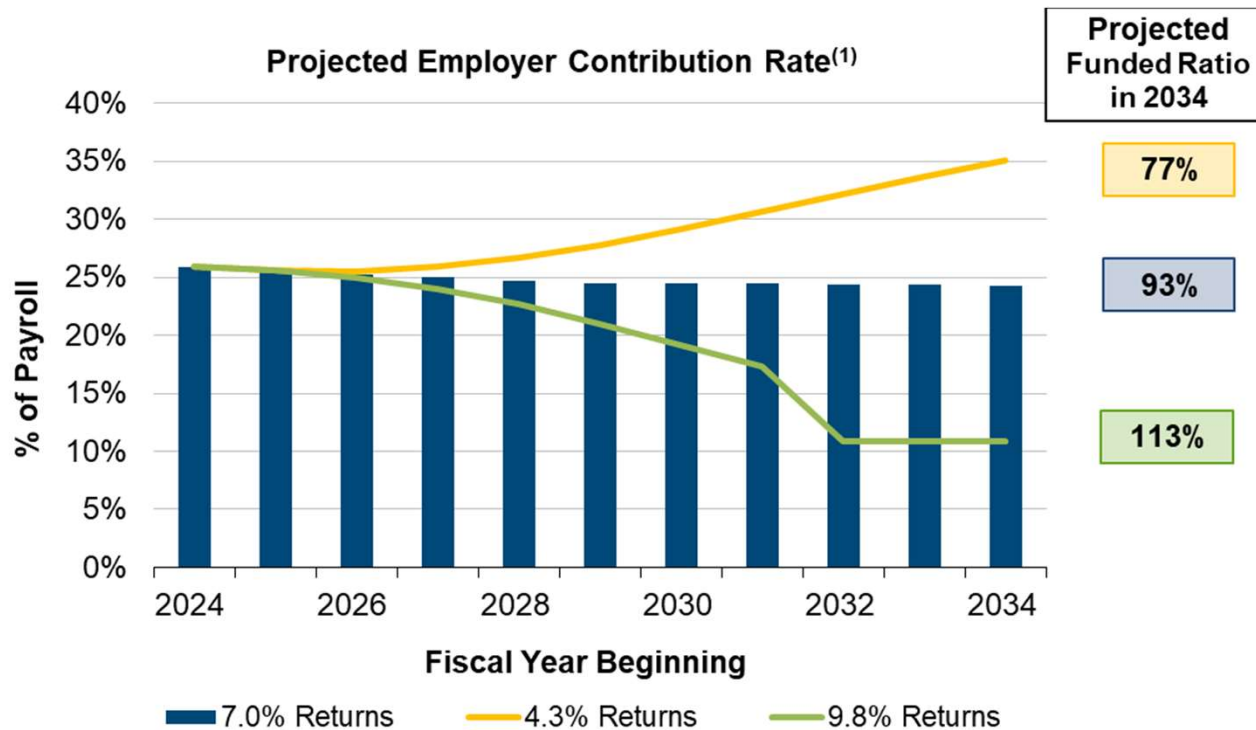


Employer Contribution Rate decreases **0.27%** in total from 25.88% to 25.61% of payroll

Looking Ahead

Looking Ahead

Projections with Variable Future Returns



- If all assumptions are met the Funded Ratio is projected to be 100% as of June 30, 2040
- Alternate returns scenarios over next 10 years
 - Assumed return = 7.0%
 - 25th percentile = 9.8%
 - 75th percentile = 4.3%
- Comprehensive analysis of return variance and other risk factors to be completed in the Spring

1. Projections assume that all actuarial assumptions are met (except alternate returns) after June 30, 2024 and reflect the scheduled recognition of asset gains and losses currently being deferred. **Actual results will vary.**

Recommendations for Fiscal Year beginning July 1, 2025

- Adopt new employer contribution rates
 - Individual plan employer contribution rates shown on slide 19, and in Exhibit 11 (page 31) of Milliman's June 30, 2024 valuation report
 - Weighted average employer contribution rate = 25.61% of pay
- Adopt new PEPRA member contribution rates
 - General Plan G = 9.30% (increase from 9.28%)
 - Safety Plan C = 15.14% (increase from 14.97%)



Questions?

Statement of Reliance and Limitation

This presentation is intended as a high-level discussion of the results of the June 30, 2024 actuarial valuation. It is based on the data, methods, assumptions and plan provisions described in our actuarial valuation report dated January 27, 2025. The statements of reliance and limitations on the use of this material is reflected in the actuarial report and still apply to this presentation.

These statements include reliance on data provided, on actuarial certification, and the purpose of the report.

Milliman's work product was prepared exclusively for LACERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning LACERA's operations, and uses LACERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third-party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its own specific needs.

The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these potential differences when making decisions that may affect the future financial health of the Plan, or the Plan's participants. Please refer to the Risk Assessment report dated May 24, 2024 for a detailed analysis of the main risks applicable to LACERA.



Thank you

Nick Collier

Nick.collier@milliman.com

Craig Glyde

Craig.glyde@milliman.com

Supplemental Exhibits

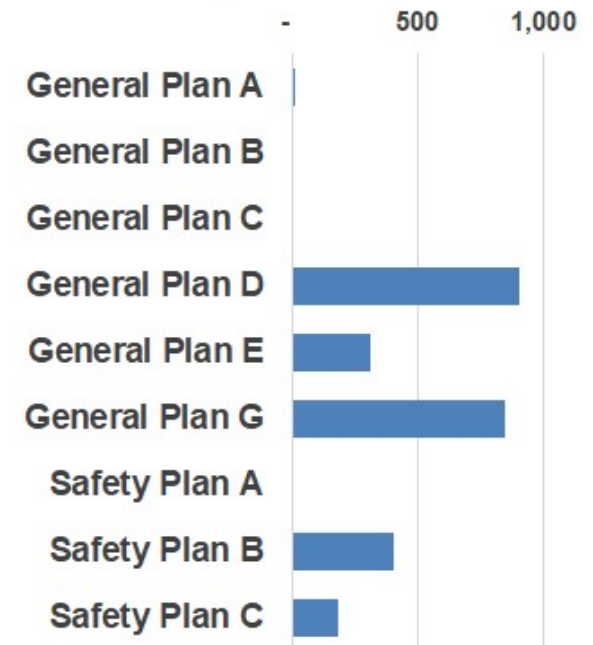


Summary of Valuation Results

Employer Contribution Rates beginning July 1, 2025

	Employer Normal Cost Rate	UAAL Rate	Total Employer Contribution Rate	Change Since Last Year
General Plan A	15.34%	14.73%	30.07%	-1.50%
General Plan B	11.64%	14.73%	26.37%	0.25%
General Plan C	7.74%	14.73%	22.47%	-0.14%
General Plan D	9.28%	14.73%	24.01%	-0.22%
General Plan E	10.85%	14.73%	25.58%	-0.31%
General Plan G	9.30%	14.73%	24.03%	-0.12%
Safety Plan A	18.29%	14.73%	33.02%	-0.21%
Safety Plan B	18.29%	14.73%	33.02%	-0.21%
Safety Plan C	15.14%	14.73%	29.87%	0.03%

Est. Employer FYB2025 Contribution by Plan (\$Millions)

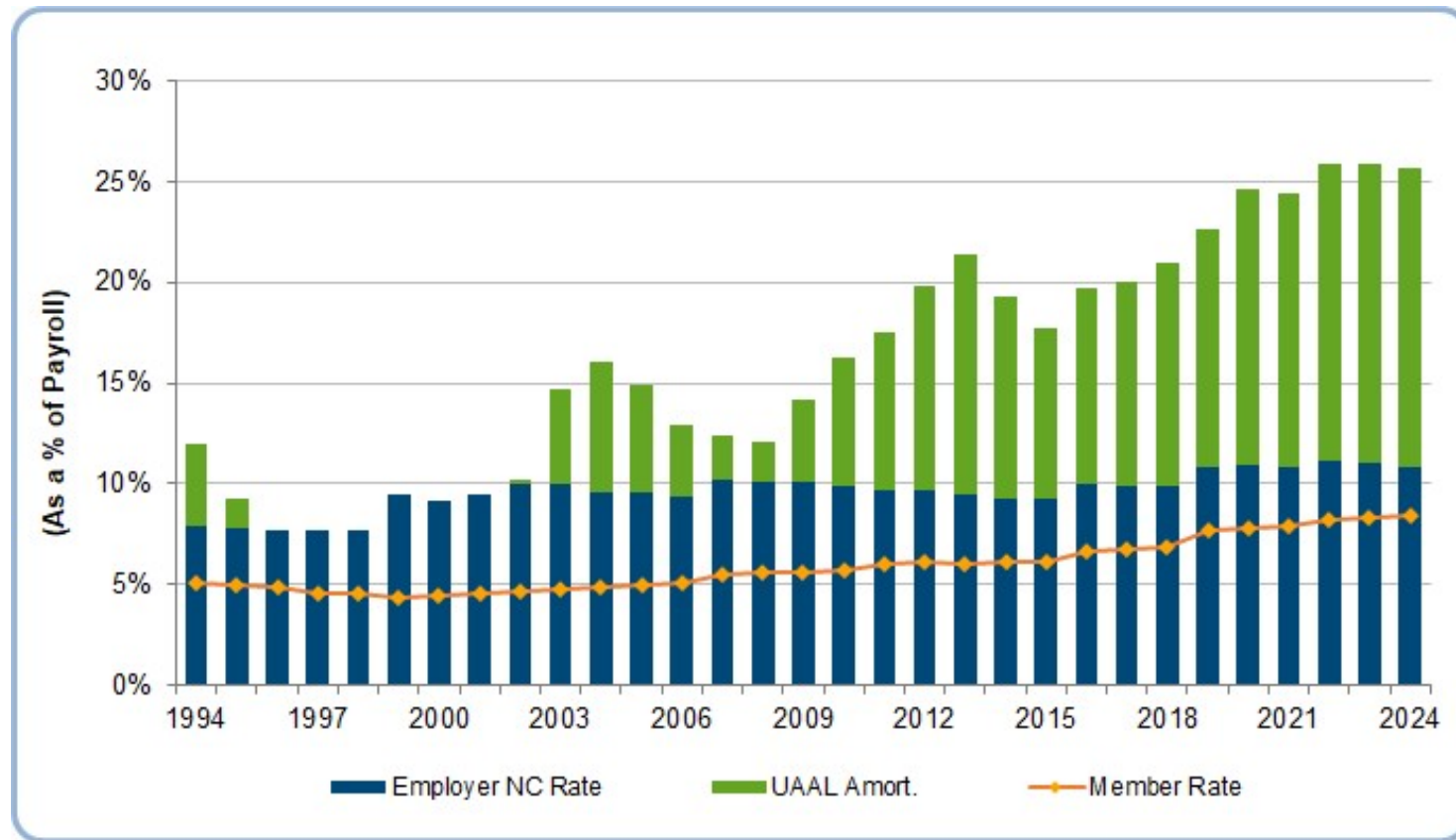


All rates in the table above are shown as a percentage of payroll.

1. As of June 30, 2024 there are no active members in Safety Plan A. The Safety Plan A employer contribution rate is set equal to Safety Plan B rates.

Summary of Valuation Results

Historical Contribution Rates



Glossary



Glossary

- **Accrued Liability / Actuarial Accrued Liability (AAL):** That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.
- **Actuarial Asset Smoothing:** A method used to determine the Actuarial Values of Assets that reduces the effect of short-term market volatility while still tracking the overall movement of the market value of assets.
- **Actuarial Assumptions:** Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets. The Actuarial Assumptions fall into two main categories: Demographic and Economic Assumptions.
- **Actuarial Methods:** Procedures used to determine the Actuarial Value of Assets; how the liabilities (value of promised benefit payments) are allocated to accrued and future; how the Unfunded Actuarial Accrued Liability is systematically paid down (amortization method); and other relevant items.
- **Actuarial Standards of Practice:** The Actuarial Standards Board sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.
- **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 a pension plan.

Glossary (continued)

- **Actuarial Value of Assets (AVA):** The value of cash, investments and other property belonging to a pension plan after reflection of Actuarial Asset Smoothing, as used by the actuary for the purpose of an Actuarial Valuation.
- **Alpha:** Actual investment return, if any, above the benchmark return.
- **Amortization Payment:** That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
- **Capital Market Assumptions (or Expectations):** Capital Market Assumptions are numerical expectations about the future performance of available asset classes that incorporate theories, observations and experience. Each asset class has an expected return, variance and correlation between other asset classes.
- **COLA:** LACERA retirement and survivor allowances are adjusted annually by the cost-of-living adjustment (COLA). The adjustment is based on changes in the cost of living over the previous 12-month period as of December 31.
- **COLA Bank:** Also referred to as the COLA Accumulation. The COLA Bank is the accumulation of annual CPI increases that exceed the COLA Cap. In years where the CPI increase is less than the COLA Cap, a withdrawal from the COLA Bank takes place to increase the actual COLA granted, up to the COLA Cap.
- **COLA Cap (Maximum):** LACERA retirees and beneficiaries cannot receive an annual COLA increase above the COLA Cap. For Plan A, the amount is 3%; for other plans the maximum is 2%.

Glossary (continued)

- **CPI:** Consumer Price Index. Used to measure local and national price inflation.
- **Demographic Assumptions:** Assumptions as to the occurrence of future events specific to member experience, such as: mortality, withdrawal, disability, retirement, and changes in compensation in excess of General Wage Growth.
- **Discount:** The discount is the reduction that is applied to future cash flows (primarily benefit payments and contributions) to determine the present value as of the valuation date of those cash flows. For LACERA, the discount rate is equal to the investment return assumption.
- **Economic Assumptions:** Assumptions as to the occurrence of future events specific to economic factors, such as: investment returns, compensation increases related to inflation and productivity, and inflation.
- **Employer Contribution Rate:** Annual employer contribution calculated under LACERA's funding policy as a percent of payroll. The rate is a sum of contributions to fund the Normal Costs (net of member contributions) and the UAAL.
- **Fair Value of Assets (FVA):** The fair market value of assets held by LACERA for the purpose of paying future benefit payments, minus any payables, as of the valuation date.
- **Inflation:** See Price Inflation.
- **Investigation of Experience:** Periodic review of Actuarial Assumptions to review recent experience and future forecasts. For LACERA, this is completed every three years

Glossary (continued)

- **Layered Amortization Period:** Payment of each year's change in the Unfunded Actuarial Accrued Liability (UAAL) is amortized over separate closed periods. For LACERA, the original UAAL as of June 30, 2009 is being amortized over a closed 30-year period. Subsequent changes in the UAAL were amortized over new closed 30-year periods. Effective with the June 30, 2019 valuation all existing layers with more than 22 years remaining as of June 30, 2020 were re-amortized over closed 22-year periods. All new UAAL layers thereafter are amortized over closed 20-year periods beginning with the date the contribution is first expected to be made. All amortization payments are based on a level percent of pay.
- **Legacy:** Legacy plans are those plans that existed prior to the implementation of PEPRA. For LACERA, these are the following defined benefit plans: General Plans A, B, C & D and Safety Plans A & B.
- **Median Expected Return:** The numerical value that there is a 50% probability the actual return will exceed (and 50% probability it will fall short of) this value over a long-term time horizon on annualized geometric basis.
- **Merit Salary Increases:** Salary increases in excess of the General Wage Growth that are expected as a member moves through their career related to merit, promotion and longevity.
- **Mortality Projection Scale:** A scale that is used to project future changes in mortality rates. A scale that project declines in future mortality rates is expecting increased life expectancies for future retirees.
- **Normal Cost Rate:** The value of benefits earned as a percent of pay calculated as a level percent of payroll from entry age

Glossary (continued)

- **Payroll Growth:** The annual increase in the pensionable payroll used in the calculation of the UAAL amortization rate.
- **PEPRA:** The California Public Employees' Pension Reform Act (PEPRA) of 2013 specifies benefit provisions for LACERA General Plan G and Safety Plan C. It also governs certain provisions of other LACERA plans and places additional restrictions on employer contribution rates to be paid.
- **Price Inflation:** A sustained increase in the general level of prices for goods and services.
- **Price-to-Earnings (P/E) Ratio:** The price-to-earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share. P/E ratios are used by investors and analysts to determine the relative value of a company's shares in an apples-to-apples comparison
- **Projected Benefits:** Those pension 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.
- **Real Rate of Return:** The portion of the expected investment return that is in excess of national Price Inflation.
- **Real Wage Growth:** The portion of General Wage Growth that is not related to local Price Inflation.

Glossary (continued)

- **STAR Reserve:** Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3. Supplemental Targeted Adjustment for Retirees (STAR) Benefits Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.
- **Unfunded Actuarial Accrued Liability (UAAL):** The excess, if any, of the Actuarial Accrued Liability over the Valuation Assets.
- **Valuation Assets:** Assets considered in the calculation of the UAAL contribution rate. Valuation assets are equal to Actuarial Value of Assets but net of certain non-valuation reserves (for the 2022 valuation, the non-valuation reserves are the Contingency Reserve and the STAR Reserve)
- **Valuation Date:** The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.
- **Wage Growth:** See General Wage Growth.



January 8, 2025

TO: Trustees – Board of Investments

FROM: Scott Zdrazil ^{SZ}
Principal Investment Officer

Michael Romero ^{MR}
Senior Investment Analyst

Stephanie Xia ^{SX}
Senior Investment Analyst

FOR: February 12, 2025, Board of Investments Meeting

SUBJECT: **Responsible Contractor Policy Report**

SUMMARY

The attached report provides Trustees with a brief update and review of LACERA's implementation of its Responsible Contractor Policy (RCP) in its real assets investments.

BACKGROUND

LACERA maintains an RCP to guide LACERA's real assets managers in the selection of building services and construction contractors with a demonstrable track record of effectively mitigating operational risks that may undermine durable value creation. The policy was initially adopted in 2002 and restated by the Board of Investments in 2022, with a provision for Trustees to receive periodic reports on its implementation.

Attachment

Noted and Reviewed:

Jonathan Grabel
Chief Investment Officer

Responsible Contractor Policy (RCP) Implementation Update and Report

Board of Investments Meeting
February 12, 2025

Table of Contents



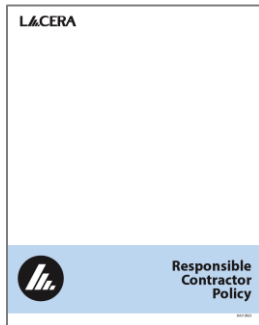
Section	Slide
Objective and Background on LACERA's RCP	3
Policy History and Reporting Process	4
Key Provisions	5
Policy Application	6
Real Estate Separately Managed Accounts	7
Commingled Fund Investments	8
Observations and Next Steps	10

Discussion Objective and Background on LACERA's RCP

Objective: Provide update and review of LACERA's Responsible Contractor Policy (RCP) implementation

Purpose of the RCP: Optimize financial performance and risk mitigation in LACERA's real estate and real assets portfolio by expecting asset managers to select high-quality construction and operations contractors who:

- Have a track record of legal compliance, stability, and fair wages and benefits
- Are positioned to deliver dependable, safe, and effective services
- Help mitigate operational disruptions, costs, and reputational risks
- Can provide high-quality, stable services conducive to generating durable financial value



"LACERA expects investment managers to ensure effective practices and internal controls are in place to select responsible contractors based upon their demonstrated ability to provide high quality services as evidenced by experience, skill, reputation, responsiveness, fees, dependability, record of compliance with applicable laws, regulations and statutes, and payment of fair compensation and benefits to employees."

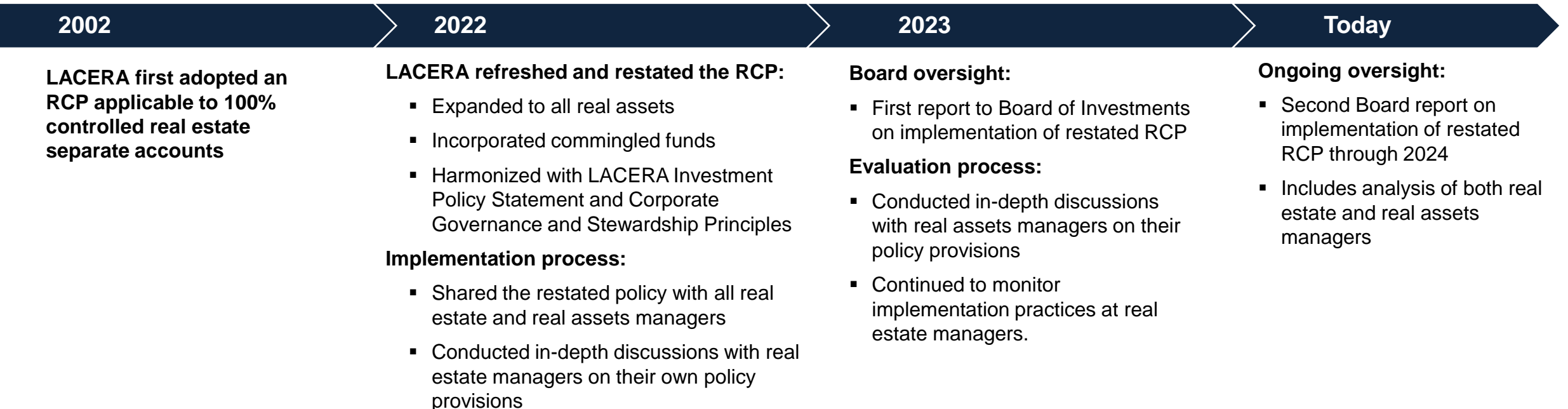
"By promoting responsible contracting, LACERA seeks to prudently optimize financial performance while mitigating investment risks—including, but not limited to, compliance, legal, operational, and reputational liabilities—that may be presented when business entities fail to meet responsible contracting standards."

LACERA [Responsible Contractor Policy](#), Page 1

Policy History and Reporting Process



- LACERA initially adopted an RCP over twenty years ago.
- LACERA refreshed and restated the policy in 2022, including expanding the policy scope to commingled funds and all real assets, including infrastructure and natural resources, which were introduced to the fund strategic asset allocation in 2018.
- LACERA provides periodic updates to the Board on the policy's implementation, consistent with the policy's terms.



Key Provisions of LACERA's RCP



LACERA's RCP defines a responsible contractor as a firm that has the appropriate experience, skill, reputation, employee relations, responsiveness, fees, and dependability to perform the required work and provides fair compensation and benefits.

LACERA's RCP specifically articulates five key provisions in responsible contracting:

- ✓ **Fair Wages and Benefits** – Encourage fair wages and benefits, such as health and pension benefits, taking into account local market conditions and wage practices to promote stable, experienced, dedicated staffing
- ✓ **Legal Compliance** – All contractors should demonstrate a compelling track record of compliance with all applicable federal, state and local laws, regulations, and ordinances
- ✓ **Diversity, Equity and Inclusion** – LACERA expects investment managers to ensure equal opportunity and non-discrimination in contracting provisions for construction and operation services including casting a wide net for qualified talent and avoiding operational, litigation, and reputational risks that discriminatory practices could prompt
- ✓ **Competitive Bidding** – Investment managers should ensure that all requests for proposals and invitations to bid applicable contracts are made through a competitive bidding and selection process
- ✓ **Freedom of Association/Neutrality** – LACERA encourages investment managers, property managers, and contractors to respect labor rights and maintain a position of neutrality where there is a legitimate attempt by a labor organization to organize workers employed in contracted construction, maintenance, operation and services to avoid operational impact, legal liabilities, and project disruptions that may arise when labor strife occurs



Where LACERA holds more than 50% equity in a fund

(such as real estate separately managed accounts)

- Where LACERA holds more than a 50 percent equity position either directly or indirectly in the investment fund, LACERA negotiates agreements that **require** the investment manager to use their best efforts to comply with the terms and provisions defined in LACERA's RCP.
- Investment agreements are expected to apply the RCP terms to all contracts valued at \$100,000 or more.
- Currently, LACERA has five separately managed real estate accounts where LACERA has over 50% equity and therefore the manager is required to abide by the RCP.

Where LACERA does not have more than 50% equity in a fund

(such as commingled funds)

- LACERA **strongly encourages** the investment managers to have provisions and practices in place that reflect the key terms of LACERA's RCP.
- LACERA provides feedback in upfront due diligence and encourages practices in line with its RCP during manager discussions.
- LACERA currently holds less than 50% equity in all real estate and real assets commingled fund investments.

Real Estate Separately Managed Accounts



LACERA currently has five separate account real estate managers.

LACERA has negotiated contractual terms that require the five managers to implement LACERA's Responsible Contractor Policy and report to LACERA each year.

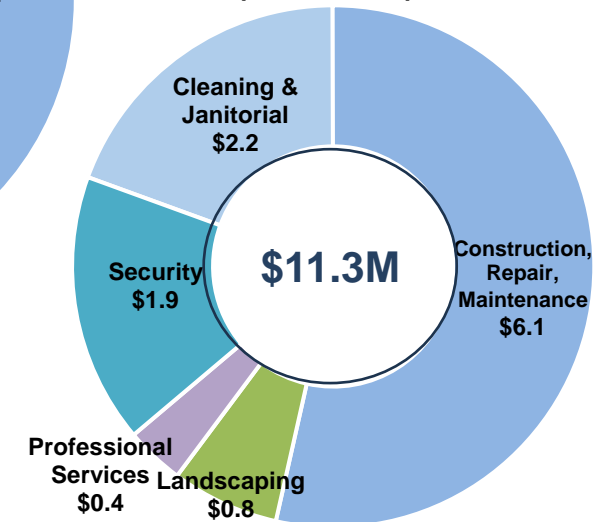
- 1 All five separate account managers report 100% compliance with RCP for the period from July 1, 2023, to June 30, 2024. Managers report that no violations, complaints, or allegations related to the RCP terms were identified during the year.
- 2 The majority of contracts relate to construction, security, and cleaning/janitorial services as illustrated on the chart on the left.
- 3 \$11.3 million paid to 40 contractors with service agreements over \$100K, down slightly from last year due to LACERA reducing separately managed account assets consistent with the Structure Review.

Per the latest Real Estate Structure Review, the separate managed account vehicle is expected to decrease as properties continue to be sold.

Number of Contracts by Type



Total Contract Amount (in millions)



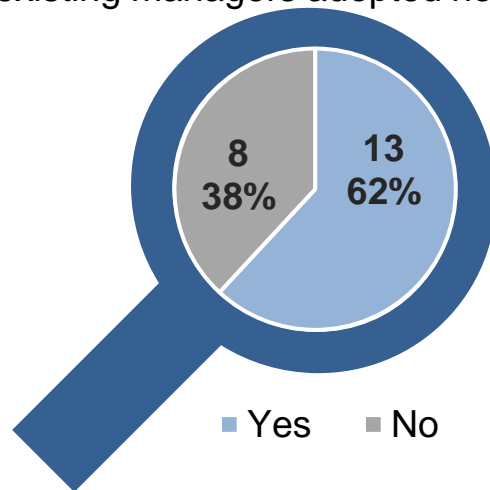
Commingled Fund Investments with RCPs



LACERA monitors all managers on whether they have RCP provisions in place and encourages managers without RCPs to consider adopting and reporting to limited partners on their implementation.

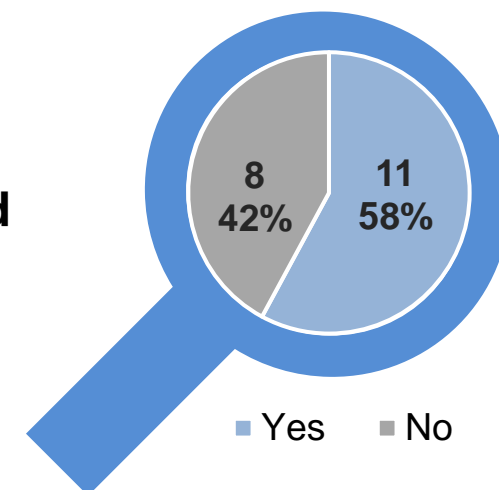
Real Estate

- Last year, eleven out of seventeen commingled fund managers (65%) had in place their own voluntarily adopted Responsible Contractor Policies that apply to LACERA's commingled funds
- This year, thirteen out of twenty-one commingled fund managers (62%) have in place voluntarily adopted RCPs
 - Those with RCP provisions manage 42% of the total real estate net asset value
 - Two existing managers adopted new RCP policies



Real Assets

- This year, eleven out of nineteen real asset fund managers (58%) have in place voluntarily adopted Responsible Contractor Policies that apply to LACERA's commingled funds
 - Those with RCP provisions manage 66% of the total real assets private markets net asset value
 - Three existing managers adopted new RCP policies



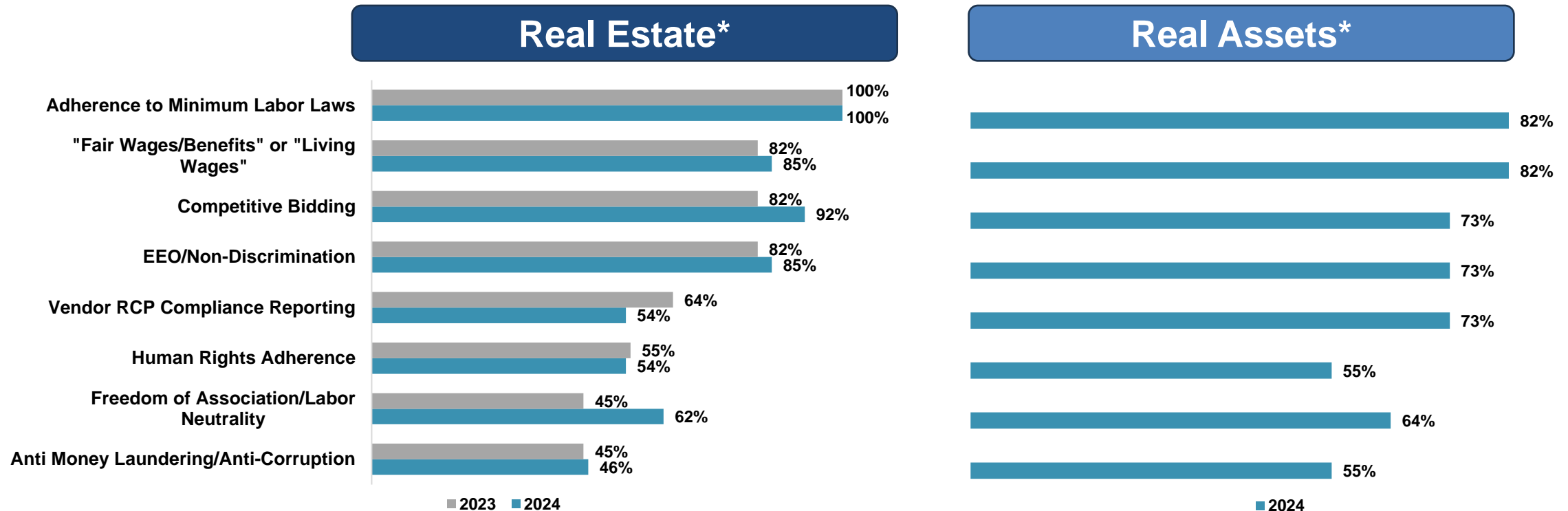
Percentage of Commingled Fund Managers with RCPs

Commingled Fund Managers RCP Assessment



- LACERA reviews each commingled fund manager's RCP to assess if it addresses the same core principles and practices of LACERA's RCP.
- Many policies address legal compliance and fair wages and benefits, but do not always address all of the principles articulated in LACERA's RCP.
- Where a manager's RCP does not reflect the same terms, LACERA encourages managers to incorporate explicit references in their RCP at the next opportunity.

Percentage of Commingled Fund Managers' RCPs that Address Specific Provisions



* As noted in slide 4, this slide includes year over year analysis for real estate where LACERA has two years of data. LACERA will monitor year-over-year progress in both real estate and real assets going forward.

Observations and Next Steps



100% RCP compliance at real estate separate account managers where policy is contractually required



About 60% of LACERA's real estate and real assets commingled fund managers have policies similar to our RCP

- Common industry practice that has grown in recent years
- Includes non-U.S. managers in Europe and Asia
- Some policy names vary (e.g., supplier code of conduct)
- Robustness of policies vary and not common to have direct LP reporting
- LACERA evaluates, engages, monitors managers where we are a limited partner to encourage responsible contracting provisions
- Although some managers lack formal policies, they commonly have similar practices and LACERA encourages all managers to formalize their practices into clear policies



LACERA influence can be effective

- **Two** existing real estate managers and **three** existing real assets managers adopted new policies after LACERA feedback
 - LACERA often participates in Limited Partner Advisory Committees and has direct engagement with current managers
- LACERA also evaluates prospective managers on their RCP provisions and several prospective managers under due diligence in the past year in both real estate and real assets have agreed to develop new policies



Next steps include


- Underwriting: Every new fund undergoes due diligence on their RCP provisions
- Contracting: LACERA negotiates side letters with new investments to strengthen responsible contracting and reporting
- Influence and monitoring: LACERA encourages all managers to adopt robust policies and monitors changes
- Reporting: Internal assessment of trendlines and periodic updates to Board of Investments

**FOR INFORMATION ONLY**

January 30, 2025

TO: Trustees,
Board of Investments

FROM: Ted Granger 
Chief Financial Officer

Michael Huang 
Accounting Officer II

FOR: February 12, 2025 – Board of Investments Meeting

SUBJECT: **Semi-Annual Interest Crediting for Reserves as of December 31, 2024**

INTEREST CREDITING APPLIED FOR DECEMBER 2024

Pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31591, and the Board of Investment's Interest Crediting Policy for Reserve Accounts, regular interest shall be credited semi-annually on June 30 and December 31 to all eligible member contributions in the retirement fund, which have been on deposit six months immediately prior to such date at an interest rate determined by the Board.

The Available Earnings as of the Interest Crediting Date, will be allocated to each Reserve Account as follows:

- A. Member Reserve accounts will be credited with 3.50% interest to eligible balances on deposit,
- B. Contingency Reserve account will be established at 1% of the Fair Value of Assets,
- C. Employer Reserve accounts will be credited with an amount equivalent to 2.80% interest, and
- D. Undistributed Earnings Reserve will be allocated \$0.

BACKGROUNDNew Policy

In October 2024, the Board adopted two new policies, the "Actuarial Funding Policy" and the "Interest Crediting Policy" to replace the previous Retirement Benefit Funding Policy.

It was determined that the interest crediting process warranted a separate policy and therefore the Interest Crediting Policy ("ICP") For Reserve Accounts was created, see *Attachment 1*. The new ICP introduces a new term called "Available Earnings," sets the interest crediting rate for the Member Reserve account within the Policy and establishes a requirement to fund the Contingency Reserve at 1% of the Fair Value of Assets each crediting cycle. Other changes align the reserve account treatment within actuarial and accounting processes and provide

support for internal accounting operations.

This December 31, 2024, Interest Crediting Date represents the first time the new ICP will be applied. The next Interest Crediting Date will be for June 30, 2025.

Legal Authority

LACERA is a public retirement plan duly created and operating under the County Employees Retirement Law of 1937, set forth at California Government Code Section 31450 et seq. Pursuant to Section 31591 of the County Employees Retirement Law of 1937 (CERL), regular interest shall be credited semi-annually on June 30 and December 31 to all eligible member contributions in the retirement fund, which have been on deposit for six months immediately prior to such date at an interest rate determined by the Board of Investments. CERL includes other provisions guiding the allocation of earnings, all of which must be exercised pursuant to the fiduciary duties of prudence and loyalty owed by the Board of Investments and its trustees to members and their beneficiaries under Article XVI, Section 17 of the California Constitution.

Application of New Policy

The new Interest Crediting Policy guides LACERA's Financial and Accounting Services Division (FASD) in allocating Available Earnings to Reserve accounts and is performed semi-annually.

INTEREST CREDITING OVERVIEW

As defined in the Interest Crediting Policy, Available Earnings are equal to Realized Earnings for the six-month period ending on the Interest Crediting Date plus prior period ending balances in the Contingency Reserve and Undistributed Earnings Reserve. Regardless of the amount of Available Earnings on the Interest Crediting Date, under the policy, interest is credited to the Member Reserve at a rate equal to one-half of the Assumed Rate of Investment Return, and the Contingency Reserve is set equal to 1% of the fair value of assets as of the Interest Crediting Date.

If there are sufficient Available Earnings for the allocations to the Member Reserve and Contingency Reserve, then the policy provides that interest is credited to the Employer Reserve at a rate equal to one-half of the Assumed Rate of Investment Return up to an amount that does not cause the total allocations to the Member Reserve, Contingency Reserve and Employer Reserve to be greater than Available Earnings. Any remaining Available Earnings after the allocation to the Employer Reserve shall be credited to the Undistributed Earnings Reserve.

If there are insufficient Available Earnings to meet the minimum requirements of the Member Reserve and the Contingency Reserve, then, under the policy, the Employer Reserve shall not receive an allocation, and the Undistributed Earnings Reserve shall be set equal to Available Earnings minus the amounts allocated to Member and Contingency reserves.

Based on the Interest Crediting Policy, the Employer Reserve may be credited with an interest crediting rate less than one-half of the Assumed Rate of Investment Return but not less than 0%, and the Undistributed Earnings Reserve may receive a positive or negative allocation.

INTEREST CREDITING FOR DECEMBER 31, 2024

Table 1 below shows the determination of Available Earnings as of December 31, 2024, and Table 2 provides the allocation of those Available Earnings to each Reserve Account.

Table 1 – Determination of Available Earnings as of December 31, 2024	
Contingency Reserve Balance as of June 30, 2024*	\$ 0
Undistributed Earnings Reserve Balance as of June 30, 2024*	\$ 0
Realized Earnings for the period July 1, 2024 to December 31, 2024	\$ 2,742,271,164
Available Earnings as of December 31, 2024	\$ 2,742,271,164

*Reserve balances as of June 30, 2024 are added to the Available Earnings balance here, which resets the balance to \$0 at the beginning of the December 31, 2024 interest crediting process.

Table 2 – Allocation of Available Earnings as of December 31, 2024	
Member Reserve (Member Crediting Rate = 3.50%)*	\$ 986,311,955
Contingency Reserve (1% of Fair Value of Assets)	\$ 811,627,899
Employer Reserve (effective Interest Crediting Rate = 2.80%)**	\$ 944,331,310
Undistributed Earnings Reserve	\$ 0
STAR Reserve	N/A
Available Earnings Allocated as of December 31, 2024	\$ 2,742,271,164

*Estimated dollar amount based on June 30, 2024 balances. Actual interest credits applied to eligible member accounts, where eligibility is based on member status change from June 30, 2024 to December 31, 2024.

**Estimated dollar amount which will vary depending on actual interest credit applied to Member Reserve.

The Member Reserve interest credit rate is 3.50% and the Contingency Reserve is fully established at 1% of the Fair Value of Assets as of the December 31, 2024 Interest Crediting Date. The target interest rate for the Employer Reserve is 3.50%; Available Earnings were insufficient to credit the targeted amount of 3.50% but permitted crediting at 2.80%. The STAR Reserve does not receive an interest credit/allocation.

Available Earnings include the prior period Contingency Reserve and Undistributed Earnings Reserve. Since December 31, 2024 is the first Interest Crediting Date for which the updated Interest Crediting Policy is effective, it is necessary to fully establish the Contingency Reserve from Available Earnings.

CONCLUSION

The Board's Interest Crediting Policy requires crediting to the Member Reserve at 3.50%, which is one-half of the Assumed Rate of Investment Return, and the establishment of the Contingency Reserve equal to 1% of the Fair Value of Assets. For this Interest Crediting Date, there were sufficient Available Earnings to credit the Employer Reserve at 2.80% and the Undistributed

Earnings Reserve with \$0.

Attachments:

- I. Interest Crediting Policy for Reserve Accounts, October 2024

REVIEWED AND APPROVED:



Santos H. Kreimann
Chief Executive Officer

SHK:tg:mh

c: Luis A. Lugo Steven P. Rice Jonathan Grabel
 Laura Guglielmo JJ Popowich Richard Bendall
 Board of Retirement, LACERA



Attachment I

INTEREST CREDITING POLICY FOR RESERVE ACCOUNTS

**BOARD OF INVESTMENTS
ADOPTED: OCTOBER 2024**

Interest Crediting Policy for Reserve Accounts

Authorizing Manager: Ted Granger, Chief Financial Officer

Original Issue Date: N/A, included in former Retirement Benefit Actuarial Funding Policy, as amended, February 13, 2013

Effective Date: July 1, 2024

Last Updated: October 9, 2024

Mandatory Review: Every 3 Years

Approval Level: Board of Investments

I. Purpose

The purpose of this policy is to:

1. Define the reserve accounts maintained by LACERA;
2. Describe the methodology to credit interest to the reserve accounts of LACERA; and
3. Outline a process for allocating any “undistributed earnings” of LACERA.

II. Scope

This policy guides LACERA’s Financial and Accounting Services Division (FASD) in allocating Available Earnings to reserve accounts and is performed semi-annually.

III. Legal Authority

LACERA is a public retirement plan duly created and operating under the [County Employees Retirement Law of 1937, set forth at California Government Code Section 31450 et seq.](#) Pursuant to [Section 31591 of the County Employees Retirement Law of 1937 \(CERL\)](#), regular interest shall be credited semi-annually on June 30 and December 31 to all eligible member contributions in the retirement fund, which have been on deposit for six months immediately prior to such date at an interest rate determined by the Board of Investments. CERL includes other provisions guiding the allocation of earnings, all of which must be exercised pursuant to the fiduciary duties of prudence and loyalty owed by the Board of Investments and its trustees to members and their beneficiaries under [Article XVI, Section 17 of the California Constitution](#).

IV. Definitions

For this Policy, the terms below shall have the following definitions:

Actuarial Accrued Liability (AAL): The portion of the present value of projected benefits that is attributed to past service determined by the actuarial funding method.

IV. Definitions (continued)

Actuarial Value of Assets (AVA): The Fair Value of Assets plus or minus the net deferred investment gains or losses not yet recognized by the Asset Smoothing Method.

Asset Smoothing Method: A process used to spread the recognition of actuarial investment gains or losses (relative to the assumed return) over a period of time for the purposes of determining the Actuarial Value of Assets.

Assumed Rate of Investment Return: The investment rate of return assumption adopted by the Board of Investments with the Funding Valuation that established the employer and employee contribution rates for the fiscal year that includes the Interest Crediting Date.

Available Earnings: Realized Earnings for the six-month period ending on the Interest Crediting Date plus prior period ending balances in the Contingency Reserve and Undistributed Earnings Reserve. Available Earnings may be negative.

Book Value of Assets (BVA): The Fair Value of Assets (FVA) minus any Unrealized Earnings. It is the original cost of the asset plus all earnings on the asset other than unrealized appreciation/depreciation and is equal to the sum of Valuation Reserves plus Non-Valuation Reserves.

County: Los Angeles County

[County Employees Retirement Law of 1937 \(CERL\)](#): Body of law enacted to govern retirement benefits for certain public employees. The [CERL](#) governs retirement systems (including LACERA) for county and district employees in those counties adopting its provisions pursuant to [Section 31500](#).

Employer: Participating employers in LACERA include Los Angeles County, Los Angeles County Superior Court, South Coast Air Quality Management District (SCAQMD), Los Angeles County Office of Education (LACOE), Little Lake Cemetery District (LLCD), Local Agency Formation Commission for the County of Los Angeles (LAFCO).

Fair Value of Assets (FVA): The Fiduciary Net Position Restricted for Pension Benefits as defined by the Government Accounting Standards Board.

Funding Valuation: An actuarial valuation that provides a comprehensive assessment of the financial and funding status of a pension plan and calculates employer and member contribution rates. The report is prepared by an external actuary who is independent of the retirement plan.

Interest Crediting Rate: This is the target interest rate to be credited to the Employer Reserve on each Interest Crediting Date. Pursuant to [Section 31591 of the CERL](#) the Board of

IV. Definitions (continued)

Investments determines the semiannual interest rate to be credited on each Interest Crediting Date. By this Interest Crediting Policy for Reserve Accounts, the Board of Investments sets the semiannual Interest Crediting Rate equal to one-half of the Assumed Rate of Investment Return. The target rate of interest will only be credited to the Employer Reserve if there are sufficient Available Earnings after first crediting both the Member Reserve and the Contingency Reserve as provided in this Policy, and therefore the amount credited to the Employer Reserve may be less than this rate if Available Earnings are insufficient to credit the entire amount.

Interest Crediting Date(s): Interest crediting shall be performed twice per year, as of June 30 and December 31.

Member Crediting Rate: This is the interest rate to be credited to member accounts on each Interest Crediting Date. Pursuant to [Section 31591 of the CERL](#), the Board of Investments determines the semiannual interest rate to be credited to Member Reserves on each Interest Crediting Date. By this Interest Crediting Policy for Reserve Accounts, the Board of Investments sets the semiannual Member Crediting Rate equal to one-half of the Assumed Rate of Investment Return for that semiannual interest crediting period. This rate will be credited to the Member Reserve from Available Earnings. If Available Earnings are insufficient to credit this amount, the Undistributed Earnings Reserve will be debited by the amount of the shortfall (Section V.B below), such that the Member Crediting Rate will always be credited in full to the Member Reserve on each Interest Crediting Date regardless of the amount of Available Earnings.

Non-Valuation Reserves: Reserves that are set aside for obligations or contingencies and are excluded from Valuation Assets and the calculation of contribution rates in the Funding Valuation.

Realized Earnings: Earnings that have been received. This excludes changes in asset values due to appreciation/depreciation.

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any, of the Actuarial Accrued Liability (AAL) over the Actuarial Value of Assets (AVA).

Unrealized Earnings: The accumulated appreciation or depreciation in value of assets held in the investment portfolio that has not yet been realized by the sale of those assets.

Valuation Assets: The value of assets used in the Funding Valuation to determine employer contribution rate requirements. It is equal to the Actuarial Value of Assets reduced by the value of any Non-Valuation Reserves.

Valuation Reserves: Reserves that will be included in the determination of Valuation Assets and the calculation of contribution rates in the Funding Valuation.

V. Policy

A. Reserve Accounts (“Reserves”)

LACERA maintains the following reserve accounts for the purpose of allocating income and disbursements of the trust fund assets. Reserve accounts are classified as either Valuation Reserves or Non-Valuation Reserves. The sum of Valuation Reserves plus Non-Valuation Reserves is equal to the Book Value of Assets. Non-Valuation Reserves are not included in the Valuation Assets used in the Funding Valuation. These reserve balances are accounting balances and may not equal the Actuarial Value of Assets.

1. Valuation Reserves

- a. **Member Reserve:** This reserve represents the total accumulated contributions, with interest, of members. Additions include member contributions and related earnings. Deductions include payments to retirees and refunds to members.
- b. **Employer Reserve:** This reserve includes the total accumulated contributions, with interest, of the employer. Additions include contributions from employers and related earnings. Deductions include payments to retired members and survivors.
- c. **Undistributed Earnings Reserve.** The accumulation of Available Earnings not yet allocated to any other Valuation or Non-Valuation Reserve. This reserve is used for semi-annual interest crediting, to eliminate the Unfunded Actuarial Accrued Liability by allocating excess amounts to the Employer Reserve, and for other uses at the joint discretion of the Board of Investments and Board of Retirement as permitted under [CERL](#), and subject to the LACERA Actuarial Funding Policy. Specifically, this reserve should be used to eliminate the Unfunded Actuarial Accrued Liability prior to any other discretionary uses, by reallocating an amount to the Employer Reserve. The balance of this reserve may be negative.

2. Non-Valuation Reserves

- a. **Contingency Reserve:** This is a statutorily defined reserve pursuant to [Sections 31592 and 31592.2 of the CERL](#). The Contingency Reserve is set at 1.0% of the Fair Value of Assets as a reserve against deficiencies in interest earnings in other years, losses on investments, and other contingencies and other purposes permitted under CERL.
- b. **STAR Reserve:** Reserves accumulated for the payment of cost-of-living benefits pursuant to [Section 31874.3 of the CERL](#). Supplemental Targeted Adjustment for Retirees (STAR) benefits provide supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level. The STAR Reserve does not receive interest credits.

V. Policy (Continued)

B. Crediting of Interest / Allocation of Available Earnings Process

The first step in the interest crediting process at each Interest Crediting Date is to determine Available Earnings. Available Earnings are equal to Realized Earnings for the six-month period ending on the Interest Crediting Date plus prior period ending balances in the Contingency Reserve and Undistributed Earnings Reserve. As a result of the prior period Contingency Reserve and Undistributed Earnings Reserve being included in Available Earnings, those reserve balances are reset to zero (\$0) at this step. Throughout this process, Available Earnings will be reduced by the amount of interest credited, or allocated, to each reserve.

Interest is credited / allocated to individual reserve accounts in the priority order outlined below.

1. Member Reserve

Credit individual member contributions and accumulated interest that have been on deposit for at least six months prior to the Interest Crediting Date with interest at the Member Crediting Rate. The Member Crediting Rate is equal to one half of the applicable Assumed Rate of Investment Return for that interest crediting period. This rate will always be credited in full to the Member Reserve on each Interest Crediting Date regardless of the amount of Available Earnings. Reduce Available Earnings by the total amount of interest credited to member accounts.

2. Contingency Reserve

Allocate an amount so that this reserve is equal to 1% of the Fair Value of Assets as of the Interest Crediting Date. This amount will always be allocated to the Contingency Reserve regardless of the amount of Available Earnings. If Available Earnings are insufficient to allocate this amount, the Undistributed Earnings Reserve will be debited by the amount of the shortfall (Section V.B.4 below). Reduce Available Earnings by the total amount allocated to this reserve.

3. Employer Reserve

If there are Available Earnings remaining after the allocation to the Contingency Reserve, then credit interest at the Interest Crediting Rate to the Employer Reserve balance as of the prior Interest Crediting Date only to the extent there is sufficient remaining Available Earnings to credit this amount. If this amount of interest is greater than the remaining Available Earnings, credit the entire amount of remaining Available Earnings, but not less than zero (\$0). The interest rate credited to this Employer Reserve will be no less than 0% and no more than one-half of the Assumed Rate of Investment Return. The actual interest rate credited will depend on the amount of remaining Available Earnings after the allocation to the Contingency Reserve. Reduce Available Earnings by the amount of interest credited to this reserve.

V. Policy (Continued)

4. Undistributed Earnings Reserve

If there are positive Available Earnings remaining after the allocation to the Employer Reserve, allocate any remaining Available Earnings to this reserve.

If there are zero (\$0) Available Earnings remaining after the allocation to the Employer Reserve, then no allocation shall be made to this reserve.

If there are negative Available Earnings remaining after the allocation to the Member Reserve and the Contingency Reserve, no interest shall be credited to the Employer Reserve and the amount of those negative Available Earnings shall be allocated to this reserve.

VI. References

These references are intended to help explain this policy and are not an all-inclusive list of policies, procedures, laws, and requirements. The following information complements and supplements this document:

Related Policies:

- Actuarial Funding Policy, Effective: July 1, 2024

Related Procedures:

- Interest Crediting Internal Accounting Procedures, June 12, 2024

Related Forms/Templates: Not Applicable

Other Related Information: Not Applicable

VII. Version History

Policy Approval Date: October 9, 2024

Policy Update/Review Summary: Previous policy language included, and version(s) superseded by this policy:

- Retirement Benefit Funding Policy, February 13, 2013

Original Issue Date: Adopted by the Board of Investments on December 9, 2009

VIII. Policy Review/Approval

The Board of Investments will review and update this Policy every three years, at a minimum, typically when the triennial actuarial experience study report is completed.

APPENDIX

Interest Crediting Examples

	Scenario #1	Scenario #2	Scenario #3
	Available Earnings less than amount needed for Member Reserve Interest Credit + Contingency Reserve Allocation	Available Earnings greater than amount needed for Member Reserve Interest Credit + Contingency Reserve Allocation but not enough for full Employer Reserve Credit	Available Earnings greater than amount needed for Member Reserve Interest Credit + Contingency Reserve Allocation + full Employer Reserve Credit
Pension Plan Reserves as of June 30, XXXX			
(1) Member Reserve	\$30,000,000,000	\$30,000,000,000	\$30,000,000,000
(2) Contingency Reserve	\$800,000,000	\$800,000,000	\$800,000,000
(3) Employer Reserve	\$35,000,000,000	\$35,000,000,000	\$35,000,000,000
(4) Undistributed Earnings Reserve	\$200,000,000	\$200,000,000	\$200,000,000
(5) STAR Reserve	\$610,000,000	\$610,000,000	\$610,000,000
(6) Total Reserves at Book Value	\$66,610,000,000	\$66,610,000,000	\$66,610,000,000
December 31, XXXX			
(7) Fair Value of Assets as of December 31, XXXX	\$82,000,000,000	\$82,000,000,000	\$82,000,000,000
(8) Unrealized Investment Portfolio Appreciation as of December 31, XXXX	\$16,000,000,000	\$16,000,000,000	\$16,000,000,000
(9) Realized Earnings for the Period	\$0	\$1,220,000,000	\$2,200,000,000
(10) 1.0% Fair Value of Assets as of December 31, XXXX	\$820,000,000	\$820,000,000	\$820,000,000
Step 1 - Determine Available Earnings as of December 31, XXXX			
(11) Realized Earnings for the Period [= (9)]	\$0	\$1,220,000,000	\$2,200,000,000
(12) Contingency Reserve as of June 30, XXXX [= (2)]	\$800,000,000	\$800,000,000	\$800,000,000
(13) Undistributed Earnings Reserve as of June 30, XXXX [= (4)]	\$200,000,000	\$200,000,000	\$200,000,000
(14) Available Earnings	\$1,000,000,000	\$2,220,000,000	\$3,200,000,000
Step 2 - Reset Pension Plan Reserves as of June 30, XXXX after determination of December 31, XXXX Available Earnings			
(15) Member Reserve [= (1)]	\$30,000,000,000	\$30,000,000,000	\$30,000,000,000
(16) Contingency Reserve ^a [= (2) - (12)]	\$0	\$0	\$0
(17) Employer Reserve [= (3)]	\$35,000,000,000	\$35,000,000,000	\$35,000,000,000
(18) Undistributed Earnings Reserve ^a [= (4) - (13)]	\$0	\$0	\$0
(19) STAR Reserve [= (5)]	\$610,000,000	\$610,000,000	\$610,000,000
(20) Total Reserves at Book Value	\$65,610,000,000	\$65,610,000,000	\$65,610,000,000
Step 3 - Pension Plan Reserves Interest Crediting & Allocations as of December 31, XXXX			
(21) Member Reserve credit (always equal to one-half of investment return assumption ^b)	\$1,050,000,000	\$1,050,000,000	\$1,050,000,000
(22) Contingency Reserve allocation (always reset to 1% of Fair Value of Assets) [= (10)]	\$820,000,000	\$820,000,000	\$820,000,000
(23) Employer Reserve credit	\$0 ^c	\$350,000,000 ^e	\$1,225,000,000 ^f
(24) Undistributed Earnings Reserve allocation ^d [= (14) - (21) - (22) - (23)]	(\$870,000,000)	\$0	\$105,000,000
(25) STAR Reserve credit	\$0	\$0	\$0
(26) Total Interest Crediting & Allocations	\$1,000,000,000	\$2,220,000,000	\$3,200,000,000
Step 4 - Determine Pension Plan Reserves as of December 31, XXXX			
(27) Member Reserve [= (1) + (21)]	\$31,050,000,000	\$31,050,000,000	\$31,050,000,000
(28) Contingency Reserve [= (22)]	\$820,000,000	\$820,000,000	\$820,000,000
(29) Employer Reserve [= (3) + (23)]	\$35,000,000,000	\$35,350,000,000	\$36,225,000,000
(30) Undistributed Earnings Reserve [= (24)]	(\$870,000,000)	\$0	\$105,000,000
(31) STAR Reserve [= (5)]	\$610,000,000	\$610,000,000	\$610,000,000
(32) Total Reserves at Book Value	\$66,610,000,000	\$67,830,000,000	\$68,810,000,000

a Contingency Reserve and Undistributed Earnings Reserve are reset to \$0 at the beginning of each cycle when these amounts are included in Available Earnings for that cycle.

b The investment return assumption referred to here is the assumption adopted by the Board of Investments with the Funding Valuation that established the employer and employee contribution rates for the fiscal year that includes the Interest Crediting Date. For the purpose of these examples one-half of the investment return assumption is 3.50%.

c The effective interest rate credited to the Employer Reserve is 0% because Available Earnings are less than the amount needed to provide interest crediting to the Member Reserve and to establish the Contingency Reserve equal to 1% of the Fair Value of Assets.

d The Undistributed Earnings Reserve is allocated with the excess (or shortfall) of Available Earnings over the amounts credited (or allocated) to the Member Reserve, Contingency Reserve and Employer Reserve.

e Available Earnings are greater than the amount needed to provide interest crediting to the Member Reserve and to establish the Contingency Reserve equal to 1% of the Fair Value of Assets, but are insufficient to provide interest crediting equal to one-half of the investment return assumption. As such, the full amount of remaining Available Earnings is credited to the Employer Reserve. The effective interest rate credited to the Employer Reserve in this example is 1% (\$350,000,000 / \$35,000,000,000).

f Available Earnings are greater than the amount needed to provide interest crediting to the Member Reserve, to establish the Contingency Reserve equal to 1% of the Fair Value of Assets, and to provide interest crediting equal to one-half of the investment return assumption. As such, the Employer Reserve receives an interest credit of 3.5% (\$1,225,000,000 / \$35,000,000,000).

These example scenarios ignore contributions & benefit payments from reserves (for simplification). All amounts are for illustration only.



Semi-Annual Interest Crediting for Reserve Accounts

Board of Investments
February 12, 2025



Interest Crediting Cycle for December 31, 2024

✓ Interest Crediting Policy

- Board approved a new Interest Crediting Policy in October 2024.

✓ Interest Crediting Illustration

- Example from December 31, 2024 interest crediting cycle.
-

Interest Crediting Application



Pension Plan Reserves as of June 30, 2024

- Beginning of the period balances.
- Contingency Reserve and Undistributed Earnings Reserve balances at \$0.

Pension Plan Reserves as of June 30, 2024	
Member Reserve	\$28,180,341,572
Contingency Reserve	\$0
Employer Reserve	\$33,774,629,328
Undistributed Earnings Reserve	\$0
STAR Reserve	\$608,631,082
Total Reserves at Book Value	\$62,563,601,982

Interest Crediting Application



Realized Earnings Breakdown as of December 31, 2024

- Determine Realized Earnings for the six-month period.
- Add Investment Income and deduct Investment-Related Expenses.

Realized Earnings Breakdown as of December 31, 2024	
Realized Gains-Sale of Investments	\$2,145,752,252
Dividends and Interest	\$504,884,761
Alternative Assets Income	\$216,276,756
Other Investment Income	\$70,405,252
Investment-Related Expenses	(\$195,047,857)
Total Realized Earnings	\$2,742,271,164

Interest Crediting Application



Accounting Balances As of December 31, 2024

- Determine Accounting Balances as of the Interest Crediting Date.
- Interest crediting excludes Unrealized Investment Portfolio Appreciation.

Accounting Balances As of December 31, 2024

Fair Value of Assets	\$81,162,789,949
Cumulative Unrealized Investment Portfolio Appreciation	\$16,613,207,730
Realized Earnings for the Period	\$2,742,271,164
1.0% Fair Value of Assets (FVA)	\$811,627,899

Interest Crediting Application



Available Earnings as of December 31, 2024

- Balances in the Contingency Reserve and Undistributed Earnings Reserves as of June 30, 2024, are added to the Available Earnings balance as of December 31, 2024 and reset to \$0.
- Available Earnings during the December 31, 2024 Interest Crediting process may provide credits to the Contingency Reserve and Undistributed Earnings Reserve.

Available Earnings as of December 31, 2024	
Contingency Reserve*	\$0
Undistributed Earnings Reserve*	\$0
Realized Earnings for the Period	\$2,742,271,164
Available Earnings	\$2,742,271,164

*Reserve balances as of June 30, 2024 are added to the Available Earnings balance here, which resets the balance to \$0 at the beginning of the December 31, 2024 interest crediting process.

Interest Crediting Application



Interest Crediting / Allocation as of December 31, 2024

- Interest credits applied to Reserve accounts in priority order until Available Earnings are depleted.
- Employer Reserve receives partial interest crediting amount.

Interest Crediting / Allocation as of December 31, 2024				
	Pension Plan Reserves Before Crediting / Allocation	Credit / Allocated Amount	Effective Interest Credit / Allocation	Available Earnings Remaining After Credit / Allocation
Member Reserve	\$28,180,341,572	\$986,311,955 *	3.50%	\$1,755,959,209
Contingency Reserve	\$0	\$811,627,899	1% FVA	\$944,331,310
Employer Reserve	\$33,774,629,328	\$944,331,310 **	2.80%	\$0
Undistributed Earnings Reserve	\$0	\$0	N/A	\$0
STAR Reserve	\$608,631,082	\$0	N/A	\$0
Total Reserves at Book Value	\$62,563,601,982	\$2,742,271,164		

*Estimated amount based on June 30, 2024 balances. Actual interest credits applied to eligible member accounts, where eligibility is based on member status change from June 30, 2024 to December 31, 2024.

**Estimated dollar amount which will vary depending on actual interest credit applied to Member Reserve.



Questions ?



February 3, 2025

TO: Each Trustee,
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: February 12, 2025 Board of Investments Meeting

SUBJECT: LACERA 2025 Election of Fourth Member: Review and Update of the Statement of Powers and Duties of Board of Investments Trustees

This report presents the current 2024 “Powers and Duties of Board of Investments Trustees” for the Board’s annual review and offers a proposed “Summary of Responsibilities of Board of Investments Trustees” as an alternative to enhance the information made available to potential candidates in this year’s trustee elections, members, and other stakeholders. The Powers and Duties document has had the same structure, with minor changes in content, for over twenty years. This is the first effort to comprehensively review and restate it.

Critical review of the document follows from the Board’s 2025 Strategic Framework, with its focus on robust governance and taking a principles-approach. Review is also supported by LACERA’s 2023-2028 Strategic Plan and its emphasis in Goal 4 on effective risk management.

Staff does not request action at this time. Staff requests Board’s discussion and input, so that a final version can be returned to the Board at its March meeting for final approval, followed by delivery to the Executive Office of the Board of Supervisors for use in the 2025 trustee elections.

LEGAL AUTHORITY

The responsibilities of Board of Investments trustees are set forth in the California Constitution (Cal. Const., art XVI, § 17), the County Employees Retirement Law of 1937 (CERL) (Cal. Gov’t Code §§ 31540 *et seq.*), the California Public Employees’ Pension Reform Act of 2013 (PEPRA) (Cal. Gov’t Code §§ 7522 *et seq.*), other applicable law, and LACERA’s policies, procedures, and practices.

Approval of a Powers and Duties or Trustee Responsibilities document is consistent with the exercise of the Board’s plenary authority and fiduciary responsibility over system funding under the California Constitution. Cal. Const., art. XVI, § 17, and CERL, Government Code Sections 31520, 31520.1, and 31595.

BACKGROUND

Each year, the Board of Supervisors adopts a resolution to govern the current year's LACERA election. The Board of Investments election this year will include the Fourth Member (an active safety member seat currently held by Jason Green) for a three-year term commencing January 1, 2026. At LACERA's request, the Board of Supervisors will include in its election resolution and in Board election materials a LACERA-prepared ballot insert on trustee responsibilities to assist prospective candidates in making their decision whether to run and to aid voters in evaluating candidates. The responsibilities document is also posted on *lacera.com*, and it is available to stakeholders and the public throughout the year to communicate the responsibilities of Board trustees.

This year, staff has prepared a proposed new version of the responsibilities document for consideration by the Board, renamed as "Summary of Responsibilities of Board of Investments Trustees." A PowerPoint presentation explaining the review process, guiding principles for the review, the organization and content of the new document, and mapping the current documents to the proposed new one is attached to the Board's consideration and discussion. The new version is attached as Attachment A. The current Powers and Duties is attached as Attachment B.

DISCUSSION

Staff approached preparation of the proposed Summary of the Responsibilities with the goal to enhance communication and understanding of the trustees' responsibilities. Staff applied five governing principles:

First, the Summary should provide an **accurate high-level summary** of LACERA as an organization and the trustees' roles.

Second, the Summary should have a **logical structure and ordering**. This means that the document should begin with a description of LACERA as an organization, the elected trustees' legally required qualifications, trustees' fiduciary duties under the Constitution, and then the trustees' responsibilities, followed by other important issues, including Board and Committee meetings, other obligations, education, conflicts of interest and mandatory reporting, compensation and expenses, and the Board of Retirement's oversight role for pension and retiree healthcare administration.

This approach improves upon the less well-organized structure of the Powers and Duties. For example, the Powers and Duties addressed fiduciary duties at the end of the document, rather than at the beginning as the fundamental standard that guides all of the trustees' work.

Third, the Summary should have the **appropriate level of detail** and summarize official Board governing documents (such as the Board Charter and Investment Policy Statement) but avoid duplicating or usurping their formal role in providing fund governance guidance. The responsibilities document is not itself a policy or a legal memo, but rather a high-level summary, as its name states. Too much detail regarding governing documents or the law creates a risk of conflict and a confusing partial understanding. The Summary should therefore strive to capture the essence of the trustees' responsibilities and other relevant issues and avoid detailed discussion of tasks. This approach furthers clarity and promotes better understanding. The proposed Summary includes a link to the Governing Documents page on *lacera.com* for those who wish to dig deeper.

Attention to the appropriate level of detail also suggests that the Summary elevate fiduciary governance rather than tasks or incidental matters. As stated above, the Summary attempts to order its section with focus on governance issues of duties and responsibilities up front, placing other issues later in the document.

Another example is the approach in the Summary to trustees' commitment to their work as trustees. The Summary states that trustees are required to make a "substantial commitment" to meetings, preparation, and the other obligations that each trustee chooses to pursue in their "individual fiduciary judgment." The Powers and Duties took a different approach in describing the trustees' work in a generalized range of hours without reference to fiduciary responsibility. However, the commitment "will vary" widely by many factors, including "individual background, Board tenure, and familiarity with matters under consideration and will vary from month to month due to variations in LACERA's business activities and the length and complexity of agendas." It is difficult to accurately estimate hours, and staff is aware that potential trustees have been discouraged from seeking to serve because of the estimates in the current Powers and Duties, which do not reflect every trustee's experience. Staff proposes that the best way of addressing each trustee's commitment is to specifically state, as the Summary does, that the commitment is substantial, will vary, and is in each trustee's own fiduciary judgment. Staff will continue to support trustees in addressing any questions about the commitment required in their service to LACERA's members.

Fourth, the Summary should have **readability**. The current Powers and Duties are complex and heavy with legalistic language, and it is likely a difficult and time-consuming read for many potential trustee candidates, voters, and other stakeholders. The Summary is less complex, uses less legal jargon, and strives for plain language. For example, the "Involvement" section of the Powers and Duties is relabeled as "External Affairs" to capture its focus more clearly on matters outside LACERA's internal operations.

Board of Investments

Re: Review and Update of the Statement of Powers and Duties of BOI Trustees

February 3, 2025

Page 4

Fifth, the Summary should minimize its **length** in the interests of accessibility and comprehension and to avoid redundancy. Whereas the Powers and Duties is a dense six-page documents, the Summary is a concise, but complete, two-page handout. The Summary is also better formatted and branded through the use of LACERA's logo and watermark.

The attached PowerPoint presentation reviews the guiding principles in additional detail, discusses each section of the proposed Summary, and maps them to their counterpart in the current Powers and Duties.

CONCLUSION

Based the information provided in this memo and its attachments, staff requests that the Board provide its input on the proposed Summary so that it can be revised and returned for final action at the March meeting, in time to be included the Board of Supervisors in its 2025 election resolution and the ballot materials for this year's active safety member election for the Fourth Member seat.

Attachments

PowerPoint Presentation

A – Proposed “Summary of Responsibilities of Board of Investments Trustees”

B – Current “Powers and Duties of Board of Investments Trustees”

c: Santos H. Kreimann
Jonathan Gabel
Luis A. Lugo
JJ Popowich
Laura Guglielmo
Cynthia Martinez
Barry Lew
Bonnie Nolley
Linda El-Farra



Review and Update of the Powers and Duties of Board of Investments Trustees

Board of Investments Meeting
February 12, 2025

Agenda



1. Background of the “Powers and Duties”
2. Goal and Areas for Improvement/Guiding Principles for Review
3. Suggested Revised “Summary of Responsibilities”
4. Discussion

No action is requested today.

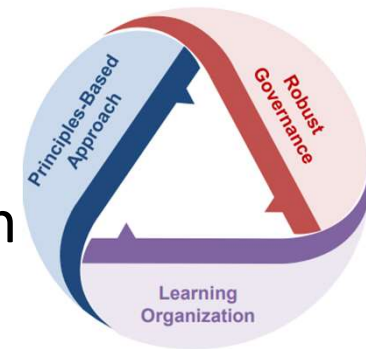
Attachments:

- Attachment A – Proposed “Summary of Responsibilities of Board of Investments Trustees”
- Attachment B – Current “Power and Duties”

Background



- The Powers and Duties are a public-facing document intended to provide a summary of the Board’s fiduciary responsibilities
 - For use by candidates and voters during annual trustee elections
 - 2025 – Fourth Seat by Active Safety Members
 - Inform and encourage candidates for elected and appointed trustees
 - Ongoing resource for stakeholders
 - Not itself a policy or governing document
- The same format has been used for over 20 years, with growth in length
 - This is the first comprehensive review
- Review is consistent with the principles-based approach taken in the BOI’s 2025 Strategic Framework
 - Also supported by LACERA’s 2023-28 Strategic Plan and its focus on effective risk management



Goal/Areas for Improvement



- Goal: Enhance communication and understanding
- Principles to guide review and improvement
 - Provide an accurate statement of LACERA and trustee roles
 - Logical structure and ordering
 - Lead with fiduciary duty and service, then core areas of oversight, and other items
 - Change document name to emphasize fiduciary “responsibilities” rather than “powers”
 - Add required trustee Qualifications and Board Composition
 - Level of detail
 - Focus on areas of responsibility, not attempt to restate Board policies
 - Elevate fiduciary governance rather than tasks or incidental matters
 - Avoid confusion and conflict with policies
 - Reference to Board’s online Governing Documents page for more information
 - Readability
 - Plain language, avoid overly technical and legalistic wording
 - Length
 - Economy of language to improve accessibility and comprehension; avoid redundancy

Suggested Revisions/1 of 4



Organization and content of proposed new document:

- **Opening paragraph** – Deliberately states the purpose as a summary of other policies and governing documents and provides link to source policies for reference and access to details **REVISED**
- **About LACERA** – Provides background on the organization **NEW**
- **Qualifications and Board Composition** – Provides requirements **NEW**
- **Fiduciary Duties** **RELOCATED AND REVISED**
 - Moved from the end of the document to the top of the first page because all responsibilities flow from and are guided by fiduciary duties
 - Revises a complex legal discussion to a straightforward summary using the clear words of the Constitution

Suggested Revisions/2 of 4



- **Board Trustee Responsibilities**

REVISED

- Order changed from an unstructured list to a list that starts with primary fiduciary responsibilities of policy and strategy setting and oversight, then moves on to staff appointments and delegation, retention of vendors, compliance, claims and litigation, and joint board responsibilities
- List is simplified version of the current list
- Changes:
 - “External Affairs” bullet added to elevate the previous “Involvement” bullet to identify the CEO and CIO as LACERA’s Board-approved spokespersons, that the Board deleted to staff the authority to represent LACERA with respect to investment-related legislation and regulations, and that trustees may, with approval, visit branches of state and federal government
 - “Board and Committee Meetings” moved to a separate section

Suggested Revisions/3 of 4



- **Board and Committee Meetings and Other Obligations**

REVISED

This section covers:

- Monthly Board and Committee meetings
- Expectation to attend and prepare for meetings
- The “substantial commitment” required to perform all aspects of Board service
- The actual commitment will continually vary based on each trustee’s individual background, tenure, and familiarity, and based on the length of meeting agendas, LACERA’s changing initiatives, and trustee’s LACERA activities
- No specific hours are mentioned because of the wide variation
- “Substantial commitment” recognizes that the work is significant and that the exact measure depends on each trustee’s separate experience and choices
- Current approach can discourage potential candidates

Information about meetings, other obligations, and the additional items on Slides 7 and 8 are at the end because they follow from fiduciary duties and responsibilities

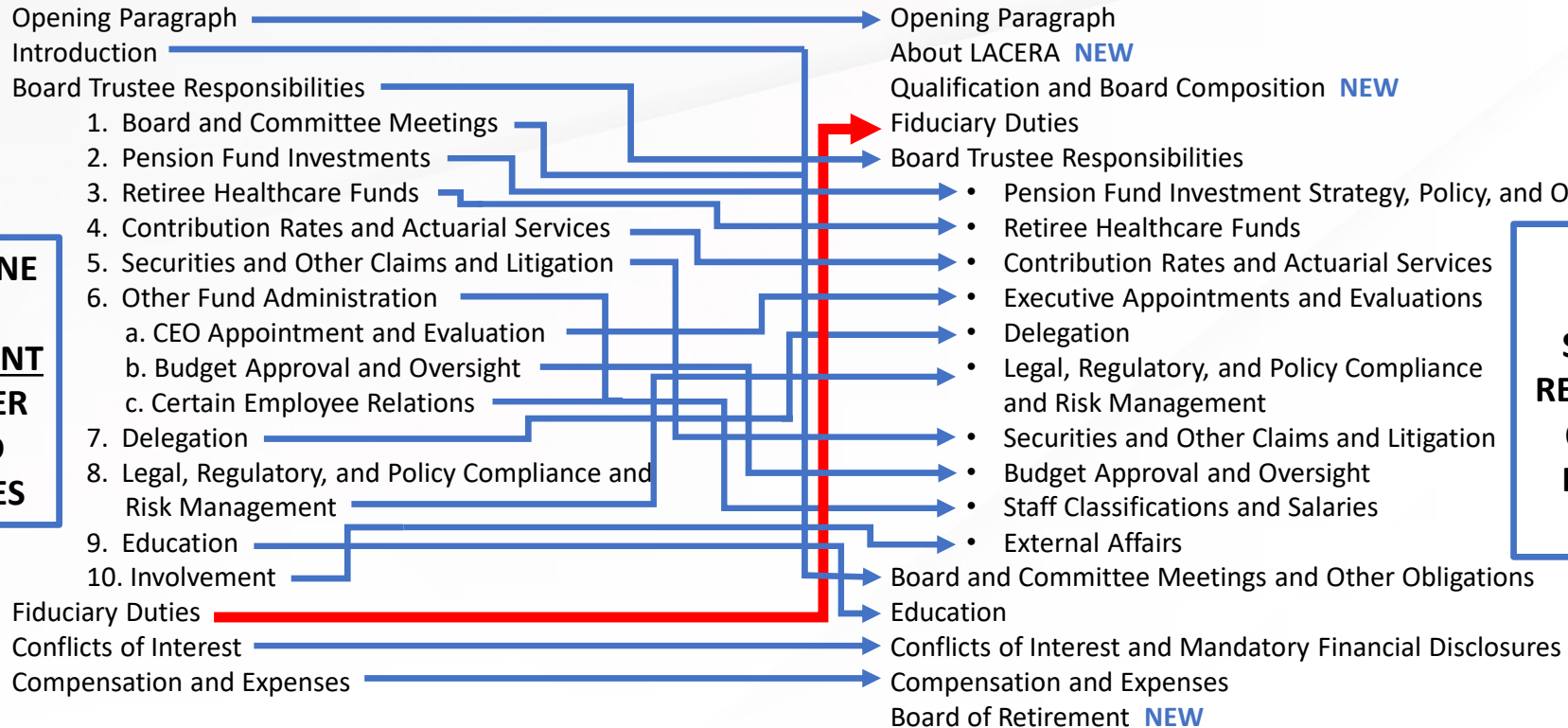
Staff will continue to support trustees when questions arise regarding the commitment necessary for Board service and trustee’s individual fiduciary decisions

Suggested Revisions/4 of 4



- **Education** REVISED
 - The current description is shortened to reflect the statutory requirement of education and other education available under Board policy
- **Conflicts of Interest and Mandatory Financial Disclosures** REVISED
 - The current section is condensed without changing the content
- **Compensation and Expenses** REVISED
 - Minor changes are made without changing the content
- **Board of Investments** NEW
 - Addition to briefly recognize the separate investment and funding responsibilities of the BOI

Mapping of Provisions



OUTLINE OF CURRENT POWER AND DUTIES

OUTLINE OF PROPOSED SUMMARY OF RESPONSIBILITIES OF BOARD OF INVESTMENTS TRUSTEES

Discussion



- Staff welcomes the Board's input on the proposed "Summary of Responsibilities of Board of Investments Trustees"
- Staff will return at the March Board meeting for final approval
- Approved version will be provided to the Executive Office of the Board of Supervisors for inclusion in this year's election resolution

ATTACHMENT A

Proposed "Summary of Responsibilities of
Board of Investments Trustees"



SUMMARY OF RESPONSIBILITIES OF BOARD OF INVESTMENTS TRUSTEES

The Board of Investments provides the following overview to assist members, prospective trustees, and other stakeholders to understand the work of the Board. Information is drawn from Board-approved governing documents, such as the Board of Investments Charter and Investment Policy Statement, available at <https://www.lacera.com/accountability/governing-documents/>.

About LACERA

LACERA is an independent public agency serving over 195,000 current and former employees of the County of Los Angeles and other participating agencies and responsible for over \$85 billion in trust assets. Trustees commit themselves to serve LACERA's members and their beneficiaries in fulfilling LACERA's **Mission** to produce, protect, and provide the promised benefits. Trustees are guided in their service by LACERA's **Values** of Integrity, Inclusivity, Innovation, Accountability, Collaboration, and Transparency (I ACT).

Qualifications and Board Composition

The Board of Investments has nine trustees. Four trustees are elected: two by active general members, one by active safety members, and one by retirees. Four trustees are appointed by the Board of Supervisors and must (1) have substantial experience in institutional investing with a bank or trust company or in an active or advisory capacity as to investment of institutional or endowment funds and (2) be qualified electors of the County of Los Angeles not connected with County government in any capacity. All trustees owe the same duty to all members equally and do not owe a separate duty to those who elected or appointed them. The County Treasurer and Tax Collector is an ex officio member.

Fiduciary Duties

LACERA is a trust for the benefit of members and their beneficiaries. The California Constitution requires that Board of Investments trustees owe the following fiduciary duties:

- **Duty of Loyalty:** Trustees must act solely in the interest of participants and beneficiaries and must put the interests of members and beneficiaries above their own interests or the interests of any other person or organization.
- **Duty of Care:** Trustees must administer the system with the care, skill, prudence, and diligence that a public pension trustee with experience would apply in similar circumstances.

Trustees are expected to minimize employer contributions and defray reasonable expenses of administering the system. The duty to members and their beneficiaries takes precedence over any other duty.

Board Trustee Responsibilities

The Board of Investments oversees investments and funding to support LACERA's pension and retiree healthcare programs.

- **Pension Fund Investment Strategy, Policy, and Oversight:** The Board has exclusive fiduciary oversight for investment of pension trust funds and approving investment beliefs, objectives, asset allocation, strategies, policies, and governance processes. The Board is obligated to diversify the asset allocation and investment portfolio to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.
- **Retiree Healthcare Funds:** The Board oversees investment of separate trust funds dedicated to the prefunding of future retiree healthcare benefits.
- **Contribution Rates and Actuarial Services:** The Board approves employer and employee contribution levels necessary to fund pension benefits through an annual actuarial valuation process and triennial investigation of actuarial experience.
- **Executive Appointments and Evaluations:** The Board provides input to the Chief Executive Officer (CEO) on the Chief Investment Officer's appointment and evaluation. The Board jointly appoints and evaluates the CEO with the Board of Retirement.
- **Delegation:** Day-to-day investment operations, including investment manager selection and termination, are delegated to the Chief Investment Officer. The Board considers what

responsibilities will be delegated and to whom delegation is made. The Board ensures that delegated responsibilities are clearly defined and properly performed through monitoring, questioning, and accountability. In addition, the Board approves and oversees the retention and performance of expert consultants to assist in investment decision-making and monitoring, interact with staff, and aid the Board in its fiduciary duties.

- **Legal, Regulatory, and Policy Compliance and Risk Management:** The Board ensures compliance with laws, regulations, and policies governing the investments and funding of the system.
- **Securities and Other Claims and Litigation:** The Board approves and monitors securities class action lawsuits and other investment-related claims.
- **Budget Approval and Oversight:** The Board reviews and adopts LACERA's annual budget jointly with the Board of Retirement.
- **Staff Classifications and Salaries:** The Board approves represented and non-represented staff classifications and salaries, including approval of Memoranda of Understanding with SEIU, jointly with the Board of Retirement.
- **External Affairs:** The Boards have appointed the Chief Executive Officer as LACERA's spokesperson for all matters related to administration of the pension fund and the Chief Investment Officer as spokesperson on investment matters. The Board has delegated to staff the authority to represent LACERA with respect to investment-related legislation and regulations, consistent with policies approved by the Board. Subject to Board policies, trustees may participate in state and national public pension-related organizations.

Board and Committee Meetings and Other Obligations

The Board meets monthly, with additional committee meetings as needed. Trustees are expected to attend Board and Committee meetings and be prepared for meetings by adequately reviewing the agenda materials to exercise their fiduciary duties in an informed manner. Service on the Board and its Committees requires a substantial commitment. The commitment required is an individual fiduciary judgment and will vary based on each trustee's individual background, Board tenure, and familiarity with matters under consideration and will vary from month to month due to variations in LACERA's business activities and the length and complexity of agendas.

Education

Trustees are legally required to further their education on relevant topics as statutorily prescribed and may pursue other education in accordance with Board policies.

Conflicts of Interest and Mandatory Financial Disclosures

Trustees must be free of conflicts of interest and comply with legal requirements and LACERA's Conflict of Interest Code and Code of Ethical Conduct, including timely filing Fair Political Practices Commissions Form 700 to disclose economic interests. Trustees must disclose actual or potential conflicts when they arise and avoid participating in decisions that may impact their own economic interests or create the appearance of impropriety.

Compensation and Expenses

Elected active general and safety member trustees do not receive compensation from LACERA because their service on the Board is part of their County employment, with LACERA responsibilities generally taking precedence. The ex officio trustee's service is also part of their County employment as Treasurer and Tax Collector.

Elected retiree trustee and the appointed trustees receive \$100 per Board or Committee meeting attended up to a maximum of \$500 per month. Required federal and state income tax and federal Health Insurance Tax (HIT) withholding is made from payments, which are reported on a Form W-2 for tax reporting purposes. Federal Social Security tax is not withheld. All trustees receive reimbursement for reasonable and necessary expenses.

Board of Retirement

LACERA's Board of Retirement oversees administration of LACERA's pension and retiree healthcare programs. The Boards work together on certain matters as stated above.

ATTACHMENT B
**Current "Powers and Duties of
Board of Investments Trustees"**

POWERS AND DUTIES OF BOARD OF INVESTMENTS TRUSTEES

The Board of Investments provides this high level summary to enable voters to evaluate candidates for the Board. The Board urges voters to review this summary prior to voting. This Powers and Duties document is drawn from the Board's adopted governing policies and the input of the Board in its providing approval, but it is not itself a governing document for the Board or LACERA. The Board's governing documents may be found at <https://www.lacera.com/accountability/governing-documents/>.

INTRODUCTION

The Board of Investments oversees investment of LACERA's pension retirement fund (\$73.9 billion as of June 30, 2023) and determination of County and member contribution rates, as well as investment of funds to support retiree healthcare benefits, also referred to as other post-employment benefits (OPEB) (\$3.1 billion as of June 30, 2023). In total, trustees of the Board of Investments can expect to commit as many as 60 to 120 hours of their time each month to discharging their duties to the retirement system, depending on each trustee's background, experience, and level of familiarity with investment and financial issues, and subject to time spent on a trustee's responsibilities below.

As to those elected Board trustees who are employed by the County or a participating district, the law provides that these LACERA duties are included as part of their County or other public employment and shall normally take precedence over any other duties. Given the time commitment necessary to fulfill the responsibilities of Board membership, elected Board trustees will be required to spend a material amount of their working time each month in carrying out their important LACERA duties and responsibilities.

The responsibilities and duties of the Board trustees are explained in detail below.

BOARD TRUSTEE RESPONSIBILITIES

Board of Investments trustees' duties include:

1. ***Board and Committee Meetings.*** The Board meets once each month in person at LACERA's Pasadena offices unless otherwise specified, usually on the second Wednesday, with each meeting generally lasting from 4 to 6 hours. The Board has established committees to assist in carrying out its responsibilities. The Board also shares additional committees jointly with the system's Board of Retirement, including the Audit Committee and Joint Organizational Governance Committee. The Board of Retirement is a separate board having responsibility for overseeing general plan administration. Committee meetings may be held both before and after regular Board meetings, and at other times, and generally last 1 to 2 hours.

The Board also holds an annual two-day offsite meeting to devote focused attention to strategic issues, education, and discussion. In addition to the time required to attend meetings, trustees will spend time to perform other duties, including preparation time for meetings, review of materials developed by staff and management, meetings with staff, other meetings, travel commitments, and other responsibilities described here.

2. ***Pension Fund Investments.*** The Board of Investments has exclusive fiduciary responsibility for all retirement system investments and is responsible for approving investment beliefs and objectives, the asset allocation for the portfolio, strategies, policies, and governance processes, which are subject to evaluation and change by the Board as part of strategic initiatives. The Board evaluates risk and return, including consideration of corporate governance issues. The Board makes these decisions based on information and input provided by staff and external consultants. Currently, LACERA's investment portfolio is, with a few exceptions, externally managed. The Board establishes investment objectives and guidelines and has delegated authority to the Chief Investment Officer (CIO) to approve selection of external investment managers in accordance with Board-approved guidelines and policies. The Board does not make individual investment selections for the externally managed portfolio. The Board of Investments oversees the investment activities and results of the portfolio based on ongoing due diligence by staff which is reported to the Board.
3. ***Retiree Healthcare Funds.*** Under agreement with the County and other participating employers, the Board of Investments manages and invests the OPEB trust funds prepaid for future retiree healthcare benefits. As with the pension fund, the Board of Investments oversees OPEB trust investments and is responsible for approving investment beliefs and objectives, the asset allocation, strategies, policies, and governance processes, which are subject to evaluation and change by the Board as part of strategic initiatives.
4. ***Contribution Rates and Actuarial Services.*** Using an annual actuarial valuation process, the Board of Investments determines the level of contributions necessary to fund retirement benefits. The Board of Investments is responsible for setting actuarial valuation policies, selecting the actuary who will perform the annual valuation and the triennial investigation of experience, approving the actuarial valuation services provided, and approving the actuarial assumptions utilized in the valuation based on the actuary's recommendation. The actuary submits to the Board of Investments for the Board's approval such changes in County and member contribution rates as are necessary to fund retirement benefits.
5. ***Securities and Other Claims and Litigation.*** The Board of Investments, through counsel and staff, is charged with actively identifying, evaluating, and monitoring securities class action lawsuits and other investment-related claims in which the fund has sustained a loss, and to determine whether the best interests of the fund are served by actively participating in such cases.

The Board also participates with the Board of Retirement in certain other claims appropriate for joint Board oversight. The Board of Retirement oversees claims and litigation related to fund administration.

6. ***Other Fund Administration.*** Some administrative functions are shared with the Board of Retirement:
 - a. CEO Appointment and Evaluation. The two Boards jointly act as the appointing authority for LACERA's Chief Executive Officer (CEO) and oversee the CEO's performance evaluation. The Boards work together on certain other senior staff personnel matters.
 - b. Budget Approval and Oversight. The Boards of Retirement and Investments, acting jointly, review, evaluate, and adopt LACERA's annual budget and monitor actual results against the budget. The Boards jointly approve a budget policy to govern the process.
 - c. Certain Employee Relations. The two Boards also act jointly in certain employee relations matters, including approval of class specifications for LACERA's employees, approval of Memoranda of Understanding (MOUs) negotiated with SEIU Local 721, which is the union bargaining for represented employees of LACERA, and approval of compensation to be provided to LACERA's nonrepresented employees.

The Board of Investments alone provides input on the Chief Investment Officer's appointment and performance evaluation. Other personnel issues are the responsibility of the Board of Retirement. The Board of Investments is not responsible for general administration of the retirement system and benefits. The Legislature assigned those responsibilities to the Board of Retirement.

7. ***Delegation.*** Day-to-day investment operations, including manager selection and termination, of the retirement system are delegated to the Chief Investment Officer, who oversees other staff and outside service providers. Board trustees consider what responsibilities will be delegated and to whom delegation is made. Board trustees ensure that delegated responsibilities are clearly defined and properly performed through monitoring, questioning, and accountability. In addition, the Board approves and oversees the retention and performance of expert consultants to assist in investment decision-making and monitoring, interact with staff, and aid the Board in performing its fiduciary duty.

The Boards have delegated stakeholder management to the Chief Executive Officer for administrative matters such as media and plan sponsor relations and to the Chief Investment Officer for matters related to LACERA's investments.

8. **Legal, Regulatory, and Policy Compliance and Risk Management.** The Board ensures that the retirement system maintains compliance with the plan documents and all other applicable laws, regulations, and policies governing the investments and funding of the system. Board trustees comply with this responsibility by overseeing investments and actuarial matters, evaluating organizational and investment risks and controls, conducting a periodic review of plan documents and policies concerning matters within the Board's oversight, monitoring changing legal and regulatory requirements, with the assistance of counsel and other advisors, and maintaining accountability.
9. **Education.** Board trustees are legally required to further their education on appropriate topics, which may include pension fund investments and investment management processes, actuarial matters, pension funding, pension fund governance, ethics, and fiduciary responsibilities, among other topics. Such education must consist of a minimum of 24 hours within two years of assuming office and 24 hours every subsequent two-year period the trustee serves on the Board.
10. **Involvement.** Subject to applicable laws, Board policies, and LACERA protocols, Board trustees may participate in state and national pension and investment related organizations, including serving as an executive or committee member in these organizations. Subject to the same laws, policies, and protocols, Board trustees, with approval, may also represent LACERA's interests through engagement with the legislative and executive branches of state and federal government, which may add to the hours of time spent on a trustee's responsibilities depending on the extent of the trustee's organizational involvement.

FIDUCIARY DUTIES

The funds set aside for the payment of retirement benefits to LACERA members are trust funds held for the benefit of these members and their beneficiaries, and LACERA's investment operations further the delivery of plan benefits. The California Constitution requires that Board of Investments trustees have the following fiduciary duties as trustees of the fund:

1. **Duty of Loyalty.** The California Constitution provides that Board of Investments trustees are fiduciaries and are required to "discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty." All Board trustees, whether elected or appointed, have the same fiduciary duty. The Board trustees' duty of loyalty at all times is to the participants and beneficiaries as a whole. Board trustees do not serve as the agent or representative of the agency or group responsible for their

election or appointment. Where different groups of participants have different interests on an issue, Board trustees have a duty to be impartial as between conflicting participant interests and act to serve the overall best interests of all of the participants of the system.

2. ***Duty of Care.*** The California Constitution provides that assets of the retirement system are trust funds to be used only for the purpose of providing benefits and paying the costs of administering the system. Under the Constitution, trustees of the Board of Investments “shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.” Governing law provides that the Board “may, in its discretion, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the board.” The Constitution further requires that Board trustees “shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.”

The duty of care means that Board trustees must exercise a prudent level of effort and diligence in administering and exercising oversight over the investments of the system, including: implementing, and periodically reviewing and updating, policies, procedures, and processes; determining whether and when to delegate authority to staff and third-parties, and exercising proper oversight; requesting necessary reports and information; analyzing the information, advice, and recommendations received; asking questions; seeking expert advice when required from staff and outside expert consultants; deliberating carefully before making decisions; and understanding the reason for actions before taking them. Board trustees must monitor the investments of the system, follow the plan documents and other applicable law, and take corrective action when required to ensure the sound administration of the retirement fund’s investments and the other matters under the responsibility of the Board of Investments are properly performed.

CONFLICTS OF INTEREST

Board trustees must be free of conflicts of interest in compliance with applicable legal requirements and LACERA’s Conflict of Interest Code and Code of Ethical Conduct. Board trustees must disclose conflicts of interest when they arise, and they cannot participate in decisions that will impact, positively or negatively, their own financial interests or the interests of certain of their related persons and entities. Board trustees are public officials under California conflict of interest laws, and they must be familiar with and follow those laws. Board trustees are subject to public disclosure of their economic interests (Form 700) and annual reporting

requirements under the Political Reform Act and Fair Political Practices Commission regulations. Violation of conflict of interest laws and regulations can result in civil and criminal penalties. Conflict of interest laws and regulations are complex, and Board trustees should seek legal advice when appropriate. See <http://www.fppc.ca.gov/> for more information.

COMPENSATION AND EXPENSES

Elected Board trustees who are employed by the County or a participating district and the Treasurer and Tax Collector who serves on the Board *ex officio* do not receive payment for attendance at Board meetings; they receive their County salary.

Board trustees elected by retirees and appointed trustees receive payment of \$100 per Board or committee meeting attended up to a maximum of \$500 per month. Required federal and state income tax and federal Health Insurance Tax (HIT) withholding is made from payments, which is reported on a Form W-2 for tax reporting purposes. Federal Social Security tax is not withheld.

All Board trustees receive reimbursement of reasonable and necessary expenses and are provided reasonable support for the performance of their duties.

APPROVED BY THE BOARD OF INVESTMENTS ON FEBRUARY 14, 2024.



December 17, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Steven P. Ric *SPR*
Chief Counsel

Allison E. Barrett *ASB*
Senior Staff Counsel

Jessica Rivas *JR*
Staff Counsel

FOR: February 12, 2025 Board of Investments Meeting
January 15, 2025 Board of Retirement Meeting

SUBJECT: Updating LACERA's Code of Ethical Conduct

INTRODUCTION

LACERA's current Code of Ethical Conduct (Code) was approved in November 2021. A copy is attached as Exhibit A. Since it has a three-year review cycle (Code, § XVI, p. 23), it is time to review and update it. Maintaining and reviewing LACERA's Code is central to the implementation of LACERA's Ethics and Compliance Program (adopted under its Charter by the Boards in October 2024). This update will result in a new Code that is comprehensive in scope, has improved clarity and organization, and is accessible through multiple channels.

As we begin this important process, this memo shares staff's vision for how this key foundational document can be enhanced. Staff proposes to reimagine the Code as a document that not only sets clear ethical standards of conduct in a complete and accessible way, but also inspires and motivates the entire organization (Trustees, Management, Supervisors, Staff, Third Party Contractors) to meet and exceed those standards. Staff looks forward to Board's comments on the current Code, our vision for the updated version, and the Board's input into the remodeling of LACERA's Code.

Staff presented to the Audit, Compliance, Risk, and Ethics (ACRE) Committee in October and will apply the Committee's and Board of Retirement's and Board of Investments' input in preparing a revised Code. A draft Code will be presented to the ACRE Committee at its first regular meeting in 2025, then return to the Boards for final approval.

BACKGROUND AND LEGAL AUTHORITY

LACERA's ACRE Committee Charter and Ethics and Compliance Program Charter are designed in accordance with the U.S. Sentencing Guidelines and the Department of

Justice's "Evaluation of Corporate Compliance Programs" (DOJ Evaluation). These programs establish the leading standards and authority to determine the effectiveness of ethics and compliance programs. A code of conduct is a fundamental component of an effective ethics and compliance program. Accordingly, the ACRE Committee and Ethics and Compliance Program (Program) Charters provide for Committee and Program oversight of LACERA's Code.¹

According to the Sentencing Guidelines, effective ethics and compliance programs shall promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law. Such commitment requires established standards and procedures—standards of conduct and internal controls designed to reduce ethics and compliance risk.² A code of ethical conduct is the foundational document that establishes those standards. The DOJ Evaluation advises that a threshold matter in determining a compliance program's effectiveness is assessing whether an organization has a code of conduct that sets forth the organization's commitment to full compliance with the law.³

The proposed Code updates will be consistent with best practices in ethics and compliance programs, based on the Ethics and Compliance Program team's research, which includes LACERA's Ethics and Compliance consultant, Rebecca Walker, Esq., the ACRE Committee's consultant, Larry Jensen, and resources such as the Society of Corporate Compliance and Ethics (SCCE), Gartner, Inc. (a consultant service used by LACERA), as well as a wide-scale review of codes of conduct from other pension systems, American universities, and corporations on Ethisphere's "World's Most Ethical Companies in 2024."⁴

PROJECT DEVELOPMENT

Content

The purpose of LACERA's Code is to set expectations and norms in alignment with LACERA's Mission, Vision, and Values and serve as an ethical decision-making guide for the entire organization. Since the Code was last reviewed, the Board of Retirement has adopted a new Vision⁵, Values⁶ and Guiding Principles, along with the Ethics and Compliance Program, and other applicable 2023-2028 strategic plan initiatives (e.g., Enterprise Risk; Diversity, Equity, and Inclusion; Innovation through Technology; Fiscal Durability). These important organizational developments will be incorporated into and referenced throughout the Code.

¹ ACRE Committee Charter, Section VII, B4; B5b; 7a-b; Ethics and Compliance Program Charter, Sections VII, D2; G; IX,A-B.

² 18 USCS Appx Section 8B2.1, "Effective Compliance and Ethics Program."

³ U.S. Department of Justice "Evaluation of Corporate Compliance Programs" (2024).

⁴ <https://ethisphere.com/worlds-most-ethical-companies/>.

⁵ LACERA's Vision (2023): "Empowering our members to enjoy a healthy and secure retirement."

⁶ LACERA's Values (2023): Integrity, Inclusion, Innovation, Accountability, Collaboration, Transparency (I ACT).

The Code will continue to address and further define fiduciary duties, ethical judgment, conflicts of interest, confidentiality, reporting roles and responsibilities, and LACERA's investigative process for instances of misconduct. The Code will include updates regarding LACERA's reporting channels and a reference to the organization's nonretaliation policy, emphasizing its importance in strengthening LACERA's culture of ethics and compliance. The Code will also address ethics and compliance risks specific to LACERA's operations, emerging risks such as data privacy and artificial intelligence (AI), and ever-evolving risks such as workplace health and safety. A proposed draft revised Table of Contents is attached as Exhibit B for your review and comment.

Finally, the language for all subjects will be updated throughout for clarity, conciseness, and impact to enhance use, understanding, and retention. The current Code (Exhibit A) uses more formal legal language.

Format

The format of the Code will be restructured by subject matter to maximize its accessibility and effectiveness. We plan to organize the relevant subjects by LACERA's newly adopted Values – Integrity, Inclusivity, Innovation, Accountability, Collaboration, and Transparency (I ACT). LACERA should be an organization that is guided by its Values (which are inherent to ethical conduct), and it will be helpful for the new Code to clearly reflect the I ACT model. The draft Table of Contents is based on this organizing principle. (Exhibit B.)

We plan to ensure the Code is available through multiple channels to serve users' individual communication preferences. LACERA will continue to have a comprehensive written document, available on-line; however, the forthcoming revised document will also include instructive features such as call-out boxes, FAQ's, learning aids, and "do vs. do not" scenarios. Excerpts of codes of conduct from other organizations that include these features are attached as Exhibits C through F. Communications has drafted initial mockups on what our revised Code could look like – one based on a Los Angeles County theme and one based on a utopian theme are attached as Exhibits G & H, respectively. Staff is also exploring developing an interactive online version and having a separate, abridged "Executive Summary" of the Code to serve as a quick reference guide that can be regularly consulted during one's day-to-day functions. Staff will explore other potential channels, such as have the Code automatically installed on all LACERA devices.

The Code, which is currently posted on LACERA.com, is not frequently accessed. We have learned that the LACERA.com "Governing Documents" page where it is posted only received 124 hits per month on average over the last three years. In contrast, the pages with the top views on LACERA.com receive 5,000 to 10,000 hits per month. As part of this update process, we will study ways to improve visibility of the Code on LACERA.com and LACERA's intranet—LACERA Connect.

Training

Once the Code has been revamped, it will be distributed to all staff with a required attestation that it has been received and read.

Comprehensive training will be conducted organization-wide, specifically tailored to Trustees, LACERA's 16 divisions, and staff members' particular roles and responsibilities. Training will be provided live and via an on-demand video library. The Code will remain on a 3-year review cycle (unless otherwise indicated). Training with attestation will be required biennially to further integrate the Code into LACERA's day-to-day operations and to continuously educate the organization on the Code's content, value, and every LACERA employees' commitment to upholding its tenets.

Process

The multi-divisional Ethics and Compliance Committee (ECC) will also provide review and feedback on the proposed updates. Today, the team will present an updated Table of Contents, which highlights the proposed direction and approach for the restructuring and reorganization of the Code's subject matter. Upon the Boards' and ACRE Committee's feedback on these recommended changes and any other comments on the current Code and ideas for the new one, the team will develop a fully realized proposed draft for final review by the ACRE Committee at its first regular meeting in 2025 and consideration of a recommendation for approval to both Boards.

In addition to the Legal Office and ECC, the Code's drafting, restructuring, training, and communications campaign will ultimately involve multiple divisions, including Systems, Communications, Human Resources, Administrative Services, Internal Audit, and the Executive Office. This multi-divisional effort emphasizes the Code's significance as central to the entire organization and LACERA's commitment to fostering a culture of ethics and compliance.

Attachments

C: Santos H. Kreimann
Luis A. Lugo
Jonathan Grabel
JJ Popowich
Laura Guglielmo
Ted Granger
Chaitanya Errande
Richard Bendall
Carly Ntoya, Ph.D.
Christina Logan
Cynthia Martinez
Erika Heru
Veronica Yi-Martinez



Code of Ethical Conduct 2025 Update

Steven Rice, Jessica Rivas, and
Allison Barrett
Legal Office



LACERA's Ethics & Compliance Program (October 2024)

- Ethics & Compliance Charter
- Audit, Compliance, Risk, and Ethics (ACRE) Committee Charter

Other Important Recent Developments

- Strategic Plan Initiatives (2023-2028): e.g., Enterprise Risk; Diversity, Equity, and Inclusion; Innovation through Technology; Fiscal Durability
- LACERA's Vision (2023): "Empowering our members to enjoy a healthy and secure retirement"
- LACERA's Values (2023): Integrity, Inclusion, Innovation, Accountability, Collaboration, Transparency (I ACT)



What is a Code of Ethical Conduct?

- Key document that establishes standards of conduct and internal controls designed to reduce ethics and compliance risk.
- Effective ethics and compliance programs promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.
- Department of Justice’s “Evaluation of Corporate Compliance Programs” – threshold matter in determining a compliance program’s effectiveness is assessing whether an organization has a code of conduct that sets forth the organization’s commitment to full compliance with the law.

Current Code of Ethical Conduct



- Last updated in November 2021
- 3-year update cycle
- Uses dense, legalistic language
- Not organized around themes or larger issues; simply a list of topics



Goals for New Code



- Set expectations and norms in alignment with LACERA's mission, vision, and values and serve as an ethical decision-making guide for the entire organization (Trustees, Management, Supervisors, Staff, Third Party Contractors).
- Engage and inspire all to not just meet standards, but exceed them.
- Comprehensive in scope, improved clarity and organization, and accessible through multiple channels.

Planned Updates



- ***Content***
 - Additional topics to ensure Code is comprehensive
 - Clearer, more concise and less dense language
- ***Format***
 - Re-organized around our Values
 - New helpful features: call out boxes, Q & A's, etc.
 - Accessible through multiple channels
- ***Training***
 - Trustees & Staff
 - Biennially


Proposed Table of Contents



- Letter from Chief Executive Officer Santos Kreimann
- **We Are Guided by Our Values**
 - Purpose and Scope
 - Values (I ACT)
 - Fiduciary Duties
 - Ethics and Compliance
- **We Are Inclusive and Collaborative**
 - DEI+A
 - Anti-Discrimination Policy
 - Safe and Healthy Work Environment
 - Drug and Alcohol-Free Work Environment
 - No Harassment
- **We Act with Integrity**
 - Avoid Conflicts of Interest
 - Gifts, Honoraria, Travel, Loans
 - Investments
 - Contracts
 - Reporting (Form 700)
 - Disclosure and Recusal
 - Incompatible Activities/Offices
 - Outside Employment
 - Employment of Related and Unrelated Persons
 - Use of LACERA Position, Resources, and Information
 - Political Activities
 - Leaving LACERA
- **We Hold Ourselves Accountable**
 - Ethics Hotline/Reporting Channels
 - Investigative Process for Misconduct
 - No Retaliation
 - Information Security
 - Confidentiality & Privacy
- **We Are Transparent**
 - Communication
 - Public Records Act & Other Requests for Records
 - Records Retention
- **We are Innovative**
 - Artificial Intelligence
 - Information Security
 - Acceptable Use
- Code Administration
 - Training
 - Enforcement
 - Review of Code



CONTENTS MESSAGE FROM OUR CEO ACT WITH INTEGRITY **COURAGE** EXCELLENCE EQUITY & JOY **SPEAK UP**



We Speak Up, Keep Open Doors, and Do Not Retaliate

Speaking up requires Courage. As Pfizer colleagues, we share the privilege and responsibility of ensuring we honor our Values and follow policies, including by speaking up when we have questions or concerns. Speaking up helps us learn about issues and manage risks before they become problems. The environment we need for breakthroughs depends on empowering each of us to speak our mind.

Speak up if you have an idea. Speak up if you have a question. Speak up if you have a concern. Our Open Door Policy provides many avenues for you to speak up without fear of retaliation, harassment, discrimination, or other inappropriate behavior.

We do not tolerate retaliation against those who raise concerns at Pfizer.

If you seek advice, raise a concern, report misconduct, or provide information in an investigation, you cannot be retaliated against for having done so. If you believe that you or another colleague has been retaliated against for any reason, report the conduct using any method described in this *Blue Book*.

Our Commitment to COURAGE

- We encourage reporting by not tolerating retaliation in any form.
- We report all suspected retaliation.

Retaliation is adverse action that can take various forms, including unfavorable work assignments, unfavorable performance reviews, threats, harassment, demotion, suspension, reduced compensation, denial of benefits, or termination, among others.

Learn More

- Corporate Policy 702 (Open Door Policy)
- Corporate Policy 201 (Integrity, Compliance Reporting Obligations, and No Retaliation Policy)

We have the Courage to speak up if something doesn't seem right.

2023 Blue Book: Pfizer's Code of Conduct 7

- Icons to highlight key information
- References and links to other key policies
- Avoiding long blocks of text



Uphold Our Legal and Ethical Standard

We count on you to be honest, fair and trustworthy in all company activities and relationships. Every employee is required to understand and comply with applicable laws, regulations and company policies. Unlawful or unethical activity, or any activity that may appear unlawful or unethical, is not tolerated.

Know Our Responsibilities

Compliance Responsibility

Our businesses are heavily regulated by many federal, state and local governmental entities, including the Federal Energy Regulatory Commission (FERC), the Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA), the Nuclear Regulatory Commission (NRC) and the Securities and Exchange Commission (SEC). In addition, state agencies, such as public utility commissions, pollution control agencies and departments of natural resources have regulatory oversight, and government-sponsored entities such as the North American Electric Reliability Council (NERC) have oversight responsibilities.

It is our responsibility to ensure that we perform our jobs in accordance with the law. We also have a role in encouraging others to comply with the law. References to "law" in this Code of Conduct include any applicable federal, state or local statute, regulation, order or standard.

We are obligated to comply with the FERC Standards of Conduct

The No Conduit Rule outlined in the Standards of Conduct states that employees, contractors and consultants are prohibited from sharing Non-Public Transmission Function Information with Wholesale Merchant Function employees such as Energy Traders, Energy Schedulers, Power System Traders and Originators.

If you have questions about sharing information, contact the Standards of Conduct Chief Compliance Officer. If you think you have shared Non-Public Transmission Function Information (NPTI) with a Wholesale Merchant Function worker, you should notify Xcel Energy's Standards of Conduct Chief Compliance Officer immediately at SOCCchiefcomplianceofficer@xcelenergy.com.



Tom, a dispatcher working in transmission dispatch responding to customer calls after a transmission outage, has an exact time for restoration and has posted the time publicly on OASIS (Open Access Same-time Information System). A Wholesale Merchant Function employee calls in and asks when the service will be restored. Is Tom able to provide this employee with general information?



Yes. The Standards of Conduct prohibit access to Non-Public Transmission Function Information. However, since the restoration time has been posted, it is no longer Non-Public Transmission Function Information. If Tom is unsure whether it's okay to share the information, he can contact the Standards of Conduct Chief Compliance Officer.

- Call out boxes to highlight key information
- Q & A to provide real world examples



Communication

In support of our core values and CalSTRS culture, we encourage communication among our employees, stakeholders, members and business partners to stimulate conversation and discussion. We are also committed to making sure that communications regarding CalSTRS and its business are accurate, reflect our organization's values and views, and are made by employees who are authorized to speak on behalf of CalSTRS. In addition, we recognize our obligation to comply with regulatory requirements regarding various types of communication and to protect the confidentiality of our business and customer information.



As representatives of CalSTRS, we will only communicate on social media, online forums, blogs, newsletters, broadcasts, online or printed publications when authorized. CalSTRS has designated spokespersons from the General Counsel and Public Affairs Branch that have the knowledge and responsibility to communicate on behalf of CalSTRS.

I will	I will not
<ul style="list-style-type: none">Refer any media inquiries to Newsroom@CalSTRS.com.Always receive approval at the division level, consult with Media Relations and the communications director.Obtain written authorization from Media Relations and division leadership.	<ul style="list-style-type: none">Contact, respond to, or speak publicly to the media without approval from Media Relations, the communications director and my division leader.Communicate through social media or any online forums on behalf of CalSTRS.Create account names or social media handles that appear to represent a speaker of CalSTRS (ex: @Name_CalSTRS).

➤ Learn more in the [CalSTRS Media Contact Policy](#) and the [CalSTRS Social Media Use Policy](#).

- DOs & DON'Ts



- Thoughts on current Code?
- What features from the samples do you find most helpful?
- Thoughts on organization based on our values?
- Would you appreciate the Code being available in multiple channels? Which would you find most convenient to access and use?
- Would you like to see additional topics covered?
- What topics are most relevant to Trustees?
- Other suggestions or comments?

EXHIBIT A



Los Angeles County Employees Retirement Association

CODE OF ETHICAL CONDUCT

For LACERA Boards and Staff

REVISED AND APPROVED:

Board of Retirement: November 3, 2021
Board of Investments: November 17, 2021

To LACERA Board Trustees and Staff:

LACERA prides itself on conducting its business in a lawful and ethical manner. Our work and interactions are guided by laws, rules, regulations, and policies.

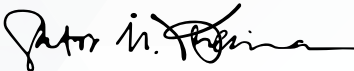
We are a mission driven organization rooted in its core values of *Professionalism, Respect, Open Communication, Fairness, Integrity, and Teamwork*. We know how important it is to draw on our shared values and behaviors to effectively produce, protect, and provide the promised benefits to our members and their beneficiaries.

As a public entity serving over 180,000 active members and retirees, it is imperative that we establish an organization-wide culture and accountability for ethics. No matter your role at LACERA, you each play a vital role in fostering the confidence of our members, plan sponsors, and other stakeholders in LACERA's institutional integrity and our standing as a well-managed public pension system. We must each demonstrate a commitment to building a strong ethical culture by exhibiting *honesty, integrity, trust, fairness, and duty* in connection with LACERA's business as a public pension fund.

LACERA's commitment to ethical standards is reflected in the attached Code of Ethical Conduct (Code). The Code demonstrates the way we will conduct our business each day. It outlines the standards of ethical conduct required of LACERA Board trustees and staff. Please read the Code carefully and ask questions if something isn't clear.

By holding ourselves and each other accountable to our ethical standards, we deliver on our promise to build a strong ethical culture at LACERA.

Very truly yours,

A handwritten signature in black ink, appearing to read "Santos H. Kreimann". The signature is fluid and cursive, with a long horizontal stroke at the end.

Santos H. Kreimann
Chief Executive Officer

TABLE OF CONTENTS

I. Purpose and Scope	3
II. General Ethical Standards	4
III. Prohibited Transactions	6
IV. Fiduciary Duties	7
A. Fiduciary Duties of Board Trustees	7
B. Fiduciary Duties of LACERA, and Staff’s Role	8
C. Fiduciary Duties of Certain Vendors	9
V. Conflicts of Interest	9
A. Form 700 Statement of Economic Interests	9
B. Gifts, Honoraria, Travel & Loans	10
C. Incompatible Activities/Incompatible Offices	12
D. Contracts	12
E. Investments	12
F. Disclosure and Recusal	13
G. Conflicts of Interest by Vendors	13
VI. Employment of Related and Unrelated Persons	13
VII. Contracting and Vendor Relationships	15
VIII. Use of LACERA Position, Resources, and Information	15
IX. Personal Conduct and Communication	16
X. Political Activities	17
XI. Leaving LACERA	18
A. Prospective Employment	18
B. Limitations on Subsequent Activities	18
XII. Reporting	19
XIII. Enforcement	19
XIV. Training	19
XV. Resources	20
A. LACERA’s Legal Office	20
B. LACERA’s Internal Audit Division/Ethics Hotline	20
C. LACERA’s Conflict of Interest Code	20
D. California Constitution	21
E. CERL	21
F. PEPRA	21
G. California Government Code Section 1090 et seq	21
H. California Government Code Section 3201 et seq	21
I. The Brown Act	21
J. Other California Statutes	22
K. Fair Political Practices Commission	22
L. California Attorney General Conflict of Interest Guide	22
M. Los Angeles County Registrar-Recorder/County Clerk	23
N. Los Angeles County Fraud Hotline	23
XVI. Review of Code	23
APPENDIX A – SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS	24

I. PURPOSE AND SCOPE

The Los Angeles County Employees Retirement Association (LACERA) is a public pension plan organized under the County Employees Retirement Law of 1937 (CERL) (Cal. Gov't Code §§ 31450 et seq.) and the California Public Employees' Pension Reform Act of 2013 (PEPRA) (Cal. Gov't Code §§ 7522 et seq.). The management and administration of LACERA are vested in the Board of Retirement. All investments of LACERA are the responsibility of the Board of Investments.

The Trustees of the LACERA Boards are mindful of the positions of trust and confidence they hold. The Boards adopt this Code of Ethical Conduct to define standards of ethical conduct required of LACERA Board Trustees and staff. The purpose of the Code is to ensure the proper administration of LACERA and to foster public confidence in LACERA's institutional integrity as a well-managed public pension system.

"Ethics" and "ethical conduct" are defined for purposes of this Code as conduct that complies with principles of honesty, integrity, trust, fairness, and duty in connection with LACERA's business as a public pension fund. This Code looks to three sources for determination of ethical standards:

- First, laws and regulations applicable to LACERA and its business, Board Trustees, and staff, including the California Constitution, CERL, the Political Reform Act and the regulations adopted thereunder, the Ralph M. Brown Act, and other statutes, regulations, and case law.
- Second, best practices of ethical conduct. Best practices are drawn from ethical codes and practices of other public pension systems in California and elsewhere, professional associations, and similar sources.
- Third, LACERA's **Mission, Values, and Vision**, historical LACERA practices, and judgment as to the moral principles and behavior that LACERA as an organization strives to follow.

This Code provides ethical standards for LACERA Board Trustees and staff. The Code provides specific guidance for common situations raising ethical issues. However, the Code does not specifically address every issue that Board Trustees and staff will encounter. As to those other situations, the Code should be used and followed as a reference for standards of conduct and the basis for evaluation of facts and circumstances. The Code requires that additional information be requested when a user is unsure as to how the Code should be interpreted or when a user encounters an ethical issue not covered in the Code.

This Code is important:

- To ensure legal compliance with ethics laws and regulations.
- To further best ethical business practices.
- To establish an organization-wide culture and accountability for ethics.
- To foster trust, credibility, and positive relationships between LACERA and all parties necessary for the effective performance of LACERA's Mission to produce, protect and provide the promised benefits. These parties include others inside the organization, members, the plan sponsor and other participating employers, vendors, the public, and all others with whom LACERA may deal.
- To further LACERA's Values and Vision, which incorporate ethics, honesty, integrity, fairness, and trust.
- To establish common ethical standards followed by everyone at LACERA, instead of leaving ethics to unguided and possibly inconsistent personal judgment and interpretation.
- To mitigate the legal and business risks associated with ethical issues.
- To further the organization's business goals and objectives.
- To confirm the process for reporting or raising ethical concerns or questions.
- To identify resources for additional information concerning ethics and the applicable laws and regulations.

The Code shall not be construed as the sole source of ethics laws and regulations which must be observed by LACERA Board Trustees and staff. Nothing in this Code shall exempt any person from any other applicable federal, state, or local law or regulation. The standards of ethical conduct in this Code are in addition to any such other laws and regulations.

II. GENERAL ETHICAL STANDARDS

This Code addresses specific ethical requirements in subsequent sections. The application of those specific requirements is summarized in this Section II as General Ethical Standards.

The following General Ethical Standards apply to LACERA Board Trustees and staff:

- Recognize and be accountable for all fiduciary responsibilities.
- Comply with all applicable laws and regulations, including those listed in Section I and elsewhere in this Code or which may be determined to be applicable in individual circumstances.

- Further the interests of transparency in the conduct of the public's business as described in the Ralph M. Brown Act and Public Records Act.
- Conduct all LACERA business in a fair manner and be honest in all business dealings.
- Strive to provide the highest quality of performance and counsel.
- Avoid any activity which, based on available information and reasonable due diligence and inquiry under the circumstances, constitutes an actual conflict of interest or which could be perceived or interpreted as a conflict of interest by others.
- Avoid exerting improper influence or being improperly influenced, and the appearance of improper influence or being improperly influenced.
- Exercise prudence and integrity in the management of funds.
- Report to an appropriate person actions of themselves or other persons or entities of which they become aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances which may constitute violations of this Code of Ethical Conduct.
- Be responsible for maintaining professional competence.
- Be respectful, professional, and courteous to all LACERA Board Trustees and staff, LACERA members, and all persons and entities with which LACERA does business or may otherwise interact.
- Maintain the confidentiality of all plan member information and all other confidential or privileged information so designated, including but not limited to information provided for or related to closed sessions of the Boards, which is received from or created or maintained by LACERA.
- To the extent not otherwise covered by the preceding bullets, conduct LACERA business in a manner consistent with:
 - LACERA's **Mission** to produce, protect, and provide the promised benefits.
 - LACERA's **Values** of Professionalism, Respect, Open Communications, Fairness, Integrity, and Teamwork.
 - LACERA's **Vision** of Excellence, Commitment, Trust, and Service.
 - All other applicable LACERA policies and procedures.
- Report or seek additional information from an appropriate person, when necessary, concerning ethical questions and issues.

III. PROHIBITED TRANSACTIONS

The specific ethical requirements in subsequent sections of the Code define and describe certain prohibited conduct. Those prohibitions are summarized in this Section III as Prohibited Transactions.

LACERA Board Trustees and staff shall not engage in the following Prohibited Transactions:

- Utilizing or permitting others to use any property, resources, information, or opportunity of LACERA for personal gain.
- Engaging in any activity or failing to disclose any activity which, based on available information and reasonable due diligence and inquiry under the circumstances, constitutes an actual conflict of interest or which could be perceived or interpreted by others as a conflict of interest in the impartial and objective execution of duty to LACERA and its members.
- Falsifying or failing to record proper entries on any books or records of LACERA.
- Engaging in serial meetings or other conduct in violation of the Ralph M. Brown Act.
- Knowingly becoming a party to, or condoning, any illegal activity, including failing to report misconduct under this Code of themselves or other persons or entities.
- Authorizing payment of any amount on behalf of LACERA, or for any purpose, other than that explicitly disclosed in the original request for payment.
- Directly or indirectly seeking or accepting gifts, money, property, or other benefit that would influence or appear to influence the conduct of duties.
- Selling or providing goods or services to LACERA without disclosure.
- Utilizing the services of relatives or close personal associates for LACERA business without disclosing such relationship prior to execution and obtaining the appropriate approval.
- Engaging in activities involving dishonesty, fraud, deceit or misrepresentation.
- Engaging in outside employment with any providers of supplies or services to LACERA.
- Engaging in outside employment that would interfere with or hamper expected performance at LACERA.
- Engaging in other activities which compromise or appear to compromise one's objectivity in the conduct of one's duties.

- Releasing to any third person plan member information or other confidential or privileged information so designated, including but not limited to member information and information provided for or related to closed sessions of the Boards protected by the Ralph M. Brown Act, which is received from or created or maintained by LACERA.
- Engaging in any other conduct prohibited by this Code of Ethical Conduct, Board or LACERA policy, or applicable laws and regulations.

IV. FIDUCIARY DUTIES

Trustees of LACERA’s Board of Retirement and Board of Investments have fiduciary duties under the California Constitution and other law. LACERA as an organization also has fiduciary duties, which are implemented through LACERA’s employees. Finally, certain of LACERA’s vendors have a fiduciary duty to LACERA. This Section IV addresses all three categories of fiduciary duty. Board Trustees and staff shall report actions of which they become aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances that may constitute a breach of fiduciary duty by any person or entity known to have such a duty.

A. FIDUCIARY DUTIES OF BOARD TRUSTEES

The California Constitution, Article XVI, Section 17, defines the fiduciary duties of the LACERA Boards, and the Board Trustees:

- The Boards “shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system.”
- The Boards “shall have the sole and exclusive fiduciary responsibility over the assets of the system. The retirement board also has sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.”
- The Trustees of the LACERA Boards “shall discharge their duties solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board’s duty to its participants and their beneficiaries shall take precedence over any other duty.”

- The Trustees of the LACERA Boards “shall discharge their duties with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise with a like character and like aims.”
- As to the Board of Investments, the Trustees “shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.”

These duties are also included in Section 31595 of CERL.

California case law provides that the Boards and the Board Trustees have a trust relationship with LACERA’s members and beneficiaries. This trust relationship means that the Boards and the Board Trustees have a fiduciary duty of prudence and loyalty to members and beneficiaries, which must be exercised in good faith. Further, the Boards and the Board Trustees have a duty to deal fairly with the members and beneficiaries, without the slightest misrepresentation, concealment, threat, or adverse pressure. *Hittle v. Santa Barbara County Employees Retirement Assn.* (1985) 39 Cal.3d 374.

To perform their fiduciary duties, each Trustee of the LACERA Boards shall diligently attend to the business of the Board on which he or she serves and shall not leave to the other Trustees control over the administration of the affairs of such Board.

B. FIDUCIARY DUTIES OF LACERA, AND STAFF’S ROLE

LACERA as an organization has the same fiduciary duties. LACERA staff supports the organization, the LACERA Boards, and Board Trustees in the fulfillment of their fiduciary duties as described in Section IV(A) of this Code. Accordingly, LACERA staff shall be familiar with the fiduciary duties described in Section IV(A) and conduct themselves at all times in a manner consistent with those duties. LACERA staff shall take no action inconsistent with those duties. LACERA staff shall avoid any conduct which is, or may be perceived to be, detrimental to LACERA and its members and beneficiaries. In dealing with members, LACERA staff shall be honest and forthright. Staff shall ensure that the information provided to members in connection with their rights, questions, choices and decisions, concerns, and issues is complete and accurate.

C. FIDUCIARY DUTIES OF CERTAIN VENDORS

Certain LACERA vendors have a fiduciary duty to the organization under applicable law or under the terms of a contract with LACERA. LACERA shall monitor those vendors that owe a fiduciary duty to ensure that the vendors comply with that duty. Staff shall ensure that the contract of any vendor with a fiduciary duty includes a provision confirming that duty.

V. CONFLICTS OF INTEREST

LACERA Board Trustees and staff shall avoid conflicts of interest, including the appearance of conflicts of interest, in all aspects of their work for LACERA and shall comply with applicable laws and regulations relating to conflicts.

A. FORM 700 STATEMENT OF ECONOMIC INTERESTS

Public officials, including LACERA Board Trustees and certain staff, who make or influence governmental decisions are required to submit Form 700 Statements of Economic Interests. Form 700s are an important tool in the identification of actual or potential conflicts of interest by LACERA Board Trustees and staff. Form 700s are public documents. LACERA Board Trustees and designated staff, as generally described below, shall file Form 700s when and as required by applicable law and regulations, which are generally summarized here. Additional information can be obtained from LACERA's Legal Office and from Fair Political Practices Commission publications.

Pursuant to California's Political Reform Act, LACERA's Boards have adopted, and the County of Los Angeles Board of Supervisors has approved as code reviewing authority, a Conflict of Interest Code that requires the filing of a Form 700 by positions "which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest," except positions which manage public investments. Cal. Gov't Code § 87302(a). Persons, including Trustees of the Board of Retirement and identified staff, who file under an agency-adopted Conflict of Interest Code are referred to as "Code Filers." LACERA's Conflict of Interest Code sets forth the positions of all Code Filers and describes the specific economic interest Disclosure Categories that apply to each position.

There is also a separate Conflict of Interest Code for staff who serve as officers or hold other positions in LACERA's wholly-owned title holding entities.

The LACERA and title holding entity Conflict of Interest Codes are subject to biennial review.

Separate provisions of the Political Reform Act require positions managing public investments to file a Form 700. Cal. Gov't Code § 87200. Persons who file under Section 87200, including Trustees of the Board of Investments, the Los Angeles County Treasurer and Tax Collector as an ex officio member of both Boards, and identified staff, are referred to as "87200 Filers." 87200 Filers are required to disclose investments, interests in real property, income (including gifts, loans, and travel payments), and business positions as described in Form 700 and the Political Reform Act. While 87200 Filers are not subject to LACERA's Conflict of Interest Codes, they are listed as a matter of information in the Appendix to LACERA's Code.

Form 700s shall be filed, both by Code Filers and 87200 Filers, upon assuming an applicable position, annually thereafter, and on leaving an applicable position. Certain Board Trustees and staff are Code Filers and 87200 Filers in different capacities and may complete a combined Form 700. Form 700s shall be filled out by all required filers in a timely, accurate, and thorough and complete manner.

B. GIFTS, HONORARIA, TRAVEL & LOANS

The Political Reform Act, and Regulations promulgated thereunder by the Fair Political Practices Commission (FPPC), impose limitations on gifts, honoraria, travel, and loans. The legal rules associated with gifts, honoraria, travel, and loans are lengthy and detailed. Additional information can be obtained from LACERA's Legal Office and from FPPC publications. A summary of the general standards with respect to these matters is as follows:

Gifts. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving gifts totaling more than the legally established gift limit from any single source in a calendar year if receipts of gifts from that source are required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept gifts totaling more than the legally established limit from any single source in a calendar year. Even if a gift is not subject to Form 700 reporting or the gift limit, a gift may still create a conflict of interest; therefore, LACERA requires Board Trustees and all staff shall make disclosure to the Legal Office of all gifts from a single source with a combined total equal to or greater than \$50 in a calendar year from any individual or entity. Gifts to family members are included in the gift rules under certain circumstances. There are also exceptions to the gift rules for certain gifts; questions should be addressed to LACERA's Legal Office or the FPPC. The gift limit is adjusted biennially. The gift limit for 2021-2022 is \$520; the limit for any date after December 31, 2022 should be confirmed with the LACERA Legal Office or the FPPC. Gifts from a

single source with a combined total less than \$50 in a calendar year currently are not reportable under FPPC law and regulations; gifts equal to or in excess of this limit are subject to reporting on Form 700, subject to the requirements and limitations described above. A more detailed SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS is attached as Appendix A.

Honoraria. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving honoraria from any source in consideration for any speech, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering, if receipt of gifts from that source is required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept any honoraria payments. There are certain exceptions to the honoraria rules; questions should be addressed to LACERA's Legal Office or the FPPC. Even if an honorarium is not subject to disclosure, Board Trustees and staff shall make disclosure to the Legal Office of such a payment from any individual or entity as to which LACERA will take any action. Honoraria include money, advances, reimbursements, and gifts of any other type that have more than nominal value.

Travel. Payments or reimbursement for travel are subject to the reporting requirements for gifts and income. If a travel payment is a gift, it is subject to the gift limit. A travel payment can also be considered an honorarium. Recusal may be required from any decision that will have a materially foreseeable financial effect on the source of a travel payment. There are exceptions to the travel rules; additional information can be obtained from LACERA's Legal Office or the FPPC.

Loans. 87200 Filers and elected Trustees of the Boards may not receive a personal loan that exceeds \$250 at any given time from an officer, employee, member, or consultant of LACERA or from any individual or entity that has a contract with LACERA. Ordinary retail loans and credit card transactions are excepted if they are offered on the same terms as generally available to the public. Elected Trustees of the Boards may not receive a loan of \$500 or more unless the loan is made in writing and clearly states the terms. There are other limitations and exceptions. A loan can constitute a gift under certain circumstances. Additional information is available from LACERA's Legal Office or the FPPC.

Board Trustees and staff are prohibited from soliciting any gift or any other consideration (including but not limited to money, service, gratuity, favor, entertainment, hospitality, loan, or other thing of value) from anyone who is doing or is seeking to do business of any kind with LACERA.

Board Trustees and staff are prohibited from accepting any gift from anyone who is doing or is seeking to do business of any kind with LACERA, when the gift

is offered with a view toward securing favorable treatment in the awarding of any contract or agreement, or the making of any determination.

All rules relating to gifts, honoraria, travel, and loans are subject to change by the FPPC and other authority. Confirmation of the current rules can be obtained from LACERA's Legal Office or the FPPC.

C. INCOMPATIBLE ACTIVITIES/INCOMPATIBLE OFFICES

LACERA Board Trustees and staff shall not engage in any employment, activity, or enterprise which is inconsistent, incompatible, in conflict with, or inimical to his or her duties for or on behalf of LACERA, or with the duties, functions, or responsibilities of the position he or she occupies for LACERA. LACERA Board Trustees and staff shall not perform any work, service, or counsel outside his or her responsibilities for LACERA where any part of his or her efforts will be subject to approval by the Boards or any employee of LACERA acting in that capacity. Cal. Gov't Code § 1126.

Board Trustees may not simultaneously hold two public offices where the functions of the offices are inconsistent or where there are conflicting interests. Cal. Gov't Code § 1199. The Los Angeles County Treasurer and Tax Collector holds that position as well as, under CERL, positions as a member of both the Board of Retirement and Board of Investments; these are not incompatible offices.

D. CONTRACTS

LACERA Board Trustees and staff shall not be financially interested, directly or indirectly, in any contract made between LACERA and any individual or entity. The making of a contract includes any participation whatsoever, including the development of the need for the goods or services subject to the contract, issuance of a Request for Proposals (RFP), Request for Information (RFI), purchase order, or other solicitation or contracting process, evaluation of prospective contracting parties, selection of contracting parties, negotiation of the terms of the contract, and performance of the contract. Cal. Gov't Code § 1090 et seq.

E. INVESTMENTS

LACERA Board Trustees and staff shall not have any personal interest, direct or indirect, in the making of any investment by LACERA, or in the gains or profits from any investment. Board Trustees and staff shall not, directly or indirectly, for themselves, or as an agent or partner of others, sell or provide any investment product to LACERA. Cal Gov't Code § 31528 (a), (b).

F. DISCLOSURE AND RECUSAL

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. CONFLICTS OF INTEREST BY VENDORS

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. EMPLOYMENT OF RELATED AND UNRELATED PERSONS

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager.

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

1. Create either a direct or indirect supervisor/subordinate relationship with a related party; or
2. Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting a staff member.

For purposes of this policy, “related parties” include:

- Spouse, parent or grandparent, child or grandchild, or sibling.
- First degree aunt, uncle, niece, nephew or cousin.
- Any “step” or “in-law” variant of the aforementioned relationships.
- Any member of the employee’s household, whether or not related.

A LACERA Board Trustee or staff may not exercise individual discretionary authority to hire, evaluate or promote a related party under any circumstances, even when otherwise permitted under the standards above.

Board Trustees and staff may participate in the hiring process for any person, whether related or unrelated, only in accordance with established LACERA policies and procedures and shall not use or attempt to use influence outside of their individual hiring authority to cause the organization to hire any individual as a permanent or temporary LACERA employee. Board Trustees and staff may refer individuals interested in potential employment to LACERA’s Human Resources.

VII. CONTRACTING AND VENDOR RELATIONSHIPS

LACERA Board Trustees and staff shall not have contact with individuals or entities who are or should be reasonably known, based on available information and reasonable due diligence and inquiry under the circumstances, to be seeking engagement by LACERA in response to an RFP, RFI, purchase order, or other solicitation or contracting process, except in accordance with the published terms of the contracting process or except for, and limited to, contact necessary in connection with ongoing LACERA business with an individual or entity.

LACERA's RFPs, RFIs, and other contract solicitations shall include notice that a "quiet period" will be in place from the beginning of the contracting process until the selection of the successful party such that LACERA Board Trustees and staff, as well as potential contracting parties, are instructed that contact between Board Trustees and staff, on the one hand, and all potential contracting parties, on the other hand, shall not occur, except as provided in the preceding paragraph. As part of the contracting process, potential contracting parties shall be required to disclose potential conflicts of interest. LACERA staff shall provide quiet period lists to Board Trustees and staff in monthly Board of Retirement and Board of Investments meeting packets to assist in compliance.

LACERA Board Trustees and staff shall participate in the contracting process only in accordance with established LACERA policies and procedures, and the published terms of the process. Board Trustees and staff shall not use or attempt to use influence, outside of their individual authority to cause the organization to enter into a contract with any individual or entity. Board Trustees and staff may refer individuals or entities for consideration for contracting to the appropriate LACERA staff responsible for the particular procurement or contract process.

VIII. USE OF LACERA POSITION, RESOURCES, AND INFORMATION

LACERA Board Trustees and staff shall not use their position or status with LACERA, LACERA property, funds, or other resources, or LACERA information, including plan member information, investment information, and other information concerning LACERA's business, for any personal purpose or gain, to secure any special privilege or exemption for themselves or any other individual or entity, or to assist or further the interests of any other individual or entity except in the normal course of LACERA's business. LACERA position, resources and information are to be exclusively used for LACERA business.

Board Trustees and staff shall maintain the confidentiality of plan member information. Cal. Gov't Code § 31532.

Disclosures of public LACERA information pursuant to the Public Records Act shall be handled by the Legal Office to ensure compliance with legal requirements, consistency, and proper recordkeeping.

Board Trustees and staff shall not disclose information acquired during a closed session of the Board unless the Board takes action to authorize disclosure. Cal. Gov't Code § 54963.

Board Trustees and staff shall not, directly or indirectly, for themselves, or as an agent or partner of others, borrow or use any of the funds or deposits of LACERA, except to make authorized current and necessary payments of the retirement system. Cal. Gov't Code § 31528(a).

IX. PERSONAL CONDUCT AND COMMUNICATION

LACERA Board Trustees and staff shall adhere to the following standards in their personal conduct in performing their work on behalf of LACERA:

- Board Trustees and staff shall conduct themselves in accordance with this Code of Ethical Conduct.
- Board Trustees and staff shall abide all applicable laws and regulations.
- Board Trustees and staff shall act in a manner consistent with LACERA's Mission, Values, and Vision and shall follow all LACERA policies and procedures.
- Board Trustees and staff shall treat similarly situated individuals and entities in a similar way, absent good cause, in the conduct of LACERA's business and decision-making to ensure consistency and fairness.
- Board Trustees and staff shall communicate with, orally and in writing, and otherwise in all respects and at all times treat each other and all others in a respectful, professional, courteous, and civil manner.

A Board Trustee shall not correspond with a non-LACERA person or entity using LACERA letterhead unless the communication is authorized by the Board on which the member serves. Copies of all written communications from a Board Trustee to a current service provider, or person or entity related to a current service provider, relating to LACERA's business (other than purely personal or social correspondence) shall be provided to the Chief Executive Officer for subsequent distribution to all Trustees of the Board on which the Trustee serves. A copy of any written communication (other than purely personal or social

correspondence, routine announcements, generally distributed newsletters, and the like) received by a Board Trustee from a current LACERA service provider, or person or entity related to a current service provider, shall be forwarded to the Chief Executive Officer for subsequent distribution to all Trustees of the Board on which the Trustee serves. For purposes of this paragraph, the terms “communication” and “written communication” include email and other forms of electronic communication as well as physical or hard copy forms of communication.

Board Trustees and staff shall be aware of the risk of communicating inaccurate information to plan members. Board Trustees and staff shall refrain from providing specific advice or counsel with respect to a plan member’s rights, benefits, or obligations, except staff who are authorized to communicate with members on such matters. All others should refer plan member questions and concerns to the Chief Executive Officer or appropriate designee.

X. POLITICAL ACTIVITIES

LACERA Board Trustees and staff may work on individual candidate and ballot campaigns, and attend campaign events, during their personal time. They may make campaign contributions using personal funds, subject to applicable campaign finance laws. No LACERA funds, property, technology, letterhead, logo, or other resources may be used by LACERA Board Trustees and staff to support personal political activities. LACERA Board Trustees and staff may not solicit political contributions to a candidate or ballot campaign from other Board Trustees and staff except (1) as part of a solicitation that is made to a significant segment of the public or (2) with respect to a ballot measure which would affect the rate of pay, hours of work, retirement, civil service, or other working conditions of LACERA employees; solicitations permitted by these two exceptions may only be made on personal time. LACERA Board Trustees and staff may not use their influence or make any threats or promises relating to potential or current employment, promotion, or compensation to secure a vote or financial or other support for a candidate or ballot campaign. Cal. Gov’t Code §§ 3201 et seq. LACERA Board Trustees and staff may use their LACERA position to identify themselves when making an endorsement, provided that no statement may be made or action taken directly or indirectly indicating that the person represents LACERA in making the endorsement or that the endorsement is supported by or represents the position of LACERA, except when providing information authorized by the Boards. Nothing in this section is intended to impose any limitation on the personal political activities of LACERA Board Trustees and staff not permitted by California law.

XI. LEAVING LACERA

A. PROSPECTIVE EMPLOYMENT

LACERA Board Trustees and all staff shall not make, participate in making, or influence a decision by LACERA that directly relates to a nongovernmental prospective employer while negotiating or after reaching an employment agreement. The foregoing prohibition is triggered by an interview with a nongovernmental prospective employer or a nongovernmental prospective employer's agent, discussing an offer of employment with a nongovernmental prospective employer or a nongovernmental prospective employer's agent, or accepting an offer of employment. The foregoing prohibition does not apply if the Board Trustee or staff is legally required to make or participate in the making of the decision or if the decision affects the nongovernmental prospective employer in substantially the same way as it will affect a significant segment of the public generally. Cal. Gov't Code § 87407.

B. LIMITATIONS ON SUBSEQUENT ACTIVITIES

LACERA Board Trustees, the Chief Executive Officer, Deputy Chief Executive Officer, Assistant Executive Officers, persons next in line to Assistant Executive Officers, Chief Counsel, chief deputy legal officers, the Chief Investment Officer, and persons next in line to the Chief Investment Officer shall not, for two years after leaving that position, for compensation, act as agent or attorney for, or otherwise represent, any person except the County of Los Angeles, by making any formal or informal appearance before, or any oral or written communication to, LACERA, or any Board Trustee or employee of LACERA, for the purpose of influencing action by LACERA, including any action involving the awarding or issuance of a contract or sale or purchase of goods or property. Cal. Gov't Code § 31528(c).

In addition, under Government Code Section 87406.3, elected Trustees and the CEO shall not, for a period of one year after leaving that office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, LACERA, the Boards, or any committee of the Boards, or any LACERA officer or employee if the appearance or communication is made for the purpose of influencing action by LACERA involving the issuance, amendment, awarding, or revocation of a contract or the sale or purchase of goods or property.

XII. REPORTING

Reporting of ethical issues with respect to their own conduct or the conduct of others of which they become aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances is an important element of ensuring compliance with ethical requirements. Any such concerns by Board Trustees and staff about possible violations of this Code of Ethical Conduct or other ethical issues by themselves or others shall be reported to the Chief Executive Officer, the Chief Audit Executive, or Chief Counsel. Board Trustees may also report concerns to their Board Chair. Staff may also report ethical issues to their immediate supervisor or division manager.

Concerns may be reported anonymously at the LACERA Ethics Hotline, which may be reached by telephone at (844) 794-9416 or online at lacera.ethicspoint.com.

XIII. ENFORCEMENT

LACERA's Chief Executive Officer is responsible for communicating, implementing and enforcing the Code of Ethical Conduct with respect to LACERA staff. The Board Chairs will enforce this Code with respect to Board Trustees and the Chief Executive Officer in accordance with Board administrative policies and applicable laws.

Violations of any of the provisions of the Code by staff may result in disciplinary action as the situation may warrant, up to and including termination of employment. Violations by Board Trustees will be handled in accordance with Board Regulations, Bylaws, and policies and applicable law.

With respect to the Los Angeles County Treasurer and Tax Collector, application of this Code shall take into account their responsibilities in that position and Los Angeles County policies applicable to the position, while recognizing that the Treasurer and Tax Collector has separate and independent fiduciary duties and legal obligations to LACERA and its members as described in this Code.

Questions on this matter should be referred to LACERA's Director of Human Resources, Internal Audit, or the Legal Office.

XIV. TRAINING

LACERA management will provide training to new staff on this Code of Ethical Conduct as part of the new employee orientation. Management will provide training to existing staff on this Code at least every two years.

Management will include discussion of this Code in the training for new and incoming Board Trustees. The Code will be circulated to all Board Trustees at least every two years.

XV. RESOURCES

Board Trustees and staff may refer to the following resources for additional information concerning this Code, questions concerning the application and interpretation of the Code to specific situations, and other issues concerning ethics and ethical conduct relevant to the performance of their duties and work for LACERA and its members and beneficiaries.

A. LACERA'S LEGAL OFFICE

The LACERA Legal Office is familiar with the laws and regulations that form the foundation for this Code. The Legal Office is experienced in applying those laws and regulations to specific situations. The Legal Office is available at any time to provide additional information concerning ethics questions and issues and provide written or oral advice or opinions with respect to specific situations. The Legal Office will respond to information about potential ethical issues, concerns, and violations in the LACERA organization and take appropriate action. Questions for the Legal Office should be directed to LACERA's Chief Counsel.

B. LACERA'S INTERNAL AUDIT DIVISION/ETHICS HOTLINE

LACERA's Internal Audit Division will respond to information concerning ethical issues, problems, and concerns regarding acts or omissions in connection with LACERA's operations and will take appropriate action. Questions for the Internal Audit Division should be directed to LACERA's Chief Audit Executive. The Internal Audit Division may also be contacted anonymously on the LACERA Ethics Hotline, which may be reached by telephone at (844) 794-9416 or online at lacera.ethicspoint.com.

C. LACERA'S CONFLICT OF INTEREST CODE

Board Trustees and staff should refer to LACERA's current Conflict of Interest Code, which is available on LACERA's website, www.lacera.com, with respect to LACERA's requirements for the filing of Form 700 Statements of Economic Interests.

D. CALIFORNIA CONSTITUTION

The California Constitution, Article XVI, Section 17, which sets forth the fiduciary duties of the Board and Board Trustees and the retirement system, is available online at https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CONS§ionNum=SEC.%2017.&article=XVI.

E. CERL

CERL, California Government Code §§ 31450 et seq., is available online at https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=GOV&division=4.&title=3.&part=3.&chapter=3.&article=.

F. PEPPRA

PEPPRA, California Government Code §§ 7522 et seq., is available online at https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=7.&title=1.&part=&chapter=21.&article=4.

G. CALIFORNIA GOVERNMENT CODE SECTION 1090 ET SEQ.

Conflict of interest rules relating to financial interest in the making of contracts, incompatible activities, and incompatible offices are contained in California Government Code Section 1090 et seq., which is available online at https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=4.&title=1.&part=&chapter=1.&article=4.

H. CALIFORNIA GOVERNMENT CODE SECTION 3201 ET SEQ.

Rules regarding political activities are contained in California Government Code Section 3201 et seq., which is available online at https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=4.&title=1.&part=&chapter=9.5.&article=.

I. THE BROWN ACT

The Brown Act may be found online at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?division=2.&chapter=9.&part=1.&lawCode=GOV&title=5.

J. OTHER CALIFORNIA STATUTES

Other California statutes relating to ethics issues are available online at <https://leginfo.legislature.ca.gov/faces/codes.xhtml>.

K. FAIR POLITICAL PRACTICES COMMISSION

The California Fair Political Practices Commission (FPPC) has a large number of resources available concerning ethics issues under the Political Reform Act, FPPC Regulations, and related law. FPPC resources include:

1. Website: www.fppc.ca.gov/.
2. FPPC Publications available on the website:
 - a. Form 700 Statement of Economic Interests, and Form 700 Statement of Economic Interests Reference Pamphlet.
 - b. Limitations and Restrictions on Gifts, Honoraria, Travel and Loans: A Fact Sheet for Local Officials.
 - c. Recognizing Conflicts of Interest: A Guide to the Conflict of Interest Rules of the Political Reform Act.
 - d. Leaving Local Government Employment.
 - e. Political Reform Act, including the full text of the law.
 - f. FPPC Regulations, including the full text of the regulations.
 - g. FPPC Letters and Opinions, including a searchable database of letter and opinions issued by the FPPC on ethical issues.
3. Campaign Rules/Finance. <http://www.fppc.ca.gov/learn/campaign-rules.html>.
4. Advice and Enforcement. The FPPC offers informal and formal advice on ethical issues and has procedures for making a complaint. Instructions for seeking advice or making a complaint are on the FPPC website.

L. CALIFORNIA ATTORNEY GENERAL CONFLICT OF INTEREST GUIDE

The California Attorney General has published a Conflict of Interest Guide which contains information on a wide range of conflict of interest issues. Although the Guide was last updated in 2010, it remains a useful reference. The Guide is available online at <https://oag.ca.gov/sites/all/files/agweb/pdfs/publications/coi.pdf>.

M. LOS ANGELES COUNTY REGISTRAR-RECORDER/ COUNTY CLERK

Information concerning Los Angeles County campaign rules and finance can be obtained at <https://lavote.net/home/voting-elections/candidate-measure-information/campaign-finance-prop-b-reporting/campaign-disclosure-information>.

N. LOS ANGELES COUNTY FRAUD HOTLINE

Ethical concerns may be reported to the Los Angeles County Fraud Hotline, <http://fraud.lacounty.gov/>. The County Fraud Hotline will not generally investigate LACERA issues, but it will forward concerns to LACERA for response.

XVI. REVIEW OF CODE

This Code shall be reviewed by the Board of Retirement and Board of Investments every three years. The Legal Office and Internal Audit shall monitor applicable laws, regulations, and best practices on an ongoing basis and shall request amendment of the Code when deemed necessary and appropriate. This Code may be amended by action of both Boards at any time.

APPENDIX A – SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS

WHAT IS A GIFT? A “gift” is any payment or other benefit that confers a personal benefit for which you do not provide payment or services of equal or greater value. Gifts are valued at fair market value as of the time the gift is received. Gifts include price discounts and rebates, unless generally available to the public. Gifts are income reportable on Form 700, Schedule D or E, subject to applicable rules and exceptions, including those below.

Examples of Gift Exceptions (no reporting/no dollar limit/no conflict of interest):

1. Items returned unused to the donor, or for which you reimburse the donor, within 30 days.
2. Items donated unused, within 30 days of receipt, to (a) a 501(c)(3) non-profit with which you do not hold a position, or (b) a government agency. You cannot claim a tax deduction.
3. Gifts from a family member (spouse or former spouse, child, parent, grandparent, grandchild, sibling, current or former parent-in-law, siblings-in-law, aunt, uncle, niece, nephew, or first cousin, or the spouse of any such person), unless the family member is acting for another person.
4. Informational material provided to assist you in performing your official duties, including books, periodicals, videos, admission or discounts to informational conferences, demonstrations, or tours. This exception does NOT apply to meals, lodging, or (generally) transportation.
5. Tickets that you do not use and do not give to another person.
6. Two tickets, used by you and one guest, to attend a fundraiser for a campaign committee or candidate or a 501(c)(3) non-profit, provided the tickets are received from the organizer.
7. Items provided to LACERA and used by you for official business.
8. Travel payments made to LACERA and used to pay for your official business travel.

Examples of Limited Gift Exceptions:

1. Gifts commonly received from a dating partner, long-time personal friend, existing personal or business relationship unrelated to LACERA, or as an act of human compassion (no reporting or dollar limit, but these exceptions do not apply if person has LACERA business).
2. Wedding gifts received (not subject to dollar limit but reportable on Form 700 if meet gift threshold, with ½ of value reportable by each spouse; disqualification applies if donor has LACERA business).
3. Gifts commonly exchanged on holidays, birthdays, or similar occasions to the extent the gifts exchanged are not disproportionate in value.
4. Reciprocal exchanges with another individual (e.g., rotating lunches) so long as payments are not substantially disproportionate, payments are roughly equal over any calendar year, and no single payment is greater than the gift limit.
5. Travel payments for actual transportation, meals, and lodging the day of, day before, and day after you give a speech for a legitimate LACERA business purpose or on a state/national policy issue. Such payments are reportable on Form 700 and subject to conflict of interest disqualification.

GIFT LIMITS

Gifts with a combined total of under \$50 from a single source for the calendar year need not be disclosed. Gifts greater than the gift limit below in any 12-month period may require disqualification.

Board of Retirement and Staff Identified in LACERA Conflict of Interest Code (“Code Filers”):

For 2021-2022, you may not accept gifts from a single source with a combined total of more than \$520 for the calendar year if the Code requires you to report gifts from that source on your Form 700.

Board of Investments and Staff Identified in Appendix to the Conflict of Interest Code (“87200 Filers”):

For 2021-2022, you may not accept gifts from ANY single source with a combined total of more than \$520 for the calendar year.

IMPORTANT NOTE: This document is only a summary of applicable law as of September 2021; additional rules apply. Any gift may create the appearance of a conflict of interest. Please contact the LACERA Legal Office with any questions. This summary will be updated as needed.

welcome@lacera.com

800-786-6464

lacera.com

CODE OF ETHICAL CONDUCT

L//CERA

300 N. Lake Ave., Pasadena, CA 91101

EXHIBIT B

Code of Ethical Conduct – 2025 Update – Draft Table of Contents

- Letter from Chief Executive Officer Santos Kreimann
- We Are Guided by Our Values
 - Purpose and Scope
 - Values (I ACT)
 - Fiduciary Duties
 - Ethics and Compliance
- We Are **Inclusive** and **Collaborative**
 - DEI+A
 - Anti-discrimination policy
 - Safe and Healthy Work Environment
 - Drug and Alcohol Free Work Environment
 - No Harassment
- We Act with **Integrity**
 - Avoid Conflicts of Interest
 - Gifts, Honoraria, Travel, Loans
 - Investments
 - Contracts
 - Reporting (Form 700)
 - Disclosure and Recusal
 - Incompatible Activities/Offices
 - Outside Employment
 - Employment of Related and Unrelated Persons
 - Use of LACERA Position, Resources, and Information
 - Political Activities
 - Leaving LACERA
- We Hold Ourselves **Accountable**
 - Ethics Hotline/Reporting Channels
 - Investigative Process for Misconduct
 - No Retaliation
 - Information Security
 - Confidentiality & Privacy
- We Are **Transparent**
 - Communication
 - Public Records Act & Other Requests for Records
 - Records Retention
- We are **Innovative**
 - Artificial Intelligence
 - Information Security
 - Acceptable Use
- Code Administration
 - Training
 - Enforcement
 - Review of Code

EXHIBIT C



CODE OF ETHICS

AND BUSINESS CONDUCT

A Message from the CEO

I am very proud that CalSTRS has a long-standing tradition of ethical standards and a deep commitment to living its core values every day. Together, we have a solemn responsibility to continue this tradition. These values are an integral part of our daily work life, in fulfilling our responsibility to our members and to one another.

Our Code of Ethics and Business Conduct is a critical component to our organization and sets the foundation of our commitment to comply with the laws, regulations, policies and standards that apply to our business.

The code is a valuable resource as we deliver quality services for our members. As a financial services organization, maintaining the trust of our members, business partners and the public is essential to our credibility. CalSTRS fosters a culture of trust, as well as collaboration, to achieve our mission and strategic goals. The code supports our efforts in conducting ourselves with integrity, compliance and high ethical standards on a daily basis.

An important role for each of us at CalSTRS is to ensure that our core values drive the work we do and how we serve our members. I appreciate your commitment to our mission and values that guide us and continue to support our success.

Sincerely,



Cassandra Lichnock, Chief Executive Officer



Table of contents

Code introduction	4
Overview and purpose	4
Applicability of code	5
Revision and administration of code	5
Culture	6
Mission and values	6
Roles and responsibilities (shared, employee, leader, ECS)	7
Diversity and inclusion	9
Fair employment practices	10
Work environment	11
Safe work environment	11
Non-violent work environment	11
Drug- and alcohol-free work environment	11
Freedom from harassment	12
No retaliation	12
Reporting concerns	12
Information and resource safeguards	14
Data safeguards	14
Resources	15
Intellectual property	15
Information security	15
Conflicts of interests and incompatible activities	16
Conflicts of interest	16
Personal relationships	16
Financial conflicts	17
Insider trading	17
Investments	18
Business opportunities	18
Gifts, travel and entertainment	18
Political contribution and activities	19
Incompatible activities	20
Ethical business practices	20
Business records	21
Financial records	21
Records management	21
Communication	22

Code introduction

Overview and purpose

The CalSTRS Code of Ethics and Business Conduct addresses the standard of conduct and ethics for the way we provide services to our stakeholders. It is a commitment to our core values and compliance with laws, regulations, CalSTRS policies and standards. The code helps us exercise sound personal judgment.



Culture

Mission and values

Living our core values guides us in serving our members.

▶ Our mission

Securing the financial future and sustaining the trust of California's educators.

▶ Core values

The CalSTRS Core Values are a set of attitudes, beliefs and behaviors that define CalSTRS and its employees.



Customer Service

We never compromise on quality as we strive to meet or exceed the expectations of our customers.



Accountability

We operate with transparency and accept responsibility for our actions.



Leadership

We model best practices in our industry and innovate to achieve higher standards.



Strength

We ensure the strength of our system by embracing a diversity of ideas and people.



Trust

We conduct ourselves with integrity, acting ethically in every endeavor.



Respect

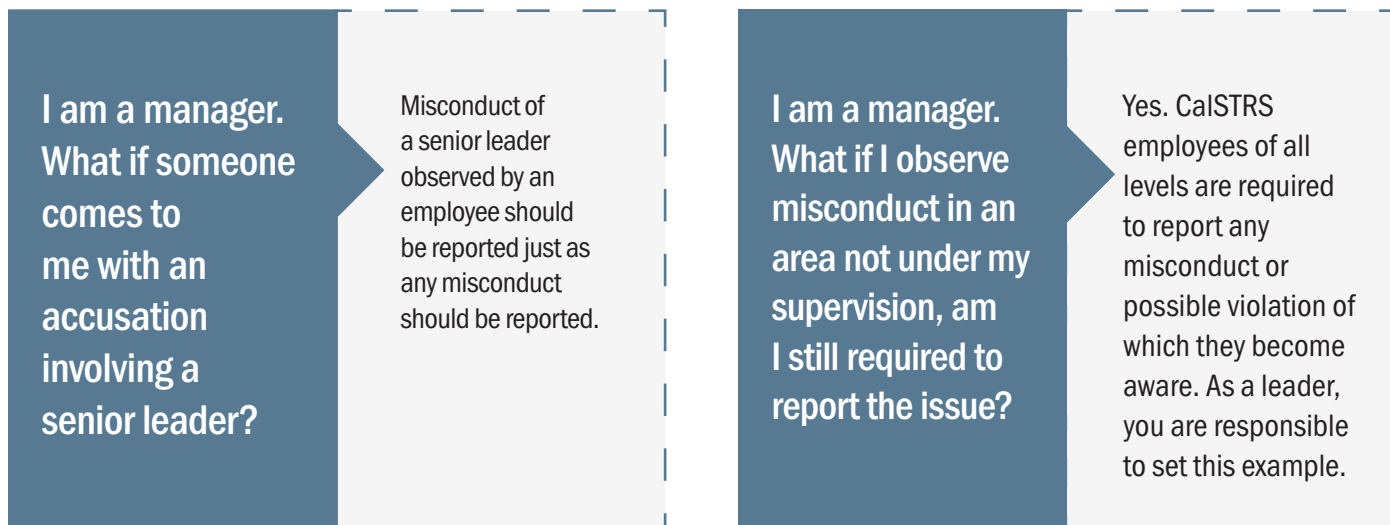
We respect the needs of our members, co-workers, and others, treating everyone with fairness, honesty, and courtesy.



Stewardship

We recognize our fiduciary responsibility as the foundation for all decision-making.

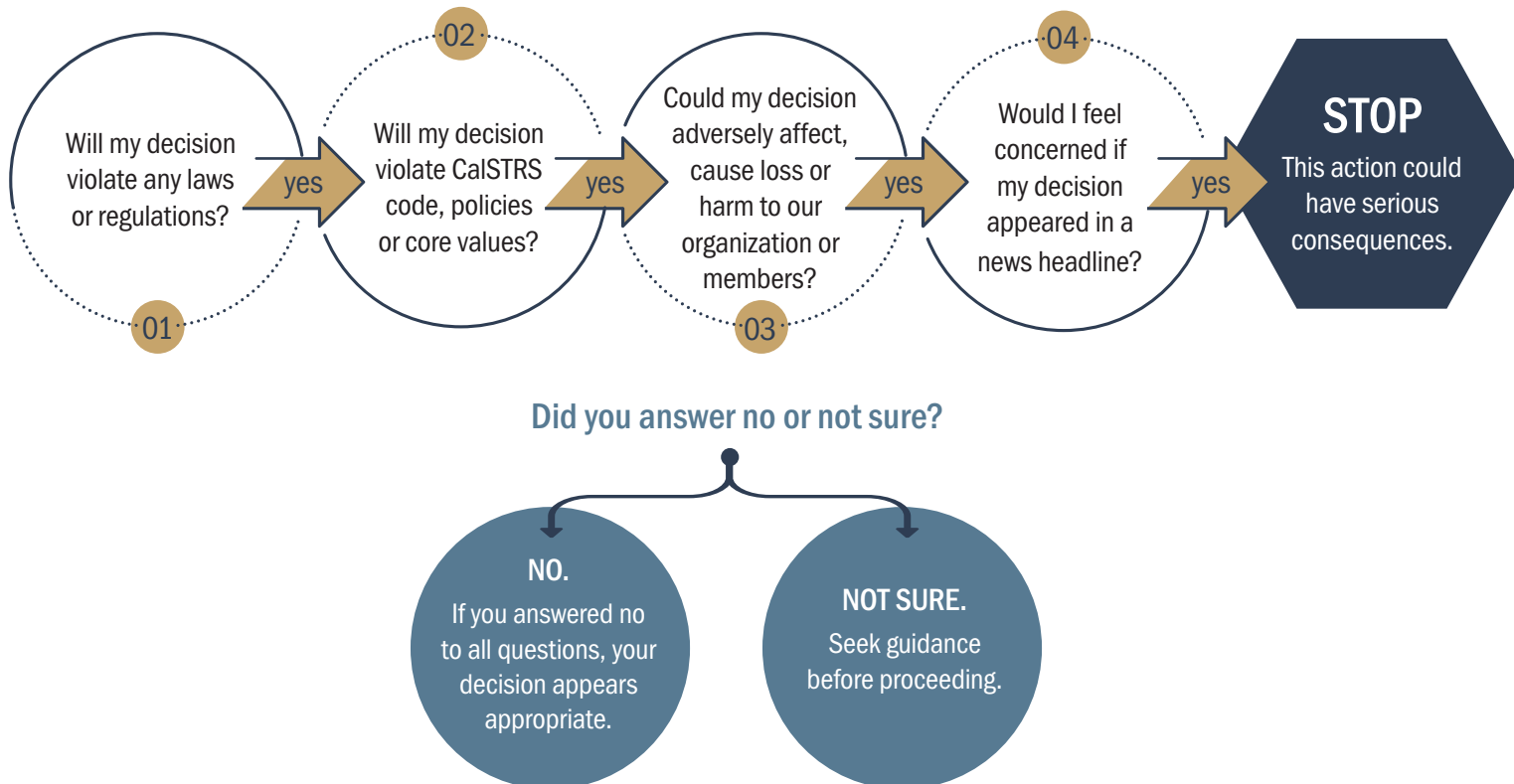
What if?



Enterprise Compliance Services

Enterprise Compliance Services supports the organization in maintaining a strong ethical and compliant culture. ECS provides oversight and a centralized approach to compliance functions at CalSTRS. If you have questions, ask them. Promptly report any concerns or possible violations to your supervisor or other resources provided to you in the code. Our actions should reflect our commitment to living our core values every day. If in doubt or unsure of the proper course of action, use the decision tree provided in the code to assist you in decision-making.

In any ethical dilemma, ask yourself:



Diversity and Inclusion

CalSTRS is dedicated to bringing together employees with a wide variety of backgrounds, skills, cultures and beliefs. In combining this wealth of talent and resources, we create diverse and dynamic teams that drive excellence. We work better together because of our differences, not despite of them. We believe our organization will best serve everyone and enrich our culture through the diverse skills, experiences and backgrounds that each of us brings to CalSTRS.

➤ Learn more about **Diversity and Inclusion** at CalSTRS.

Our core values of strength and respect mean that CalSTRS is a place where:

Diversity of ideas and people are not only respected but valued and supported.

Everyone is treated fairly.



Fair employment practices

CalSTRS provides objective, equitable and consistent employment practices across the organization. We are committed to hiring and promoting practices that are free of unlawful or inappropriate bias and conflicts.

CalSTRS commitment to diversity and equal opportunity employment:

1. We do not tolerate any discrimination based on protected characteristics in any of our employment practices.
2. Employment practices include all aspects of employment:
 - Recruitment, hiring, performance evaluations and promotions.
 - Reinstatement, layoffs, adverse action and termination.
 - Training, assignment, transfer, benefits and compensation.

Personnel actions are based strictly on individual ability, qualifications, performance, experience, achievements and demonstrated skill. We stand firm in avoiding actions influenced by personal relationships and discriminatory practices of any kind. We aim to structure a work environment that provides personal satisfaction and challenge. We are committed to these goals and our compliance with employment laws. Any form of discrimination, witnessed or experienced, must be reported immediately.

Reporting options

- Leadership
- EEO Officer
- CalSTRS Compliance and Ethics Hotline

I will	I will not
<ul style="list-style-type: none"> • Treat all colleagues, members and business partners fairly and equally. • Hire employees based solely on qualifications, ability to perform work required and business need. 	<ul style="list-style-type: none"> • Favor colleagues, members or business partners based on personal, social or financial relationship. • Provide or deny employment opportunity based on race, sex, age or any other protected characteristic.

- Learn more about fair employment practices in the **Discrimination, Harassment, and Retaliation Prevention policy**.



EXHIBIT D

A large, abstract graphic of a DNA double helix. The left side is a solid blue vertical bar. The right side is a white, glowing, wireframe-style double helix that curves and extends across the page. The background is a light gray gradient.

BREAKTHROUGHS that change patients' lives

BLUE BOOK: Pfizer's Code of Conduct

Contents

A MESSAGE FROM OUR CEO..... 3

ACT WITH INTEGRITY..... 4
 We Live Our Values & Are All Responsible5

COURAGE..... 6
 We Speak Up, Keep Open Doors, and Do Not Retaliate7
 We Raise Concerns8
 Ways for You to Speak Up.....9

EXCELLENCE..... 10
For Our Patients 11
 Interactions With Patients and Patient Organizations.....11
 Interactions With Healthcare Professionals and Customers.....12
With Our Products and Product Development..... 13
 Research and Development.....13
 Manufacturing and Supply Quality.....14
 Data Integrity15
 Safety Reporting15

In How We Conduct Our Business 16
 Business Partners and Suppliers16
 Conflicts of Interest17
 Company Assets, Records, and Information18
 Intellectual Property19
 Personal Data20
 Artificial Intelligence21
 Financial Integrity22
 Social Media22
 External Inquiries.....23

In Following the Letter and Spirit of Laws..... 24
 Anti-Corruption, Anti-Bribery, and Anti-Kickback Laws.....24
 Antitrust, Fair Competition Laws & Competitive Intelligence25
 Insider Trading Laws26
 Global Trade Control Laws.....26

EQUITY & JOY27
We Respect Human Rights.....28
We Prioritize Health and Safety, and Protect the Environment29
We Support the Communities in Which We Work.....30
We Embrace Diversity, Equity & Inclusion.....31
We Do Not Tolerate Discrimination, Harassment, or Retaliation.....32

Pfizer’s Code of Conduct (the *Blue Book*) is a general reference for all colleagues everywhere we do business. The *Blue Book* is not a legal document and is intended for informational use only. It does not describe all applicable laws or Company policies or give full details on any individual law or policy. Pfizer reserves the right to modify, revise or alter any policy, procedure or condition related to employment at its sole discretion and at any time without notice and without revision of the *Blue Book*. The contents of the *Blue Book* do not constitute the terms of a contract of employment, and nothing contained herein should be construed as a guarantee of continued employment or employment for any particular period of time—employment at Pfizer is on an at-will basis (subject to applicable laws). The information herein can be changed or revoked unilaterally by the Company at any time and is not all-inclusive. This online version of the *Blue Book*, accessible through the Compliance website (integrity.pfizer.com), supersedes all prior versions of the *Blue Book*.





At Pfizer, patients are at the center of everything we do. In fact, they are at the heart of our purpose: *Breakthroughs that change patients' lives.*

Our ability to deliver breakthroughs depends upon each of us living by our four core Values—**Courage, Excellence, Equity, and Joy**. Together these Values define our culture and guide our day-to-day interactions with customers, business partners, and colleagues.

Pfizer's *Blue Book*—our Code of Conduct—is designed to support these Values, particularly Excellence, as **we perform at our best together**, and Equity, as we always **act with integrity**. The *Blue Book* describes how we operate and guides the decisions we make in support of our purpose, including how **we speak up** when we see something that concerns us—a behavior essential to our Value of Courage. Seeking advice, raising concerns, and reporting misconduct are critical to our ability to serve patients.

Each of us is responsible for understanding the *Blue Book* and adhering to our Code of Conduct every day. In doing so, we demonstrate our continued commitment to living our Values and earning the trust of the patients we serve.

Albert

We Live Our Values & Are All Responsible

ACT WITH INTEGRITY



We Live Our Values & Are All Responsible

At Pfizer, we do the right thing because patients' lives depend on us. We act with integrity in everything we do, and our Values guide us in making the right decisions ethically, thoughtfully, and responsibly so that our business can appropriately meet patient and societal needs. Ethical decisions promote trust and accountability for doing the right thing, both internally and externally.

To fully realize Pfizer's purpose—breakthroughs that change patients' lives—we have established clear expectations regarding what we need to achieve for patients and how we will achieve those goals. The “how” is represented by our four powerful Values—Courage, Excellence, Equity, and Joy—that define our Company and our culture.

Each of us is responsible for living our Code of Conduct and holding each other accountable for the same. The *Blue Book* applies to everyone, including all colleagues and officers of Pfizer and its subsidiaries. In certain circumstances, this Code also applies to contingent workers. Managers set the tone and model ethical behavior, cultivate an inclusive Open Door culture, and communicate the expectation that each of us must live our Values of Courage, Excellence, Equity, and Joy every day.

Remember, not following our Code may harm our Company, colleagues, patients, customers, communities, business partners, and investors. Violation of the Code or policies may result in disciplinary action up to and including termination of employment.

The Code does not answer how to act in every situation, but it does outline the Values and principles you need to guide you in your daily work. It also provides information on how to seek further guidance, ask questions, and raise concerns.



Courage. Breakthroughs start by challenging convention, especially in the face of uncertainty or adversity. This happens when we think big, speak up, and are decisive.



Excellence. We can only change patients' lives when we perform at our best together. This happens when we focus on what matters, agree who does what, and measure outcomes.



Equity. We believe that every person deserves to be seen, heard, and cared for. This happens when we are inclusive, act with integrity, and reduce healthcare disparities.



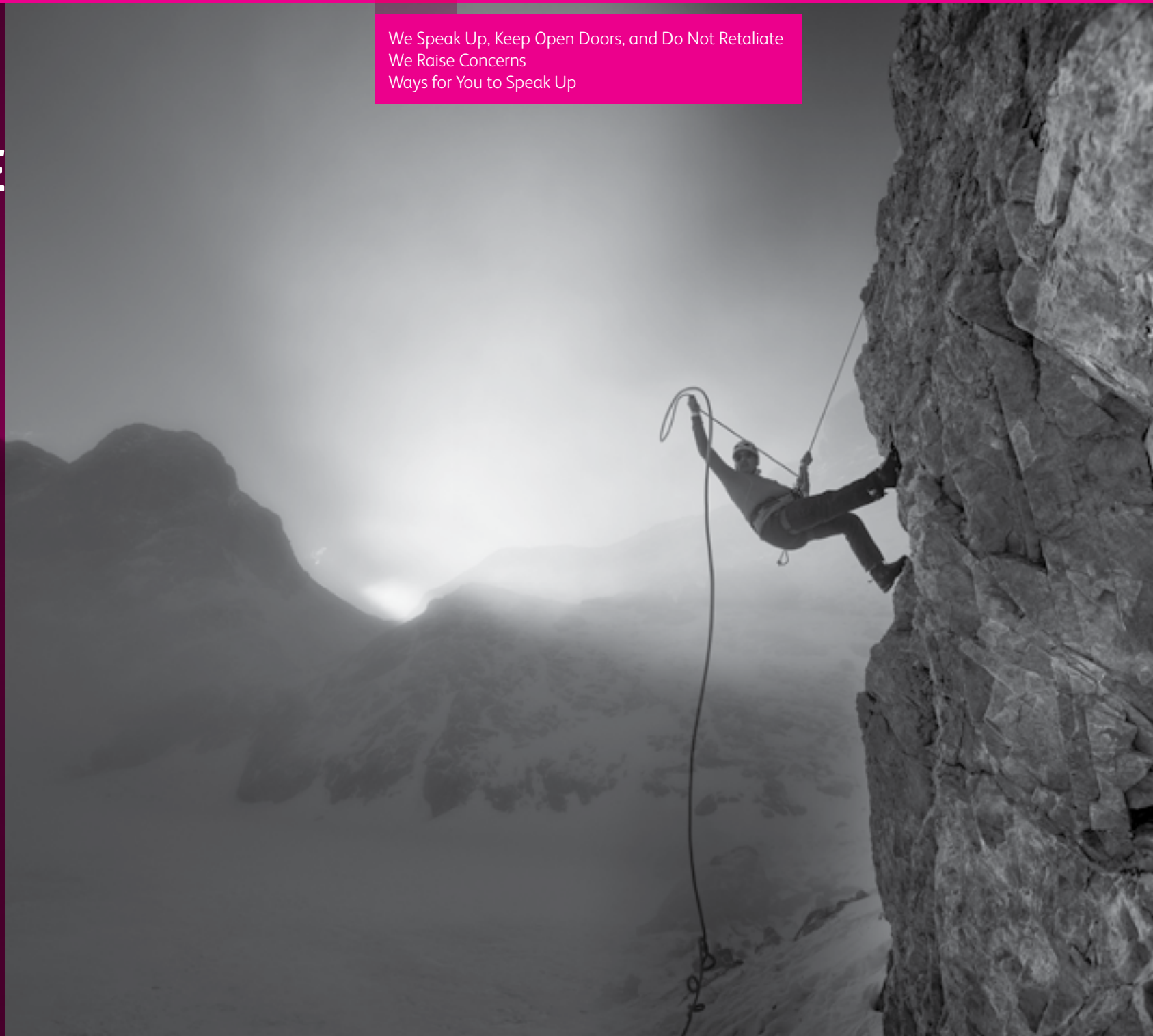
Joy. We give ourselves to our work, and it also gives to us. We find Joy when we take pride, recognize one another, and have fun.

Our Values guide us in our daily work. That is why they are incorporated into every section of this *Blue Book*.

We deliver
breakthroughs
the right way.

COURAGE

We Speak Up, Keep Open Doors, and Do Not Retaliate
We Raise Concerns
Ways for You to Speak Up



We Speak Up, Keep Open Doors, and Do Not Retaliate

Speaking up requires Courage. As Pfizer colleagues, we share the privilege and responsibility of ensuring we honor our Values and follow policies, including by speaking up when we have questions or concerns. Speaking up helps us learn about issues and manage risks before they become problems. The environment we need for breakthroughs depends on empowering each of us to speak our mind.

Speak up if you have an idea. Speak up if you have a question. Speak up if you have a concern. Our Open Door Policy provides many avenues for you to speak up without fear of retaliation, harassment, discrimination, or other inappropriate behavior.

We do not tolerate retaliation against those who raise concerns at Pfizer.

If you seek advice, raise a concern, report misconduct, or provide information in an investigation, you cannot be retaliated against for having done so. If you believe that you or another colleague has been retaliated against for any reason, report the conduct using any method described in this *Blue Book*.

*We have the
Courage to speak
up if something
doesn't seem
right.*

Our Commitment to COURAGE

- We encourage reporting by not tolerating retaliation in any form.
- We report all suspected retaliation.



Retaliation is adverse action that can take various forms, including unfavorable work assignments, unfavorable performance reviews, threats, harassment, demotion, suspension, reduced compensation, denial of benefits, or termination, among others.



Learn More

- [Corporate Policy 702 \(Open Door Policy\)](#)
- [Corporate Policy 201 \(Integrity, Compliance Reporting Obligations, and No Retaliation Policy\)](#)



We Raise Concerns

We value, respect, and review all reports. If you suspect potential misconduct, report it. Potential misconduct includes failing to follow laws, regulations or policies, or failing to live our Values. You can raise concerns to your manager, another manager, People Experience, the Legal Division, the Employee Relations Group, or the Compliance Division. You can also make anonymous reports to the Compliance Helpline (subject to local restrictions).

Your concerns will be analyzed and addressed by the appropriate Pfizer group according to our policies and procedures. For example, significant potential, suspected, or actual violations of law or policy—referable compliance issues (RCIs)—are investigated exclusively by the Compliance Division.

Our Commitment to COURAGE

- We raise concerns when safety, quality, or integrity are in question.
- Confidentiality is maintained to the fullest extent possible.



Personal Disclosure Requirements

If you have been excluded, debarred, or suspended, or become otherwise ineligible to participate in U.S. federal healthcare or procurement or non-procurement programs, you must disclose this immediately to the Compliance Division. You also must disclose if you are under investigation for certain criminal offenses and may become excluded, debarred, or suspended.



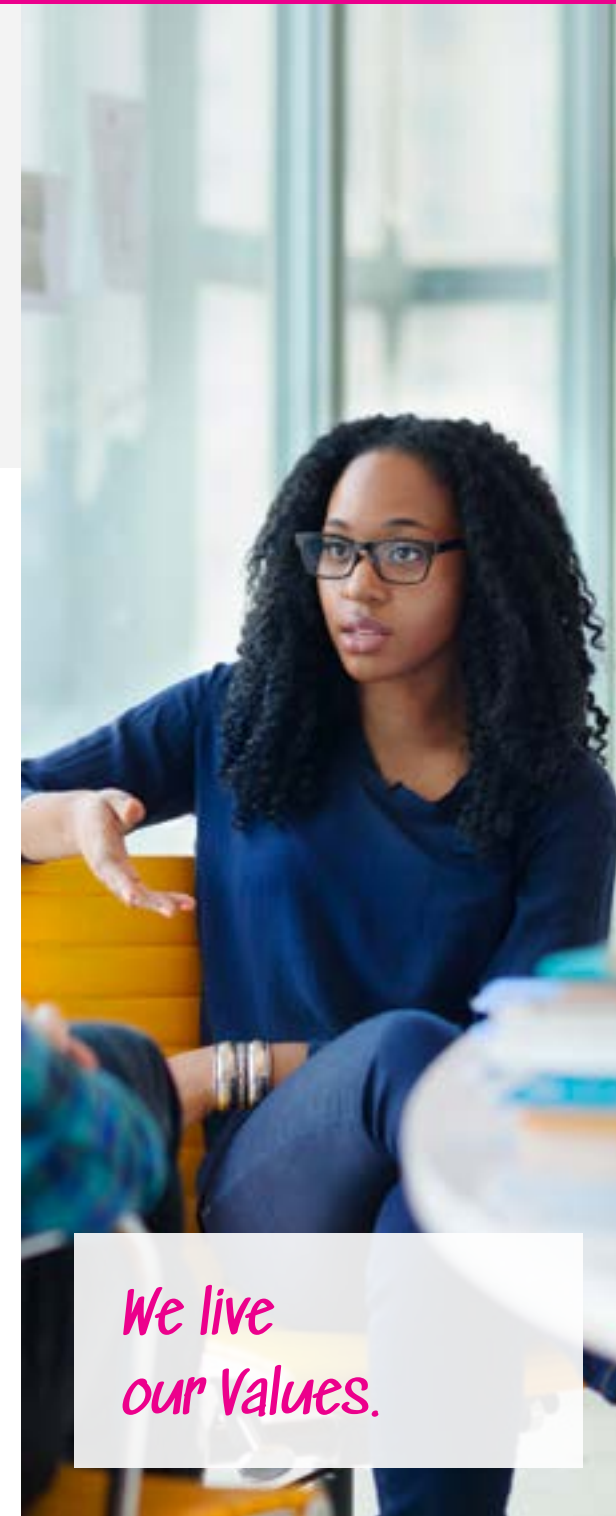
If I report a concern to the Compliance Division, can I expect a response?

Yes. The Compliance Division's goal is to respond promptly to all questions and reported concerns and take appropriate action to investigate.



Learn More

- [Corporate Policy 201 \(Integrity, Compliance Reporting Obligations, and No Retaliation Policy\)](#)



*We live
our Values.*

EXHIBIT E



Code of Business Ethics

Table of Contents

1. Message from Our CEO 3

2. Our Legacy 4

3. Our Purpose 5-10

- Live Our Success Principles
- Know Your Responsibilities
- Know Your Responsibilities as a Manager
- Make Ethical Decisions

4. Speak Up 11-16

- Know Your Concerns are Taken Seriously
- Preserve Confidentiality
- Do Not Tolerate Retaliation

5. Our Colleagues 17-20

- Champion Diversity, Equity, and Inclusion
- Respect Others
- Respect Our Colleagues' Privacy
- Promote a Safe and Secure Workplace

6. Our Customers 21-24

- Treat Our Customers Fairly
- Communicate Clearly
- Respect Our Customers' Privacy
- Deliver on Our Promises
- Use Artificial Intelligence Responsibly

7. Our Business Practices 25-33

- Avoid Conflicts of Interest
- Prevent Bribery and Corruption
- Comply with Government Relations Policies
- Comply with Sanctions
- Prevent Money Laundering
- Compete Fairly
- Comply with Trading and Confidentiality Policies
- Communicate with Care

8. Our Assets 34-38

- Use Data Responsibly
- Protect Personal Data
- Safeguard Our Assets
- Maintain Accurate Records

9. Our Communities 39-41

- Operate Sustainably
- Preserve Human Rights
- Protect the Environment
- Serve our Communities

10. Glossary 42

Our Purpose

Live Our Success Principles

Know Your Responsibilities

Know Your Responsibilities as a Manager

Make Ethical Decisions



Always with You, Building a More Confident Future

Living our purpose is how MetLife contributes to a more confident future as an investor, an employer, and a provider of financial solutions and expertise. It's at the heart of our virtuous circle of serving our colleagues, our communities, our customers, and our shareholders. The work of building our purpose-driven inclusive culture starts with trust. Trust permits us, as a team, to be curious, forthcoming, open, imaginative, confident, and inclusive.

Live Our Success Principles

Our Success Principles articulate the behaviors that help us bring MetLife's purpose to life and execute on our strategy. They outline the behaviors we all are expected to exhibit on a daily basis and are embedded into our performance development approach to encourage and incentivize individual and collective success. Together, these principles guide how we do business, interact with each other purposefully and deliver for our stakeholders.

Build Tomorrow

We change and innovate for sustained performance

- **Seize opportunity:** Drive responsible growth and identify areas for continuous improvement
- **Experiment with confidence:** Courageously learn and test new ideas without fear of failure
- **Act with urgency:** Demonstrate speed to action with agility and determination

Win Together

We collaborate and empower each other to succeed

- **Seek diverse perspectives:** Source ideas and feedback to expand thinking and make informed decisions
- **Champion inclusion:** Foster an environment where everyone is valued, heard and can speak up
- **Create alignment:** Partner with others across the organization with candor and transparency

Own It

We deliver for our customers

- **Take responsibility:** Be accountable and act in pursuit of the right outcomes
- **Enable solutions:** Anticipate and address obstacles while managing risk
- **Deliver what matters:** Execute meaningful priorities and follow through on commitments

Find Out More

[Success Principles](#)

[Our Purpose](#)



Know Your Responsibilities

We are proud to foster a culture where all of us take responsibility for our actions, adopt an ownership mindset, and feel comfortable speaking up. Our customers and shareholders expect us to conduct ourselves with honesty and integrity, and we, as a MetLife community, expect this from one another as well.

Our Code of Business Ethics (Code) helps us live our purpose with every customer, in every interaction, every day. It helps us navigate an always-changing external environment while meeting the highest professional standards. Our Code is the foundation for our Success Principles and represents our core beliefs for conducting business.

- **Read our Code to help you understand MetLife’s expectations and commit to follow it.**
- **Take personal responsibility for your actions and know that your behavior matters and impacts MetLife’s workplace culture and reputation.**
- **Collaborate and communicate among different groups in the Company.**
- **Prevent misconduct and speak up if you observe any violation, actual or suspected, of our Code or policies.**
- **Report concerns immediately.**
- **Cooperate in any investigation, when asked.**
- **Complete your mandatory training and annual Code Attestation timely to stay up to date on what’s expected of you.**



Speak Up



We expect all who work with MetLife – whether as an employee or as a non-employee worker, vendor, or other third party – to conduct themselves in a way consistent with our Code, purpose, Success Principles, policies and other standards as described here and in our Supplier Code of Business Ethics. Violations of our Code and policies, or any applicable laws and regulations, may result in disciplinary action, up to and including termination of employment for employees and termination of a work assignment or other business association with MetLife for non-employees and other third parties.

Find Out More

[MetLife Policy Directory](#)

[Code of Business Ethics Site](#)

[Supplier Code of Business Ethics](#)



Make Ethical Decisions

Each day we are responsible for making ethical decisions. No written document can possibly address every circumstance we may encounter. Hence, we have to exercise our judgment consistent with our purpose, Success Principles, and Code.

When faced with challenging decisions or uncertain situations, consider these questions to help guide your actions.

- **Is the action legal and compliant with regulatory requirements?**
- **Does it comply with our Code and our policies?**
- **Does it reflect our purpose and Success Principles?**
- **Is it in the best interest of our colleagues, customers, and shareholders?**
- **Can the action withstand public scrutiny?**
- **Would your family, friends, and community approve?**

If your answer to any of these questions is “no,” the action could have serious consequences for you and MetLife. If you are not sure, reach out to your manager or Compliance for guidance.

EXHIBIT F



Code of Conduct

Do What's Right: Report What *Seems* Wrong

Table of Contents

A Message to Our Team	4
Vision, Mission and Values	5
About Our Code of Conduct	6
Making Good Business Decisions	6
Reporting Concerns	7
Retaliation is Prohibited	9
When a Code Violation Occurs	9



TRUSTWORTHY

We act with integrity

Uphold Our Legal and Ethical Standards	11
Know Our Responsibilities	11
– Compliance Responsibilities	11
– Leader Responsibilities	12
– Nuclear Employee Responsibilities	12
Transparency in Our Relationships	13
– Conflicts of Interest	13
– Gifts, Meals and Business Entertainment	15



CONNECTED

We build the future together

Foster Inclusion and Diversity	19
Ensure Equal Employment Opportunities	19
Respect Each Other	20
Protect the Environment	21
Make a Difference in Our Communities	21
Appropriately Participate in Political Activities	22



SAFE

We are committed to protecting each other and ourselves

Drive and Sustain a Safety Culture	24
Promote Public Safety	24
Maintain Physical Security	25
Prevent Workplace Violence	25
Act Responsibly Off Duty	26
Know Expectations About Drugs and Alcohol	26



COMMITTED

We safeguard what's ours

Protect Company Assets	28
– Secure Our Cyber Assets	28
– Handle Information with Care	29
– Safeguard Intellectual Property	30
Use Social Media Appropriately	31
Know When to Contact Media Relations	31

We inspire trust with our business partners

Never Trade on Insider Information	32
Keep Accurate Books and Records	33
Compete Fairly	33
Follow Affiliate Transaction Rules	33
Never Bribe	34
Follow U.S. Trade Laws	34

Waivers	34
----------------------	-----------



TRUSTWORTHY

We act with integrity

Know Our Responsibilities

Leader Responsibilities

If you're an employee in a leadership position (supervisors, managers, directors, vice presidents, executive officers, etc.), you have additional responsibilities.

MODEL OUR CODE AND OUR VALUES We count on you to model ethical business conduct and live by our values, setting a strong standard for employees and each other. Never encourage or direct any employee to violate our Code of Conduct or the law in an attempt to achieve a business result. Further, you should always enforce safety policies and procedures and support a reward and recognition system that fosters a safety culture.

TALK ABOUT OUR CODE AND OUR VALUES Discuss the importance of our values, ethics and compliance and let employees know you expect them to always do what's right.

MAINTAIN A POSITIVE AND INCLUSIVE WORK ENVIRONMENT Create an inclusive workplace free of discrimination and harassment where everyone feels that they can come to work and be their whole, authentic self.

FOSTER A SPEAK-UP CULTURE Foster a culture where employees feel comfortable reporting what seems wrong and speaking up when they are concerned.

RESPOND TO REQUESTS FOR GUIDANCE Be available to respond to requests for guidance. Use the Code of Conduct, company policies and other resources within the company when responding. When in doubt, always escalate the question or ask for additional help. It's better to say you don't know and will follow up, rather than provide a wrong answer.

REPORT WRONGDOING Any leader who observes conduct that may violate the Code **MUST** take immediate action to stop it and promptly report the matter. All leaders who learn of a violation or potential violation of the Code must promptly (ideally within 24 hours) forward that report to Legal, EEO or the Xcel Energy Corporate Compliance and Business Conduct Office at 612.215.5354 or compliancebusinessconduct@xcelenergy.com for investigation.

Nuclear Employee Responsibilities

If you work in or with our nuclear operations, you must also comply with specific health and safety laws that govern Xcel Energy's nuclear operations. Workers in our industry are held to a high standard regarding attitudes and behaviors toward nuclear safety.

In addition, nuclear workers are responsible for complying with the company's Nuclear Access Authorization and Fitness for Duty Program procedures and must immediately report any threats or acts of workplace violence, as nuclear facilities carry additional concern.



Transparency in Our Relationships

Conflicts of Interest

We all have an obligation to protect Xcel Energy's reputation. We are expected to act in the best interest of Xcel Energy and to avoid conflicts of interest or activities that could reasonably create the appearance of a conflict of interest.

What is a conflict of interest?

A conflict of interest may occur when personal interests interfere with or may appear to interfere with your responsibilities to the company. Conflicts can also occur when you, a family member or a close personal friend take opportunities that are discovered through your position with the company. You should not use your position at Xcel Energy to personally benefit yourself or someone else at the expense of the company.

Perception Matters

The appearance of a conflict of interest can be just as damaging to the company's or your individual reputation as an actual conflict. Even if you don't think a conflict exists, it could be perceived that way by others.

Is it a Conflict? Ask Yourself:

Could my personal interests or relationship influence the decisions I make?

Could it look that way to someone else?



If you answer **yes** or **maybe** to these questions, seek guidance by submitting a COI form on [XcelEnergyComplianceHotline.com](https://www.xcelenergy.com/xcelenergycompliancehotline.com)

Conflict Disclosures

We know you want to do the right thing; transparency is the key to avoiding and managing conflicts of interest. The best way to remove a conflict and avoid a misunderstanding is to disclose any situation that has the potential to be misinterpreted by others. When you are open about potential conflicts, it creates the opportunity to address the situation. We know it is not always clear whether an activity or relationship creates a conflict. You do not need to make the determination; but you do need to disclose the potential conflict.

Always disclose your relationships when your family member or close personal friend is employed by or does business with Xcel Energy and you have, or will have, any decision-making or decision-influencing ability. We will then evaluate the situation and work with you to appropriately address or resolve it.

How does Xcel Energy define family member and close personal friend?

Family Member

A spouse, parent, sibling, grandparent, child, grandchild, in-law, domestic partner, as well as any other family member who lives with you or who is otherwise financially dependent on you or on whom you are financially dependent.

Close Personal Friend

Any person with whom you have a meaningful social relationship outside of your work at Xcel Energy. Some examples include your boyfriend/girlfriend, immediate circle of friends, roommates, and a godparent to your child.

Transparency in Our Relationships

Conflicts, or potential or perceived conflicts, can occur in many forms and situations. The following examples are not all-inclusive, but provide some common situations where conflicts might occur and should either be avoided or disclosed.

Conflicts to Avoid:

- Directing Xcel Energy business to family members or close personal friends, including participating in the business selection process
- Using company information or time for personal gain
- Diverting an Xcel Energy business opportunity for your personal gain
- Supervising a family member or having direct or indirect influence over a family member (even if not supervisory)

Potential Conflicts to Disclose and Seek Guidance on:

- Having, or having a family member, with a significant financial interest (over 1%) in an organization that does business with or seeks to do business with Xcel Energy
- Having an outside job with a competitor, supplier or regulator
- Accepting a board of directors position at a for-profit organization
- Requesting charitable contributions from suppliers without receiving advance approval using the Soliciting Goods and Services form on the Supply Chain website



Disclose potential or perceived conflicts or seek guidance by filling out the **Conflicts of Interest form** at [XcelEnergyComplianceHotline.com](https://www.xcelenergy.com/en-us/compliance).



My project team needs some quick design assistance, and my aunt runs a small business that could do this work for my team quickly and inexpensively. The Code of Conduct does not include aunt in the definition of family member. Can I ask her to help complete the project?



While you can recommend your aunt's small business, it is important that you recuse yourself from the selection process and disclose this relationship on [XcelEnergyComplianceHotline.com](https://www.xcelenergy.com/en-us/compliance). Any time you think it could be perceived by others that a conflict exists, be transparent and disclose the relationship to protect both yourself and the other party.



Transparency in Our Relationships

Here are some examples of what might be considered appropriate and not appropriate:

APPROPRIATE	NOT APPROPRIATE
An occasional lunch with a current supplier to discuss business	A modest lunch with a current supplier on a weekly basis
A logo branded item (cup, hat, shirt) given by a current vendor	Golf clubs or an iPad given by a vendor
Local golf outing with a business partner	Local golf outing provided by a vendor while you are directly or indirectly involved in contract negotiations
A current vendor pays for your attendance at a conference and asks you to speak	Airfare and accommodations to a golf resort provided by a vendor
Conference "goodie bag" with pens, paper, snacks	A "thank you" gift basket including NBA tickets and expensive sports gear
A holiday box of chocolates	A holiday case of wine



Read and follow:

[Signing Agreements and Delegations of Authority policy](#)

[Procurement of Normal Goods and Services policy](#)

[Supplier Diversity policy](#)

[Outside Employment policy](#)

[Employment of Family Members policy](#)

[Travel and Employee Expense Reimbursement policy](#)



I received a holiday gift basket of fruit, crackers and cheese from a vendor. It's probably over \$50. What should I do with it?



As this is a perishable gift, simply share it with your team or colleagues. Sharing both helps reduce the appearance of influence and is nice to do!



A supplier gave me a nice golf bag and set of clubs in advance of an outing we have coming up. I know the gift is excessive and don't even want the clubs but it might seem rude to return them. What should I do?



This can be an uncomfortable situation. Please reach out to the Corporate Compliance and Business Conduct Office or go to XcelEnergyComplianceHotline.com to ask a policy question. We will work with you to resolve the situation in a way that doesn't negatively impact your relationship with the giver.



I have been in all day negotiations with a vendor. They have invited me to dinner to continue the conversation. Can I go?

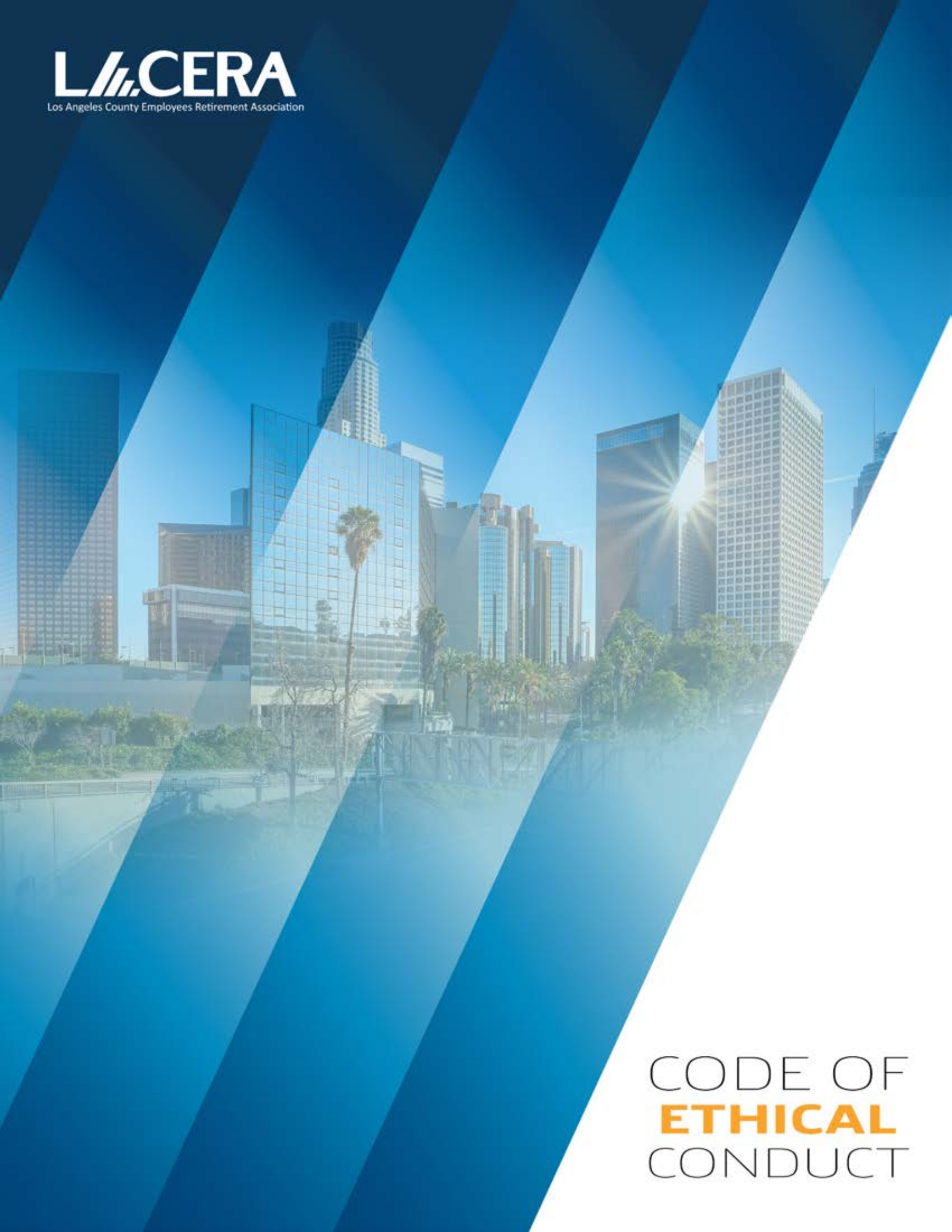


Yes, we recognize the value in building business relationships with the vendor and understand that business will continue to be done during dinner. Just tell the vendor upfront that you will need to pay your own way and when the bill comes, please be responsible for your portion.

EXHIBIT G

L.A. CERA

Los Angeles County Employees Retirement Association



CODE OF **ETHICAL** CONDUCT



L.A. CERA

Los Angeles County Employees Retirement Association

CODE OF
ETHICAL
CONDUCT

**CODE OF
ETHICAL
CONDUCT**

For LACERA Boards and Staff

F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

1. Create either a direct or indirect supervisor/subordinate relationship with a related party; or
2. Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting a staff member.

B. Gifts, Honoraria, Travel & Loans

Separate provisions of the Political Reform Act require positions managing public investments to file a Form 700. Cal. Gov't Code § 87200. Persons who file under Section 87200, including Trustees of the Board of Investments, the Los Angeles County Treasurer and Tax Collector as an ex officio member of both Boards, and identified staff, are referred to as "87200 Filers." 87200 Filers are required to disclose investments, interests in real property, income (including gifts, loans, and travel payments), and business positions as described in Form 700 and the Political Reform Act. While 87200 Filers are not subject to LACERA's Conflict of Interest Codes, they are listed as a matter of information in the Appendix to LACERA's Code.



Gifts. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving gifts totaling more than the legally established gift limit from any single source in a calendar year if receipts of gifts from that source are required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept gifts totaling more than the legally established limit from any single source in a calendar year. Even if a gift is not subject to Form 700 reporting or the gift limit, a gift may still create a conflict of interest; therefore, LACERA requires Board Trustees and all staff shall make disclosure to the Legal Office of all gifts from a single source with a combined total equal to or greater than \$50 in a calendar year from any individual or entity. Gifts to family members are included in the gift rules under certain circumstances. There are also exceptions to the gift rules for certain gifts; questions should be addressed to LACERA's Legal Office or the FPPC. The gift limit is adjusted

biennially. The gift limit for 2021-2022 is \$520; the limit for any date after December 31, 2022

should be confirmed with the LACERA Legal Office or the FPPC. Gifts from a single source with a combined total less than \$50 in a calendar year currently are not reportable under FPPC law and regulations; gifts equal to or in excess of this limit are subject to reporting on Form 700, subject to the requirements and limitations described above. A more detailed SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS is attached as Appendix A.



Honoraria. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving honoraria from any source in consideration for any speech, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering, if receipt of gifts from that source is required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept any honoraria payments. There are certain exceptions to the honoraria rules; questions should be addressed to LACERA's Legal Office or the FPPC. Even if an honorarium is not subject to disclosure, Board Trustees and staff shall make disclosure to the Legal Office of such a payment from any individual or entity as to which LACERA will take any action. Honoraria include money, advances, reimbursements, and gifts of any other type that have more than nominal value.



Travel. Payments or reimbursement for travel are subject to the reporting requirements for gifts and income. If a travel payment is a gift,

F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.



F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.



F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.



F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing



G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

- 1 Create either a direct or indirect supervisor/ subordinate relationship with a related party;
- or
- 2 Create either an actual conflict of interest or the appearance of a conflict of interest.

EXHIBIT H

CODE OF **ETHICAL** CONDUCT

For LACERA Boards and Staff

REVISED AND APPROVED:
Board of Retirement: November 3, 2021
Board of Investments: November 17, 2021

F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

1. Create either a direct or indirect supervisor/subordinate relationship with a related party; or
2. Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting a staff member.

B. Gifts, Honoraria, Travel & Loans

Separate provisions of the Political Reform Act require positions managing public investments to file a Form 700. Cal. Gov't Code § 87200. Persons who file under Section 87200, including Trustees of the Board of Investments, the Los Angeles County Treasurer and Tax Collector as an ex officio member of both Boards, and identified staff, are referred to as "87200 Filers." 87200 Filers are required to disclose investments, interests in real property, income (including gifts, loans, and travel payments), and business positions as described in Form 700 and the Political Reform Act. While 87200 Filers are not subject to LACERA's Conflict of Interest Codes, they are listed as a matter of information in the Appendix to LACERA's Code.



Gifts. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving gifts totaling more than the legally established gift limit from any single source in a calendar year if receipts of gifts from that source are required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept gifts totaling more than the legally established limit from any single source in a calendar year. Even if a gift is not subject to Form 700 reporting or the gift limit, a gift may still create a conflict of interest; therefore, LACERA requires Board Trustees and all staff shall make disclosure to the Legal Office of all gifts from a single source with a combined total equal to or greater than \$50 in a calendar year from any individual or entity. Gifts to family members are included in the gift rules under certain circumstances. There are also exceptions to the gift rules for certain gifts; questions should be addressed to LACERA's Legal Office or the FPPC. The gift limit is adjusted



biennially. The gift limit for 2021-2022 is \$520; the limit for any date after December 31, 2022

should be confirmed with the LACERA Legal Office or the FPPC. Gifts from a single source with a combined total less than \$50 in a calendar year currently are not reportable under FPPC law and regulations; gifts equal to or in excess of this limit are subject to reporting on Form 700, subject to the requirements and limitations described above. A more detailed SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS is attached as Appendix A.

Honoraria. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving honoraria from any source in consideration for any speech, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering, if receipt of gifts from that source is required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept any honoraria payments. There are certain exceptions to the honoraria rules; questions should be addressed to LACERA's Legal Office or the FPPC. Even if an honorarium is not subject to disclosure, Board Trustees and staff shall make disclosure to the Legal Office of such a payment from any individual or entity as to which LACERA will take any action. Honoraria include money, advances, reimbursements, and gifts of any other type that have more than nominal value.



Travel. Payments or reimbursement for travel are subject to the reporting requirements for gifts and income. If a travel payment is a gift,

F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.



F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.



F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a

including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

1. Create either a direct or indirect supervisor/subordinate relationship with a related party;
- or**
2. Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting a staff member.



FOR INFORMATION ONLY

January 15, 2025

TO: Trustees – Board of Investments

FROM: Esmeralda del Bosque 
Principal Investment Officer

Soniah Ginoyan 
Senior Investment Analyst

FOR: February 12, 2025 Board of Investments Meeting

SUBJECT: **OPEB Master Trust Commingled Account Liquidation Update**

DISCUSSION

At the April 2024 Board of Investments (“BOI”) meeting, the Board adopted a new Strategic Asset Allocation (“SAA”) for the OPEB Master Trust (“OPEB Trust”). This memo provides the Board with an update on fund redemptions undertaken to align with the updated SAA.

Specifically, the SAA included eliminating discrete public market emerging markets debt (Credit) and commodities (Real Assets & Inflation Hedges) allocations aligning with the strategic objective of reallocating from public market assets to private credit and private natural resources. As a reminder, BlackRock Institutional Trust Company, N.A (“BlackRock”) is the investment manager for OPEB Trust’s public market mandates. At the end of 2023, staff converted six out of the eight BlackRock mandates from commingled funds to separately managed accounts (**Attachment A**). The other two mandates, emerging markets debt and commodities, remained in commingled vehicles as they were not eligible for conversion.

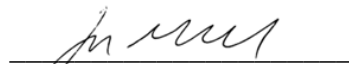
Both portfolios were fully redeemed in mid-December 2024. The liquidation was executed strategically to minimize risks and transaction costs. Furthermore, exiting these funds results in the OPEB Trust’s entire public market portfolio structured in separately managed accounts, with full transparency and enhanced beneficial ownership rights.

As of November 30, 2024, the emerging markets debt fund had a market value of \$27.7 million and the commodities fund was valued at \$37.8 million. Proceeds from the redemptions were reallocated in accordance with the SAA policy targets. Notably, both portfolios’ inception returns (net-of-fees) were in line with their respective benchmarks.

As a reminder, the final policy target SAA weights are effective January 1, 2025.

Attachment

Noted and Reviewed:





Jonathan Grabel
Chief Investment Officer


FOR YOUR INFORMATION


February 23, 2024

TO: Trustees-Board of Investments

FROM: Esmeralda V. del Bosque  Principal Investment Officer

John Kim  Investment Officer

Kathryn Ton  Senior Investment Analyst

Soniah Ginoyan  Senior Investment Analyst

FOR: March 13, 2024 Board of Investments Meeting

SUBJECT: **OPEB Master Trust Account Conversion**

BACKGROUND

This memo provides an overview of the conversion of several commingled funds within the OPEB Master Trust (“OPEB Trust” or “Trust”) into separately managed accounts held at LACERA’s custodian, State Street Bank. The conversion occurred in the fourth quarter of 2023. Importantly, the conversion aligned with and advanced three of LACERA’s “Towards Best-In-Class Investor” strategic initiatives. As of December 31, 2023, the market value of the OPEB Trust was \$3.5 billion.

In June 2023, staff concluded a search for the OPEB Trust’s eight public markets indexed mandates, managed by BlackRock Institutional Trust Company (“BlackRock”). BlackRock was retained as investment manager for the eight mandates. Through negotiations, staff secured improved management fees (~\$1 million in annual savings) as well as the ability to transition six of eight eligible funds from a commingled fund structure to separate accounts, enhancing investment control and transparency. The six portfolios that were converted included global equity, real assets, and fixed income strategies. At the time of conversion, the six accounts collectively were valued at around \$3.5 billion or ~90% of the OPEB Trust’s total portfolio. Notably, the conversion to separate accounts was an operational activity resulting in net savings for the Trust, while keeping the core investment strategy intact.

DISCUSSION

As mentioned, the conversion enhances three of LACERA’s Board-approved strategic initiatives: *Maximize Stewardship and Ownership Rights*, *Optimize Investment Model*, and *Enhance Operational Effectiveness*. In addition, a separate account structure

increases the Trust's beneficial ownership rights. The following identifies the strategic initiatives that are enhanced and highlight key improvements in moving to a separate account:



**Maximize
Stewardship and
Ownership Rights**

Objective:

To steward our investments – including legal rights associated with them – in a manner that promotes and safeguards our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy

(1) Enhanced beneficial ownership rights extend the ability to vote proxies for the Trust consistent with LACERA's corporate governance policies, and actively exercise legal rights when warranted.

OPEB Trust assets held within BlackRock commingled fund structures lacked beneficial ownership of its investments. As such, because BlackRock was the designated fiduciary on its investors' behalf, LACERA's corporate governance policies relating to proxy voting rights of the securities held in one account - the global equity index fund, did not apply.

Transitioning to separate accounts granted direct ownership over the Trust's securities, thereby aligning proxy voting with LACERA's corporate governance policies. This ensures a consistent approach in proxy voting for both the LACERA Pension and OPEB Trust. Proxy votes are a key means for LACERA to express its corporate governance views and support or co-support shareholder resolutions in public equities, especially given that global equity makes up about 45% of the OPEB Trust investment portfolio.

Assuming full beneficial ownership in a separate account structure also positions the Trust to exercise additional legal rights, should it so choose. These rights enable the Trust to make informed decisions regarding participation in securities litigation and upholding appraisal rights. They also position the OPEB Trust to exercise its fiduciary duty and pursue prudent action to represent its economic interests of underlying portfolio companies, as necessary.



**Optimize
Investment
Model**

Objective:

To leverage our competitive advantages through deliberate investment models and structures that harness technology, cost effectiveness, and human capital to maximize risk-adjusted returns

(2) Extend application of LACERA's Investment Policy Statement policies on Iran/Sudan, tobacco, and Los Angeles County, District and Agency investments

The separate account conversion facilitates the implementation of LACERA's investment policies on Iran, Sudan, tobacco and Los Angeles County, District and Agency restrictions to the portfolio's investment guidelines. The Trust's separate account public market separate accounts are subject to daily compliance monitoring, including the policies mentioned above. Commingled funds are monitored monthly; therefore, changing the structure by taking advantage of our compliance technology enhances the frequency and rigor of compliance measurement and reporting.



Enhance
Operational
Effectiveness

Objective:

To maximize the efficiency of our resources (internal and external, human and technological) and mitigate varied investment and enterprise risks, which can improve future outcomes

(3) Increased transparency for portfolio and analytics, risk measurement, and reporting.

A separate account structure also allows evaluation and reporting on the portfolio's exposures in real-time compared to commingled funds, which provide holdings data feeds on a lagged basis. This enhances portfolio transparency into analytics platforms including State Street performance, MSCI BarraOne risk measurement, and LACERA's climate analysis providers.

CONCLUSION

The conversion of six of BlackRock's commingled funds to separate accounts is consistent with LACERA's journey from an allocator to a best-in-class investor. As discussed in this memo, because of the conversion and expanding beneficial rights for the OPEB Trust, progress has been made on three strategic initiatives: *Maximize Stewardship and Ownership Rights, Optimize Investment Model, and Enhance Operational Effectiveness*. The Portfolio Analytics team will provide updates to the Board due to the conversion, if necessary.

Noted and Reviewed:

Jonathan Grabel
Chief Investment Officer



December 6, 2024

StepStone Group LP
4225 Executive Square, Suite 1600
La Jolla, CA 92037

T: +1 858.558.9700
www.stepstonegroup.com

To: LACERA Board of Investments
From: Jose Fernandez, Natalie Walker, Daniel Krikorian
StepStone Group LP
Subject: StepStone Group Self-Evaluation

To Whom It May Concern,

Per the private equity consulting agreement between StepStone Group LP ("StepStone" or the "Consultant") and the Los Angeles County Employees Retirement Association ("LACERA"), StepStone is to conduct an annual self-evaluation and provide information for the Board to review and evaluate the Consultant. To facilitate the Board's review, StepStone is providing a list of services and projects completed, or expected to be completed, on behalf of LACERA between January 1, 2024 and December 31, 2024.

Self-Assessment

Over the course of 2024, StepStone has provided the following services and completed the following key projects on behalf of the LACERA Board of Investments (the "Board"):

- Carried out the Board's strategic goals and initiatives and reported directly to the Board.
Status: Completed.
- Provided information and research regarding significant changes in the private equity industry, including best practices, trends, and major events. StepStone serviced LACERA by leveraging over 1,050 professionals across StepStone's 26 offices in 16 countries. StepStone hosted LACERA in our offices across various geographies.
Status: Completed.
- Provided portfolio pacing and cash flow projection analysis in connection with the annual private equity investment plan and provided recommendations on proposed investment guideline updates related to the 2025-2027 Structure Review.
Status: Completed and ongoing.
- Leveraged a sourcing program that incorporates LACERA staff and Consultant resources to identify investment opportunities that satisfy the 2023-2024 Structure Review. StepStone utilizes a highly local approach to each of the global markets, by leveraging 14 offices in the Americas, six offices in Europe and six offices in the Asia-Pacific.
Status: Completed and ongoing.

- Introduced LACERA staff to top caliber managers and promoted direct LACERA access to funds based on size and speed to close.
Status: Completed and ongoing.
- Accompanied LACERA Board and staff to meetings, events, and industry conferences.
Status: Completed and ongoing.
- Provided LACERA staff guidance and introductions to managers executing successful investment strategies in relatively hard-to-access, niche markets.
Status: Completed and ongoing.
- Disclosed all firm research, including white papers, and provided access to research staff via StepStone's proprietary private market information database ("SPI Research"). SPI Research tracks information on over 113,000 companies, 48,000 funds, and 18,000 general partners.
Status: Completed and ongoing.
- Conducted independent evaluations and provided Board recommendations on nine fund opportunities, totaling approximately US\$1.5 billion in approved or pending capital commitments, as requested by the Board and/or LACERA staff. Recommendations included a detailed memorandum outlining the results of the due diligence, strategic considerations, and fit within the LACERA portfolio, as well as merits and risks of the investment.
Status: Completed.
- Evaluated and provided written recommendations on partnership agreement amendments and Secondary Interests offered to LACERA.
Status: Completed and ongoing.
- Periodically provide educational presentations to the Board on specific issues.
Status: Completed and ongoing.
- Attended all LACERA Board of Investments and Equity Committee meetings and one Board Off-site meeting.
Status: Completed.

Conclusion

StepStone believes the past year has been an active and productive one for the private equity portfolio, investment staff and Consultant. StepStone attended all Board meetings and one Board Off-site seminar. We provided pacing and cash flow analysis in support of the 2025-2027 Growth Structure Review and related investment guideline updates.

In collaboration with staff, StepStone sourced, reviewed, approved, and presented nine private equity fund investments, totaling approximately US\$1.5 billion in approved and pending capital commitments. Year to date, LACERA's private equity portfolio is within the Board-approved asset allocation range and forecasted FY2024 deployment pace aligns with historical levels. Looking ahead, StepStone remains excited about the prospects for the private equity program for 2025 and beyond. We look forward to working with the Board to further deepen the relationship we've established. Thank you for your continued trust and guidance. If you have any questions or comments, please feel free to contact us at (858) 558-9700.

Sincerely,

StepStone Group LP



December 30, 2024

StepStone Group LP
4225 Executive Square, Suite 1600
La Jolla, CA 92037

T: +1 858.558.9700
www.stepstonegroup.com

To: LACERA Board of Investments
From: Margaret McKnight, Thomas Hester, Kristen Moore, James Maina
StepStone Real Estate
Subject: StepStone Real Estate Self-Evaluation

To Whom It May Concern,

Per the contract signed on April 1, 2021, between Stepstone Group Real Estate, LP ("SRE", "StepStone", or the "Consultant") and the Los Angeles County Employees Retirement Association ("LACERA"), Stepstone is required to conduct an annual self-evaluation and provide information for the Board of Investments ("Board") to review and evaluate SRE. To facilitate the Board's review, StepStone is providing a list of services and projects completed, or expected to be completed, on behalf of LACERA between January 1, 2024, and December 31, 2024.

Self-Assessment

Over the course of 2024, StepStone has provided the following services and completed the following key projects on behalf of the LACERA Board of Investments (the "Board"):

- Carried out the Board's strategic goals and initiatives and reported directly to the Board.
Status: Completed.
- Provided information and research regarding significant changes in the private real estate industry, including trends, market developments, best practices, and major events. StepStone serviced LACERA by leveraging over 1,050 professionals across StepStone's 26 offices in 16 countries.
Status: Completed.
- Provide quarterly performance reports on the total portfolio as well as each manager's sub-portfolio. Calculated performance metrics including internal rate of return, time weighted returns, and real estate multiples. Provide performance attribution analysis on both an absolute and relative basis including reasons for over/under performance compared to the benchmark on an as needed basis.
Status: Completed and ongoing.
- Reviewed the core and core-plus funds list prepared by LACERA staff and recommended changes or modifications as appropriate considering changes in the real estate portfolio, the real estate markets, and the capital markets. Assisted staff in its evaluation of core and core-plus funds for consideration and developing a short list.
Status: Completed and ongoing.

- Provided portfolio pacing and cash flow projection analysis in connection with the Structure Review.
Status: Completed.
- Continued to monitor the direct holdings sales process as the portfolio shifts away from separately managed accounts to fund investments.
Status: Completed and ongoing.
- Introduced LACERA staff to top caliber managers and promoted direct LACERA access to funds based on size and speed to close.
Status: Completed and ongoing.
- Provided LACERA staff guidance and introductions to managers executing successful investment strategies in relatively hard-to-access, niche markets.
Status: Completed and ongoing.
- Disclosed all firm research, including white papers, semi-annual house views Webinar, and provided access to research staff via StepStone's proprietary private market information database ("SPI"). SPI tracks information on approximately 8,780 real estate funds, and 3,830 real estate general partners.
Status: Completed and ongoing.
- Conducted independent evaluations and provided Board recommendations on fund opportunities, totaling approximately US\$1.9 billion in approved or pending capital commitments, as requested by the Board and/or LACERA staff. Recommendations included a detailed memorandum outlining the results of the due diligence, strategic considerations, and fit within the LACERA portfolio, as well as merits and risks of the investment.
Status: Completed.
- Evaluated and provided written recommendations on partnership agreement amendments on managers in LACERA's portfolio.
Status: Completed and ongoing.
- Attended LACERA Board of Investments, Real Assets Committee meetings, quarterly investment performance review staff meetings, and one Board Off-site meeting.
Status: Completed.

Conclusion

StepStone believes the past year has been an active and productive one for the real estate portfolio, investment staff and Consultant. StepStone attended all the Board meetings and RATIC meetings with real estate items as well as a one off-site seminar. In collaboration with staff, StepStone sourced, reviewed, approved, and presented US\$1.9 billion in fund commitments. Looking ahead, StepStone remains excited about the prospects for the real estate program for 2025 and beyond. We look

forward to working with the Board to further deepen the relationship we've established. Thank you for your continued trust and guidance. If you have any questions or comments, please feel free to contact us.

Sincerely,

StepStone Real Estate

MEMORANDUM

TO: LACERA Board of Investments
FROM: Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid
Meketa Investment Group
CC: Jon Grabel, CIO - LACERA
DATE: December 20, 2024
RE: Meketa Investment Group Self-Evaluation

Background

Per the contract signed on January 15, 2016 and amended on February 25, 2022 between the general investment consultant, Meketa Investment Group (“Meketa” and/or “Consultant”), and the Los Angeles County Employees Retirement Association (“LACERA”), Meketa is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Meketa is providing a self-assessment, as well as a list of projects and their respective status. The evaluation period covers calendar year 2024.

Self-Assessment

Independent Investment Advice: Consultant attended all meetings where presence was required and requested, provided conflict-free advice to the Board both upon request and proactively, and collaborated with staff as needed during the year.

Status: Achieved.

Assisting LACERA’s Board of Investments with strategic investments decisions: Meketa analyzed numerous investment strategies and asset classes’ structures throughout the year. Meketa assessed risk management and provided analysis of various pertinent issues.

Status: Achieved and ongoing.

Providing Independent Reviews: Meketa provided both verbal and written reviews of LACERA’s Asset Class Structures and Strategies, Investment Policies, and Investment Manager evaluations, as requested and as deemed prudent by Meketa.

Status: Achieved.

Performance Reporting: Meketa provided the Pension and OPEB reports as requested by staff.

Status: Achieved.

Board Meetings: Consultant attended all Board meetings and off-site meetings as requested and advised the Board on investment matters during such meetings, both upon request and voluntarily.

Status: Achieved.

Consultant Contact and Ad-hoc Workshops: Consultant was available and responsive in addressing requests.

Status: Achieved.

Key Projects

The section below summarizes key projects Meketa conducted in 2024.

Strategic Asset Allocation: Meketa conducted several education sessions related to asset allocation for both the Pension and OPEB Plans as part of the Strategic Asset Allocation Review. The topics included the importance of strategic asset allocation, types of analysis used, climate aware asset allocation and changes in the market environment/capital market expectations. These detailed reviews led to the Board adopting new asset mixes for both the Pension and OPEB Trust.

Asset Allocation Policy Ranges: Meketa presented an overview of the role and importance of policy ranges and provided recommendations related to the new strategic asset allocation. Meketa also addressed implementation of the new asset allocation policy and use of interim targets to accommodate a smooth transition to the new policy mixes.

Benchmarks Review: Meketa presented an overview of benchmarks, reviewed and updated LACERA's current benchmarks for the Pension and OPEB Trust.

Growth Functional Category Investment Guidelines / Structure Review: Meketa collaborated with staff to update investment guidelines, specifically related to global equity. Later on in the year, Meketa also reviewed and provided feedback related to the structure review, and supported staff's recommendations leading to changes in the investment guidelines for the Pension Plan.

Risk Reduction & Mitigation Investment Guidelines Review: Meketa worked with staff to update the investment guidelines for the Pension Plan, specifically related to investment grade bonds and long-term government bonds.

Investment Policy Statement Update: Meketa collaborated with staff to make updates to the investment policy statement for LACERA's defined benefit plan and the OPEB portfolio.

Procurement Policy Update: Meketa collaborated with staff to rewrite the investment related services procurement policy to better align with LACERA's governance framework.

Total Fund Risk, Analytics, and ESG Services Search: Meketa collaborated with staff on this search which led to retaining MSCI for Total Fund Risk and Analytics, MSCI ESG Research for ESG research and analytics services and to appoint ISS STOXX for ESG and climate-related data and analytics.

Total Fund and Asset Class Performance Reviews: Meketa has attended all staff quarterly performance reviews. During these reviews, Meketa offers notable market trends and peer universe data.

Manager Searches: Meketa collaborated with staff, conducted independent due diligence on each investment manager included in the fund of fund portfolios managed by LEIA and New Alpha related to the Emerging Manager Program.

ACFR: Meketa produced the necessary documents to assist LACERA in completing its Annual Comprehensive Financial Report (“ACFR”).

Conclusion

During 2024, despite numerous predictions to the contrary, economic growth remained positive, inflation leveled out, and the labor market remained relatively strong despite some softening. The resulting environment remained conducive for equities and fixed income investing. Similar to 2023, geopolitical risks remain at heightened levels and may weigh on sentiment across markets moving forward.

The Strategic Asset Allocation review conducted during the year resulted in the Board approving new asset allocation policy mixes for both the Pension and OPEB Plan.

Relative to peers, LACERA Pension has performed well in 2024 on an absolute basis while ranking a bit below the third quartile of its peer universe. Over the most recent 5-year period ending September 30, 2024, performance has ranked in the top quartile of the peer universe.

LACERA OPEB Master Trust has produced strong results on an absolute and relative basis in 2024, and it has outperformed the policy benchmark while ranking in the top quartile of the peer universe. Over the most recent 5-year period, performance has ranked a bit below the median universe, while the Trust has still managed to outperform its policy benchmark.

During the year, we worked with staff and the Board on various projects as outlined in this document. The delegation of authority to LACERA staff has further elevated the responsibilities and importance of an independent Board consultant and demonstrates the growth and evolution of LACERA with reference to the Board approved strategic plan of “Toward Best-in-Class Investor”.

We are very proud of contributing to LACERA’s strong results especially regarding our input into LACERA’s Strategic Asset Allocation.

We are very appreciative of the trust placed in us every day by Board members and staff alike. Thank you. If you have any questions or would like additional information, please email or call us at (760) 795-3450.

TF/AK/AK/IZ/sf

Albourne America LLC
425 California Street, Suite 2400
San Francisco, CA 94104

To: LACERA Board of Investments
From: James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
Date: December 19, 2024

Background

Per the contract signed on November 5, 2024, between Albourne America LLC (“Albourne” and/or “Consultant”) and the Los Angeles County Employees Retirement Association (“LACERA”), Albourne is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Albourne is providing a self-assessment and respective status. The evaluation period covers the 12-months to December 2024.

Self-Assessment

Impartial Investment Advice: Consultant attended all meetings in person where its presence was required and requested, including the annual Board Offsite, provided advice to the Board both upon request and proactively, and collaborated extensively with the staff as needed throughout the year. Where not directly required, consultants have attended Open Sessions of board meetings virtually.

Completed and ongoing.

Assisting LACERA’s Board of Investments with Strategic Investment Decisions: Albourne contributed to the Investment Guidelines Reviews on Hedge Funds, Credit and Real Assets throughout the year.

Completed and ongoing.

Providing Impartial Review: Albourne provided Investment and Operational Due Diligence on staff investment recommendations throughout the year, providing explicit ratings both at a top-down level and on a more detailed basis. Staff had access to the Albourne Analysts responsible for the Due Diligence and utilized this resource, speaking to analysts when needed. Consultant also opined on the research process and suitability of secondary purchases and co-investments in the Real Asset portfolio, and on Sustainability risks, in particular carbon footprint mapping.

Completed and ongoing.

Performance Review: Albourne contributed to Quarterly Performance Reviews for Hedge Funds, Credit and Real Assets.

Completed and ongoing.

Portfolio Construction: Albourne has worked extensively with the team to continue the build out of the Hedge Fund, Credit and Real Asset portfolios. This has included working with the team on portfolio construction, manager selection and negotiation of terms in specific cases, as well as on cashflow modeling for Real Assets.

Completed and ongoing

Fee Reconciliation, Analysis and Negotiation: Albourne has provided extensive fee reconciliation and validation on investments, and analysis on specific recommendations as required.

Completed and ongoing.

Educational Sessions: Consultant had the pleasure of participating on the Energy Transition panel at the 2024 Board Offsite. Albourne also provides educational content through its Extranet, workshop sessions, conferences and client-specific meetings.

Completed and ongoing.

Back Office Support: Albourne's Back Office Team performs daily recording and monitoring of capital activity including capital calls, distributions and valuations. This create detailed records with a built-in audit trail, together with portfolio and performance reporting across these asset classes which is available to staff through Albourne's Extranet. Albourne personnel also perform reconciliation versus manager and custodian records to help determine whether the data that is being presented is accurate.

Completed and ongoing.

Risk Management: The Consultant provides factor-based risk modeling on the Direct Hedge Fund and legacy Fund of Funds, as well as Open Protocol reporting on the Direct Hedge Funds portfolio, visible through the Albourne Extranet. Albourne also provides ongoing monitoring of the Hedge Fund, Credit and Real Assets portfolios and managers within it.

Completed and ongoing.

Ongoing and Ad Hoc Support to Team: Albourne attends and contributes to the Quarterly Performance and Portfolio Review Meetings, joins weekly and bi-weekly team meetings, and provides ad hoc support as required.

Completed and ongoing.

Form of Process Letters: As required, Albourne provided a certification letter confirming that the items listed in LACERA's co-investment or secondary due diligence checklist are included in due diligence materials for the respective investment opportunity.

Completed and ongoing.

TIDE Panel: John Claisse, CEO of Albourne participated in calls and in person TIDE panel.

Completed and ongoing

Albourne's Open Letter on Cash Hurdles: LACERA worked with Albourne to sign the open letter advocating for cash hurdles to best align LP and GP interests.

Completed and ongoing

Conclusion

It has been another busy year across Hedge Funds, Credit and Real Assets. While the portfolios are at different points in their development they all continue to evolve. Staff has been able to draw on Albourne's consultant team in San Francisco and on the resources from Albourne's 11 offices globally, located in North America, Europe and Asia. Over the past year over 45 calls have been logged, more than 2,200 documents downloaded and over 17,700 hits recorded on our Extranet. We have been able to support the team on investment recommendations in Hedge Funds, Credit and Real Assets.

Albourne believes that the past year has been a highly productive period. We feel that we have fulfilled our role as consultants to the Board of Investments, as well as provided a valuable resource to staff. The Albourne team has enjoyed working with both the Board and staff, and very much look forward to the work of the coming year.

Yours Sincerely,




James Walsh
Albourne America LLC

FOR INFORMATION ONLY

December 19, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Debbie Martin
2024 ACRE Committee Chair

Richard P. Bendall 
Chief Audit Executive

FOR: February 12, 2025 Board of Investments Meeting
January 15, 2025 Board of Retirement Meeting

SUBJECT: ACRE Committee Annual Report to the Boards

This is the annual report of the ACRE Committee to the boards, included as a best practice in the ACRE Committee Charter, but limited to the Committee's oversight of Internal Audit's activities, which includes both internal and external audit work as well as Enterprise Risk Management (ERM).

The Legal Office, responsible to the ACRE Committee for the ethics and compliance portions of the ACRE Charter will be presenting to the Committee under separate cover their proposed report to the boards for the Committee's activities in 2024 related to ethics and compliance.

The legacy Audit Committee supported the boards in assessing the risks facing LACERA, including assessing the governance risk and control framework, reviewing the system of internal controls and overseeing the operations of the internal audit function.

In October 2024, LACERA's Boards expanded the Audit Committee's responsibilities to include Compliance, Risk, and Ethics. Subsequently, the Audit Committee was renamed the Audit, Compliance, Risk, and Ethics (ACRE) Committee. The ACRE Charter encapsulates the Committee's enhanced role in the oversight of LACERA's Ethics and Compliance, and ERM Programs.

As stated in section II. of the ACRE Charter, the purpose of the ACRE Committee is to provide structured, systematic oversight of LACERA's governance, risk management, ethics and compliance, and system of internal controls. The Committee assists the boards in fulfilling their fiduciary oversight duties for LACERA's Audit Activity and Organizational Governance Activities, which includes Ethics, Compliance and ERM.

The Committees responsibilities in each of these areas is detailed in the **attached** ACRE Committee Calendar of responsibilities, extracted from the ACRE Committee Charter. The ACRE Committee's efforts and actions are further highlighted under each of these five key

areas of responsibility below.

A. Internal Audit Activity

- a. Oversaw the completion of the Fiscal Year Ended June 30, 2024 Audit Plan.
- b. Audits completed during calendar year 2024 included:
 - i. Bank of America Wire Transfer Audit
 - ii. Procurement of Goods Audit
 - iii. Technical Audit of Granicus/One Meeting Application
 - iv. LACERA Rehired Retiree Program for FYs 2023 and 2024
 - v. Termination of User Access Audit
 - vi. Review of Chief Executive Officer (CEO) Credit Card
 - vii. Bonus Program Continuous Process Audit (CAP) Audit Memorandum
 - viii. LA County Rehired Retirees Program Compliance FYE 2024
- c. Approved the Fiscal Year ending June 30, 2025 Audit Plan
- d. Oversaw the work of Internal Audit and evaluated the CAE's performance.

B. Professional Service Provider Activity

- a. Oversaw Moss Adams' work on the SOC1 over the OPEB program.
- b. Reviewed the Net Force report on their audit of Granicus (One Meeting Application).

C. Financial Reporting Process

- a. Oversaw Plante Moran's financial audit and issuance of an unqualified opinion on LACERA's annual financial statement audit.

D. Values and Ethics

- a. Oversaw reports from Internal Audit on their Ethics Hotline reports.

E. Organizational Governance

- a. Approved the inclusion of an Enterprise Risk Management (ERM) component to the Annual Audit Plan.
- b. During 2024, Internal Audit supported the Legal Office in revising the Audit Committee Charter to evolve it into the ACRE Committee Charter and assisted the Legal Office in the development of their Ethics and Compliance Charter and Work Program.
- c. As a reminder, in calendar year 2023, staff provided follow up on the work previously performed by Weaver & Tidwell around Ethics and Values. In 2022, Weaver & Tidwell performed an assessment of LACERA's maturity in the following key organizational governance areas:
 - i. Ethics and values
 - ii. Risk management
 - iii. Detection and prevention of fraud
 - iv. System of internal control
 - v. System of compliance

Attachment

2024 ACRE Committee Charter Responsibilities

Documentation	Ref to *ACRE Charter	Frequency	Comments
Audit Engagement Reports	VII.A.1.h.	Every Meeting	See summary of reports reviewed and approved by the AC during calendar year 2024 cover memo.
Audit Plan Status Update	VII.A.1.	Every Meeting	At each meeting, the AC reviewed the Audit Plan Status Update report.
Summary of Hotline Investigations	VII.B.8 & VII.B.9.a &b	Every Meeting	At each meeting, the AC reviewed the Summary of Hotline Investigations report.
Recommendation Follow-Up Reports	VII.A.1.i.	Every Meeting	AC reviewed the Recommendation Follow-Up Reports at the February, June, August and December AC meetings.
Proposed Audit Plan and Budget	VII.A.1.f.	Annually	AC reviewed and approved the Proposed Audit Plan and Budget at the February meeting.
Annual Risk Assessment	VII.A.1.f.	Annually	In February and June, Trustees, including those on the AC, provided feedback on current risks for the Annual Risk Assessment.
Annual Audit Plan	VII.A.1.f.	Annually	AC reviewed and approved the FY 2025 Annual Audit Plan at the June meeting.
Presentation / memo by Financial Auditor detailing proposed scope of work and timing.	VII.2.a.	Annually	Plante Moran, LACERA's external auditor, presented to the AC its proposed scope of work and timing at the August meeting.
Internal Audit Charter	VII.A.1.c.	Annually	Staff revised the Internal Audit Charter to ensure it aligned with the 2024 IIA Global Internal Audit Standards and took it to the September 2024 Audit Committee meeting for approval along with the revised Audit (ACRE) Committee Charter. Both were approved by the Committee and the Committee forwarded the ACRE Charter to the boards where it was approved by both boards in October.
Internal Audit Annual Performance Report	VII.A.1	Annually	*IA presented its Annual Performance Report at the September 2024 meeting.
CAE Performance Evaluation	VII.A.1.k.	Annually	The CAE presented his self-evaluation with CEO comments to AC at the December 2024 meeting. AC trustees were requested to submit their scored evaluations of the CAE to the Director of HR.
Organizational Governance Review	II	Annually	IA presented an update on Weaver's Organizational Governance Review and related strategic recommendations at the August 2023 AC meeting. During 2024, Internal Audit worked with the Legal Office to update the Audit Committee Charter to incorporate compliance, ethics and a section for enterprise risk management.
Compliance Memo from Executive Management and Legal Office	II	Annually	Executive Management and Legal presented an assessment of LACERA's status in regard to compliance at the March 2024 AC meeting.
Financial Statements, Correspondence, & Presentation	VII.2.d.	Annually	Plante Moran presented the Financial Statements, Correspondence, and related reports to the AC at the December 2024 meeting.
Audit Committee Annual Performance Report	VII E.1.	Annually	We are recommending at the December 2024 AC meeting that the AC take its Annual Performance Report to the Boards at their January 2025 meetings.

2024 ACRE Committee Charter Responsibilities

Documentation	Ref to *ACRE Charter	Frequency	Comments
ACRE Committee Charter	VII.E.4.	Every 3rd year	Staff presented the revisions to the Audit Committee Charter, updating it to conform with the IIA's 2024 Global Internal Audit Standards and expanding the Committee's responsibilities in oversight of compliance, risk and ethics, converting the charter to the Audit Compliance Risk and Ethics (ACRE) Charter. At the September meeting of the Audit Committee, the Committee approved staff's changes and a recommendation to both boards for approval of the ACRE Charter. The Boards approved the ACRE Charter in October 2024.
Approve the appointment and compensation of the External Financial Auditor	VII.2.a.	Every 5th year**	The Audit Committee approved the issuance of an RFP at the November 2022 meeting, interviewed three finalists at the March 2023 meeting and selected Plante Moran to continue as external financial auditor for a three year term with two additional one year extensions, at the discretion of the Audit Committee.
Ensure IA has an external quality assessment performed every five years.	VII.A.3.d.	Every 5th year	External Quality Assessment (EQA) Auditor, The Institute of Internal Auditors (IIA) Quality Services presented their report to the AC at the March 2022 meeting.

2024 ACRE Committee Charter Responsibilities

Documentation	Ref to *ACRE Charter	Frequency	Comments
Provide an open avenue of communication between IA, all Professional Service Providers, Management, and the Boards.	VII.2.e.	Continuous	Continuous
Approve the appointment & compensation of other Professional Service Providers, hired to perform non-financial statement audits, reviews or consulting, subject to limitations	VII.2.c.	As needed	In 2023 the ACRE Committee approved the hiring of Moss Adams to perform LACERA's SOC 1 Type II audits of the OPEB program and Moss Adams performed their first such audit during calendar year 2024. Also, in 2024 Internal Audit used the services of NetForce, one of the Internal Audit pool firms to complete two application security reviews of the OneMeeting application.
Review with Professional Service Providers, including the Financial Auditor, and Mgmt the results of the work performed, any findings & recommendations, Mngmt's responses, and actions taken to implement the audit recommendations.	VII.2.d., VII.3.a.-e.	As needed	Presentations are made by the external service providers to the AC on work completed, as necessary throughout the year, and the AC has the opportunity to discuss findings and recommendations with the external providers and management. Findings are included in Internal Audit's recommendation follow-up process and Internal Audit reports on the status of implementation to the AC on an ongoing basis until resolved.
Advise the Boards about any recommendations for the continuous improvement of the internal audit activity stemming from the annual Quality Assurance Improvement Program (QAIP).	VII.A.1.e.	Annually	—
Make recommendations to both Boards regarding the appointment, discipline, and/or dismissal, of the CAE, which will be addressed by the Boards in a joint meeting.	VII.A.1.j.	As needed	—
Perform other activities related to this Charter as requested by the Boards.	VII.E.3.	As needed	—

*** Legend**

ACRE = Audit Compliance Risk and Ethics Committee

IA = Internal Audit

PM = Plante Moran, LACERA's Financial Auditors

FOR INFORMATION ONLY

December 31, 2024

TO: Trustees,
Board of Investments

FROM: Christine Roseland *CR*
Senior Staff Counsel

FOR: February 12, 2025 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of investment related projects that are either Board directed or reported out pursuant to the Investment Policy Statement and handled by the Legal Division as of December 31, 2024.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Jonathan Grabel
Esmeralda Del Bosque
Vache Mahseredjian
Jude Perez
Jim Rice
Christopher Wagner
Scott Zdrazil
Steven Rice
John Harrington
Michael Brogan
Avi Herescu
Susan Wang
Lisa Garcia



LACERA Legal Division
Board of Investments Projects
Monthly Status Report - Pending as of December 31, 2024*



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
HEDGE FUNDS/CREDIT	Centerbridge Partners, LP	Subscription	\$775,000,000	December 11, 2024	Completed	100%	Completed.
	Mariner Atlantic Multi-Strategy Fund	Subscription	\$600,000,000	December 11, 2024	Completed	100%	Completed.
	Siguler Guff & Company, LP	Subscription	\$500,000,000	December 11, 2024	Completed	100%	Completed.
PORTFOLIO ANALYTICS	State Street Bank and Trust Co.	Global Custody and Commercial Banking Services Agreement for LACERA's Pension Plan and OPEB Master Trust	\$72,000,000,000	August 10, 2022	In Progress	95%	Legal negotiations in process.
	Jungle Ventures V, LP	Subscription	\$50,000,000	December 11, 2024	Completed	100%	Completed.
PRIVATE EQUITY	Thoma Bravo XVI, LP	Subscription	\$150,000,000	December 11, 2024	Completed	100%	Completed.
	Thoma Bravo Discover V, LP	Subscription	\$100,000,000	December 11, 2024	Completed	100%	Completed.
REAL ESTATE	IDR Core Property Index Trust	Secondary Acquisition	\$20,000,000	December 11, 2024	Completed	100%	Completed.

*= This list does not include Real Estate separate account transactions, consents and amendments and other investment related legal work that arise during the life of an investment unless it is a BOI approved item or is otherwise reported out.

FOR INFORMATION ONLY

January 31, 2025

TO: Trustees,
Board of Investments

FROM: Christine Roseland *CR*
Senior Staff Counsel

FOR: February 2025 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of investment related projects that are either Board directed or reported out pursuant to the Investment Policy Statement and handled by the Legal Division as of January 31, 2025.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Jonathan Grabel
Esmeralda Del Bosque
Vache Mahseredjian
Jude Perez
Jim Rice
Christopher Wagner
Scott Zdrazil
Steven Rice
John Harrington
Avi Herescu
Susan Wang
Lisa Garcia



LACERA Legal Division
Board of Investments Projects
Monthly Status Report - Pending as of January 31, 2025*



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
HEDGE FUNDS/CREDIT	Centerbridge Partners, LP	Subscription	\$775,000,000	December 11, 2024	Completed	100%	Completed.
	Mariner Atlantic Multi-Strategy Fund	Subscription	\$600,000,000	December 11, 2024	Completed	100%	Completed.
	Siguler Guff & Company, LP	Subscription	\$500,000,000	December 11, 2024	Completed	100%	Completed.
PORTFOLIO ANALYTICS	State Street Bank and Trust Co.	Global Custody and Commercial Banking Services Agreement for LACERA's Pension Plan and OPEB Master Trust	\$72,000,000,000	August 10, 2022	In Progress	95%	Legal negotiations in process.
	Jungle Ventures V, LP	Subscription	\$50,000,000	December 11, 2024	Completed	100%	Completed.
PRIVATE EQUITY	Thoma Bravo XVI, LP	Subscription	\$150,000,000	December 11, 2024	Completed	100%	Completed.
	Thoma Bravo Discover V, LP	Subscription	\$100,000,000	December 11, 2024	Completed	100%	Completed.
	IDR Core Property Index Trust	Secondary Acquisition	\$25,000,000	December 11, 2024	Completed	100%	Completed.
REAL ESTATE							

*= This list does not include Real Estate separate account transactions, consents and amendments and other investment related legal work that arise during the life of an investment unless it is a BOI approved item or is otherwise reported out.

**FOR INFORMATION ONLY**

February 4, 2025

TO: Trustees - Board of Investments

FROM: Christine Roseland
Senior Staff Counsel

FOR: Board of Investments Meeting of February 12, 2025

SUBJECT: Real Estate Recoveries Report

This report provides the savings and recoveries that the Legal Office achieved in 2023 and 2024 in connection with LACERA's separate account real estate investment program.

Separate Account Real Estate Program

LACERA's Real Estate Program consists of, among other things, separate account equity positions that cover a broad array of property types diversified throughout the U.S., including office buildings, industrial properties, multi-family apartments, retail centers, and development projects. LACERA acquires and sells properties utilizing private real estate advisory firms that are fiduciaries to LACERA. Most of the properties are held through tax exempt title holding companies ("THCs") formed as corporations, limited liability companies, or limited partnerships. Currently, LACERA maintains about 57 THCs holding approximately 39 assets for the separate account Real Estate Program.

The Legal Office handles the documentation relating to the transactions involving the acquisition¹, disposition, and leveraging of these properties as well as the formation, maintenance, management, and dissolution of the THCs holding title to the properties. The Legal Office's management of the THCs includes tax exemption filings, recovery of unclaimed property, and pursuing refunds relating to property tax reassessments, state and local transfer, income, and franchise taxes and withholdings as well as annual state registration fees.

Recovery

Through these efforts, LACERA recovered \$21,055.88 and \$588,286.34 in tax and unclaimed property related proceeds in calendar years 2023 and 2024, respectively. This brings the total amount recovered on behalf of the fund to over \$5,319,925.91 since 2014.

///

///

///

///

///

¹ LACERA has ceased acquisitions as of January 2022 when the Board voted to wind down the separate account program as part of the real estate structure review.

The following is a breakdown of the amounts recovered on an annual basis since that time:

Year	Recovery
2014	\$ 447,579.38
2015	\$ 6,681.82
2016	\$ 748,771.65
2017	\$ 280,020.77
2018	\$ 768,403.15
2019	\$ 646,875.39
2020	\$ 1,115,201.62 ²
2021	\$ 298,311.66
2022	\$ 398,738.25
2023	\$ 21,055.88
2024	\$ 588,286.34
Total	\$5,319,925.91³

In addition, many of the separate account real estate transactions are handled by LACERA's outside counsel, who are in turn overseen by the Legal Office. After each transaction (such as a sale, purchase or financing), the firm engaged by LACERA submits an invoice for their services based on their hourly fees. The Legal Office frequently negotiates these invoices down based on circumstances. Through these negotiations, LACERA has saved over \$1,056,612.01 between 2014 and 2024. These amounts are in addition to discounted rates negotiated at the time the law firm is engaged to serve on the LACERA-bench of firms and result from staff monitoring the efficiency and value provided by outside counsel on a particular real estate transaction. The following is a breakdown of the amounts saved off invoice amounts on an annual basis since 2014:

Year	Legal Fee Savings
2014	\$ 21,786.40
2015	\$ 110,692.80
2016	\$ 40,409.27
2017	\$ 53,784.84
2018	\$ 165,127.31
2019	\$ 195,480.22
2020	\$ 25,033.13
2021	\$ 159,565.92
2022	\$ 101,613.17
2023	\$ 51,793.10
2024	\$ 131,325.85
Total	\$1,056,612.01

Similar legal fee savings exist for other asset classes too, but they are not included in this report because the focus here is on the separate account Real Estate Program.

² This amount includes a refund check in the amount of \$383,119.65 which was received in 2022.

³ The data in this memo is current through December 24, 2024.

Background

The Transactions Team within the Legal Division oversees all legal aspects of investment transactions including the Real Estate Program. That team is responsible for handling legal work related to the transactions as well as the management of the THCs. Among other things related to the management of the THCs, the team is responsible for (1) filing all tax exemption applications for each THC with the federal and applicable state governments (when such exemption is available), (2) recovering taxes for each THC at the federal, state, or local levels, to the extent taxes were paid when there was an exemption available, (3) monitoring and processing property tax refunds for each THC, (4) researching and applying for unclaimed property in various states when discovered, (5) managing state registrations for each THC, (6) monitoring income tax filings and withholdings, including applying for refunds when applicable, and (7) selecting, supervising, and monitoring outside counsel.

LACERA typically negotiates a discounted hourly rate with its panel of outside counsel engaged in connection with investment transactions. These discounts are usually 10 to 20% off regular rates. In addition to this rate discount, the Legal Office often negotiates an additional discount on final invoices of outside counsel in connection with individual transactions. Reasons for these discounts include, among other things, (1) exceeding the budgeted amount due to unanticipated issues or out of scope work, (2) reasonableness of the total amount in light of the circumstances, including value and efficiency of services provided, (3) volume discounts, (4) a hard not to exceed fee cap in situations where the hourly fees could eat up any gains (such as a tax refund or settlement), and (5) fairness in situations where multiple firms bid on the same transaction.

As noted above, efforts on tax and unclaimed property claims have resulted in the recovery by the fund of \$21,055.88 in 2023 and \$588,286.34 in 2024, and over \$5,319,925.91 in total proceeds since 2014, plus an additional \$1,131,325.85 in legal fee savings. When combined, these recoveries total \$6,376,537.92 since 2014. Because most of these recoveries were handled internally, offsetting fees or costs incurred to collect these amounts are negligible. Accordingly, these real estate recoveries directly benefit the pension fund.

Reviewed and Approved:



Steven P. Rice
Chief Counsel

cc: Santos H. Kreimann
Luis Lugo
Jonathan Grabel
Jude Perez

Terri Herubin
Ted Granger
Richard Bendall

December 18, 2024

TO: Each Trustee
Board of Retirement

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

FOR: February 12, 2025 Board of Retirement Meeting

SUBJECT: **Board of Retirement Board Officers: 2025 Calendar Year**

RECOMMENDATION

That the Board of Retirement ratify its slate of board officers who will serve their term in the 2025 calendar year.

LEGAL AUTHORITY

The Board of Retirement (BOR) Regulations provide that each January the BOR shall elect from its members a Chair, Vice Chair, and Secretary to serve for a term of one year or until his or her successor is duly elected and qualified.

The [BOR Board Officer Rotation Policy](#) provides that the process of selecting board officers will be a seniority-based system. At the first regular meeting in January, the BOR shall hold a vote to ratify the slate of board officers determined by the Executive Board Assistant.

DISCUSSION

The BOR Board Officer Rotation Policy provides that with reasonable and sufficient time before the first regular meeting in January, the Executive Board Assistant shall verify the seniority of each trustee on the seniority list for each board officer position who would be in office during the calendar year commencing in January and ascertain in order of seniority which trustee opts to serve as a board officer for the upcoming year.

According to the Executive Board Assistant, the following trustees opted to serve as BOR Chair, Vice Chair, and Secretary for the 2025 calendar year.

Chair: Les Robbins
Vice Chair: Ronald Okum
Secretary: Shawn Kehoe

IT IS THEREFORE RECOMMENDED THAT THE BOARD ratify its slate of board officers as identified above to serve their term in the 2025 calendar year.

Attachment

cc: Board of Investments Luis Lugo JJ Popowich Laura Guglielmo
Steven P. Rice Jon Gabel



January 24, 2025

TO: Trustees – Board of Retirement

FROM: Ted Granger *TG*
Chief Financial Officer

FOR: February 5, 2025– Board of Retirement Meeting

SUBJECT: COST-OF-LIVING ADJUSTMENT EFFECTIVE APRIL 1, 2025

CONSUMER PRICE INDEX CHANGE

Sections 31870, 31870.1, and 31495.5 of the California Government Code govern cost-of-living adjustment (COLA) for retired LACERA members and beneficiaries. These Government Code sections provide that the Board of Retirement shall, before April 1 of each year, determine whether there has been an increase or decrease in the cost-of-living, as shown by the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) for All Urban Consumers for the area in which the county seat is situated, as of January 1 of each year.

Information concerning the Bureau of Labor Statistics CPI for All Urban Consumers for the Los Angeles-Long Beach-Anaheim area is as follows:

CPI Index for Year Ended December 2024	334.531
CPI Index for Year Ended December 2023	<u>323.456</u>
CPI Index Change	<u>11.075</u>
CPI Percentage Change	<u>3.4%</u>
BLS Annual Change (December 2023 to December 2024)	3.4%
LACERA 2025 COLA Award¹ (rounded to nearest one-half of 1.0%)	3.5%

MAXIMUM ALLOWABLE COLA CHANGES

Every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member, who retires or dies or who has retired or died shall, as of April 1 of each year, be increased or decreased by a percentage of the total allowance to approximate to the nearest one-half of 1.0%, the percentage of annual increase or decrease in the cost-of-living as of January 1 of each year subject to the following limitations:

¹This COLA Award amount exceeds LACERA retirement plan maximums and increases will be divided between the COLA retirement allowances and the COLA Accumulation accounts as explained below.

- Section 31870.1 of the California Government Code governing cost-of-living increases for retired Plan A members and beneficiaries provides that such change shall not exceed 3.0% per year.
- Section 31870 of the California Government Code governing cost-of-living increases for retired Plans B, C, and D, as well as PEPRA Plans C and G, members and beneficiaries provides that such change shall not exceed 2.0% per year.
- Section 31495.5 of the California Government Code governing cost-of-living increases for retired Plan E members and beneficiaries provides that such change shall not exceed 2.0% per year for Plan E members who retire on and after June 4, 2002. Effective June 4, 2002, Plan E members and their survivors are also eligible for a COLA. The portion of the COLA percentage received by each Plan E member is a ratio of the member's service credit earned after June 4, 2002, to total service credit. The portion of the full increase not awarded may be purchased by the member.

COLA INCREASES EFFECTIVE APRIL 1, 2025

Based on the LACERA COLA Award of 3.5% and applicable Government Code provisions, cost-of-living increases for retired members and beneficiaries, which may be approved to become effective April 1, 2025 depending upon retirement plan and date of retirement or death, are as follows:

PLAN A MEMBERS AND ELIGIBLE BENEFICIARIES

- ALL DATES UP TO MARCH 31, 2025: 3.0%

The 3.0% increase equals the maximum allowable increase.

PLANS B, C, & D, AND PEPRA PLANS C & G MEMBERS AND ELIGIBLE BENEFICIARIES

- ALL DATES UP TO MARCH 31, 2025: 2.0%

The 2.0% increase equals the maximum allowable increase.

PLAN E MEMBERS AND ELIGIBLE BENEFICIARIES

- ALL DATES BEGINNING JUNE 4, 2002 TO MARCH 31, 2025: 2.0%

Plan E COLA increases apply only to service credit earned on and after June 4, 2002. Plan E members who retire on and after June 4, 2002 will receive up to a 2.0% COLA increase. The portion of the 2.0% COLA is based upon a ratio defined as the months of service earned on and after June 4, 2002 divided by the total months of service.

COLA ACCUMULATON

The above Government Code sections also provide that the amount of any CPI cost-of-living increase or decrease in any year, which is not met by the maximum annual change of 3.0% or 2.0% in retirement allowances, shall be accumulated to be met by increases or decreases in retirement allowances in future years. The accumulated percentage carryover is known as the *COLA Accumulation*.

The determination methodology for the amount of increase or decrease to the COLA Accumulation differs from the methodology for the determination of the COLA Award increase or decrease each year. Government Code provisions require that the CPI is rounded to the nearest one-half of 1.0% to determine the COLA Award. The differences between the CPI Percentage Change and the maximum annual retirement allowance COLAs are determined to increase or decrease the COLA Accumulation balances. Rounding of the CPI Percentage Change is not applied when calculating increases or decreases to the COLA Accumulation accounts.

At the meeting on October 2, 2024, the Board of Retirement approved a Supplemental Targeted Adjustment for Retirees (STAR) cost-of-living adjustment (COLA), referred to as the STAR Program. When the STAR Program award was applied on a permanent basis effective January 2025, it reduced the COLA Accumulation balances for eligible members. The final COLA Accumulation balances on April 1, 2025 include both the January 2025 STAR Program and April 2025 COLA adjustments.

CHANGES TO THE COLA ACCUMULATION BALANCES

For the CPI Percentage Change of 3.4% and applicable Government Code provisions, COLA Accumulation adjustments for retired members and beneficiaries, which may be approved to be effective April 1, 2025 based on retirement plan and date of retirement or death, are as follows:

PLAN A MEMBERS AND ELIGIBLE BENEFICIARIES (ATTACHMENT 1)

- ALL DATES UP TO MARCH 31, 2025: 0.4% INCREASE

As the LACERA COLA Award is 3.0%, the excess of 0.4% was added to the COLA Accumulation balance to equal the 2024 total CPI Percentage Change of 3.4%.

PLANS B, C, & D AND PEPRA PLANS C & G MEMBERS AND ELIGIBLE BENEFICIARIES (ATTACHMENTS 1 & 2)

- ALL DATES UP TO MARCH 31, 2025: 1.4% INCREASE

As the LACERA COLA Award is 2.0%, the excess of 1.4% was added to the COLA Accumulation balance to equal the 2024 total CPI Percentage Change of 3.4%.

PLAN E MEMBERS AND ELIGIBLE BENEFICIARIES (ATTACHMENT 3)

- ALL DATES BEGINNING JUNE 4, 2002 TO MARCH 31, 2025: 1.4% INCREASE

As the LACERA COLA Award is 2.0%, the excess of 1.4% was added to the COLA Accumulation balance to equal the 2024 total CPI Percentage Change of 3.4%.

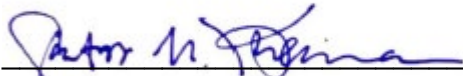
The COLA Accumulation percentages as of April 1, 2025 are shown in the Attachments and reflect the above adjustments. LACERA's Systems Division and Financial and Accounting Services Division staff reviewed and agreed on the data set presented.

THEREFORE, IT IS RECOMMENDED THAT THE BOARD OF RETIREMENT:

For the year ended December 2024, determine the Consumer Price Index changed by 3.4% (or when rounded to the nearest one-half of 1.0% as the COLA benefit rules require: the LACERA 2025 COLA Award is 3.5%), and approve cost-of-living adjustments and respective COLA Accumulation changes for retired LACERA members and beneficiaries, based on retirement plan and date of retirement or death, to become effective April 1, 2025 in accordance with applicable California Government Code Sections.

Attachments

REVIEWED AND APPROVED:



Santos H. Kreimann
Chief Executive Officer

SK:TG:ew:cl:se

c: Board of Investments, LACERA
Luis A. Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice

Cost-of-Living Accumulation Chart
Percentages as of April 1, 2025

Retirement Date	General Plan A and Safety Plan A				General Plans B, C & D, and Safety Plans B & C			
	COLA % Accumulation 1-Apr-24	STAR Benefit Adjustment in 2025	COL Adjustment 1-Apr-25	COLA % Accumulation 1-Apr-25	COLA % Accumulation 1-Apr-24	STAR Benefit Adjustment in 2025	COL Adjustment 1-Apr-25	COLA % Accumulation 1-Apr-25
Before 4/1/77	11.3	-	0.4	11.7	-	-	-	-
4/1/1977 - 3/31/1978	11.3	0.0	0.4	11.7	21.5	(1.5)	1.4	21.4
4/1/1978 - 3/31/1979	11.3	0.0	0.4	11.7	21.5	(1.5)	1.4	21.4
4/1/1979 - 3/31/1980	11.3	0.0	0.4	11.7	21.5	(1.5)	1.4	21.4
4/1/1980 - 3/31/1981	11.3	0.0	0.4	11.7	21.5	(1.5)	1.4	21.4
4/1/1981 - 3/31/1982	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1982 - 3/31/1983	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1983 - 3/31/1984	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1984 - 3/31/1985	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1985 - 3/31/1986	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1986 - 3/31/1987	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1987 - 3/31/1988	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1988 - 3/31/1989	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1989 - 3/31/1990	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1990 - 3/31/1991	6.0	0.0	0.4	6.4	21.5	(1.5)	1.4	21.4
4/1/1991 - 3/31/1992	6.0	0.0	0.4	6.4	20.3	(0.3)	1.4	21.4
4/1/1992 - 3/31/1993	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/1993 - 3/31/1994	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/1994 - 3/31/1995	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/1995 - 3/31/1996	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/1996 - 3/31/1997	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/1997 - 3/31/1998	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/1998 - 3/31/1999	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/1999 - 3/31/2000	6.0	0.0	0.4	6.4	19.7	0.0	1.4	21.1
4/1/2000 - 3/31/2001	6.0	0.0	0.4	6.4	19.4	0.0	1.4	20.8
4/1/2001 - 3/31/2002	6.0	0.0	0.4	6.4	17.7	0.0	1.4	19.1
4/1/2002 - 3/31/2003	6.0	0.0	0.4	6.4	17.6	0.0	1.4	19.0
4/1/2003 - 3/31/2004	6.0	0.0	0.4	6.4	15.9	0.0	1.4	17.3
4/1/2004 - 3/31/2005	6.0	0.0	0.4	6.4	15.9	0.0	1.4	17.3
4/1/2005 - 3/31/2006	6.0	0.0	0.4	6.4	13.5	0.0	1.4	14.9
4/1/2006 - 3/31/2007	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2007 - 3/31/2008	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2008 - 3/31/2009	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2009 - 3/31/2010	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2010 - 3/31/2011	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2011 - 3/31/2012	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2012 - 3/31/2013	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2013 - 3/31/2014	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2014 - 3/31/2015	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2015 - 3/31/2016	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2016 - 3/31/2017	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2017 - 3/31/2018	6.0	0.0	0.4	6.4	12.3	0.0	1.4	13.7
4/1/2018 - 3/31/2019	6.0	0.0	0.4	6.4	10.7	0.0	1.4	12.1
4/1/2019 - 3/31/2020	6.0	0.0	0.4	6.4	9.5	0.0	1.4	10.9
4/1/2020 - 3/31/2021	6.0	0.0	0.4	6.4	9.0	0.0	1.4	10.4
4/1/2021 - 3/31/2022	6.0	0.0	0.4	6.4	9.0	0.0	1.4	10.4
4/1/2022 - 3/31/2023	2.4	0.0	0.4	2.8	4.4	0.0	1.4	5.8
4/1/2023 - 3/31/2024	0.5	0.0	0.4	0.9	1.5	0.0	1.4	2.9
4/1/2024 - 3/31/2025	0.0	0.0	0.4	0.4	0.0	0.0	1.4	1.4

Cost-of-Living Accumulation Chart
 Percentages as of April 1, 2025

Retirement Date	[PEPRA] General Plan G and Safety Plan C			
	COLA % Accumulation 1-Apr-24	STAR Benefit Adjustment in 2025	COL Adjustment 1-Apr-25	COLA % Accumulation 1-Apr-25
1/1/2013 - 3/31/2013	12.3	0.0	1.4	13.7
4/1/2013 - 3/31/2014	12.3	0.0	1.4	13.7
4/1/2014 - 3/31/2015	12.3	0.0	1.4	13.7
4/1/2015 - 3/31/2016	12.3	0.0	1.4	13.7
4/1/2016 - 3/31/2017	12.3	0.0	1.4	13.7
4/1/2017 - 3/31/2018	12.3	0.0	1.4	13.7
4/1/2018 - 3/31/2019	10.7	0.0	1.4	12.1
4/1/2019 - 3/31/2020	9.5	0.0	1.4	10.9
4/1/2020 - 3/31/2021	9.0	0.0	1.4	10.4
4/1/2021 - 3/31/2022	9.0	0.0	1.4	10.4
4/1/2022 - 3/31/2023	4.4	0.0	1.4	5.8
4/1/2023 - 3/31/2024	1.5	0.0	1.4	2.9
4/1/2024 - 3/31/2025	0.0	0.0	1.4	1.4

Note: PEPRA Plans G and C became effective January 1, 2013.

Cost-of-Living Accumulation Chart
 Percentages as of April 1, 2025

Retirement Date			General Plan E		
			COLA % Accumulation 01-Apr-24	COL Adjustment 01-Apr-25	COLA % Accumulation 01-Apr-25
4/1/2002	-	3/31/2003	17.6	1.4	19.0
4/1/2003	-	3/31/2004	15.9	1.4	17.3
4/1/2004	-	3/31/2005	15.9	1.4	17.3
4/1/2005	-	3/31/2006	13.5	1.4	14.9
4/1/2006	-	3/31/2007	12.3	1.4	13.7
4/1/2007	-	3/31/2008	12.3	1.4	13.7
4/1/2008	-	3/31/2009	12.3	1.4	13.7
4/1/2009	-	3/31/2010	12.3	1.4	13.7
4/1/2010	-	3/31/2011	12.3	1.4	13.7
4/1/2011	-	3/31/2012	12.3	1.4	13.7
4/1/2012	-	3/31/2013	12.3	1.4	13.7
4/1/2013	-	3/31/2014	12.3	1.4	13.7
4/1/2014	-	3/31/2015	12.3	1.4	13.7
4/1/2015	-	3/31/2016	12.3	1.4	13.7
4/1/2016	-	3/31/2017	12.3	1.4	13.7
4/1/2017	-	3/31/2018	12.3	1.4	13.7
4/1/2018	-	3/31/2019	10.7	1.4	12.1
4/1/2019	-	3/31/2020	9.5	1.4	10.9
4/1/2020	-	3/31/2021	9.0	1.4	10.4
4/1/2021	-	3/31/2022	9.0	1.4	10.4
4/1/2022	-	3/31/2023	4.4	1.4	5.8
4/1/2023	-	3/31/2024	1.5	1.4	2.9
4/1/2024	-	3/31/2025	0.0	1.4	1.4

Note: Plan E COLA benefit is effective for members who retire on and after June 4, 2002.



2025 Retiree COLA

February 5, 2025

Board of Retirement Meeting

Discussion Topics



Key Concepts

Process Outline

1. Review Consumer Price Index (CPI) Change
 - Calendar Year 2024
2. Determine COLA Award
 - Rounded to nearest one-half of 1.0%
3. 2025 COLA
4. COLA Accumulation
5. COLA Funding

Cost-of-Living Adjustments

Retirement Payments	By law, LACERA retirement and survivor allowances are subject to an annual cost-of-living adjustment (COLA). The adjustment is driven by changes in the cost of living over the previous 12-month period as of December 31.
Your Paystub	
Cost of Living	<h4>Current COLA</h4> <p>For the most recent COLA affecting your allowance, see your specific plan page:</p> <div>General Plans ABC General Plan D General Plan E</div> <div>General Plan G Safety Plans AB Safety Plan C</div>
COLA Accumulation	
STAR COLA	
Direct Deposit	
Tax Requirements	
Returning to Work	
Divorce	
Admin Appeals	

Each year, the Board of Retirement is required to review the Bureau of Labor Statistics Consumer Price Index (CPI) for all urban consumers in the Los Angeles-Long Beach-Anaheim metro area to determine whether there has been an increase or decrease in the cost of living over the prior year. The CPI is based on the price for consumer goods and services, and the year-to-year difference is reflected as a percentage.



01 Review CPI

02 Determine COLA

Calendar Year 2024 / April 1, 2025

CPI Index and COLA Award



Government Code¹ provisions require the Board of Retirement to determine whether there has been an increase or decrease in the cost-of-living as of January 1 each year:

Bureau of Labor Statistics (BLS) Consumer Price Index (CPI):
>CPI for All Urban Consumers for Los Angeles-Long Beach-Anaheim area

CPI Index for Year Ended December 2024	334.531
CPI Index for Year Ended December 2023	323.456
CPI Index Change	<u>11.075</u>
CPI Percentage Change	<u>3.4%</u>
BLS Annual Change (December 2023 to December 2024)	3.4%
LACERA 2025 COLA Award¹ (rounded to nearest one-half of 1.0%)	3.5%

NOTES

- **Monthly CPI Index email: estimate calendar year-to-date**
- **December CPI Indices**
- **CPI Percentage Change**
- **December BLS published number**
- **Round the 2025 COLA Award**
- **Hypothetical Example (if below 2.0% Plan maximum)**
 - **CPI Percentage Change is 1.3%**
 - **Round for COLA Award to 1.5%**
 - **Deduct 0.5% from COLA Accumulation (if available)**
 - **Final COLA Amount: 2.0% (Plan maximum)**

¹ Per Government Code Sections 31870, 31870.1 and 31495.5.



03 2025 COLA

Member Benefit Increases

2025 COLA Increase



Plan Maximums

All retirees and eligible payees will receive the maximum allowable COLA under their plans since the COLA Award of 3.5% is greater than all plan maximums.

Retirement Plan	2025 COLA
General Plan A and Safety Plan A	+3.0%
General Plans B, C, D and Safety B	+2.0%
General Plan E Members (retired on and after June 4, 2002)	Up to +2.0%
PEPRA General Plan G and Safety C	+2.0%

Subject to Board of Retirement approval: The increase becomes effective April 1, 2025 and will be reflected in the April 30th benefit payment.



04 COLA Accumulation

Overview and Examples

COLA Accumulation



Additions

>When the annual COLA Award is above plan maximums, excess **CPI Percentage** is added to the COLA Accumulation balance to supplement future COLA benefits.

Deductions

>When the annual COLA Award is below the plan maximums, amounts are deducted from the COLA Accumulation to fund the maximum increase allowed under each plan.

STAR COLA

>When Accumulation balance exceeds 20%, STAR COLA awards made to eligible members which reduces the COLA Accumulation balance to 20%.

COLA Accumulation Balance

>The longer since retirement, the higher the COLA Accumulation balance may have reached.

>COLA Accumulation balances greater than 20%, become eligible for STAR COLA awards.

2025 Accumulation Calculation



COLA Accumulation Explanation

CPI Percentage Change Exceeds Plan Maximums for 2025

- **CPI Percentage Change is used to determine COLA Accumulation increases**
- **Excess CPI amounts are added to COLA Accumulation**

- **3.4% CPI Percentage Change exceeds the 3.0% maximum allowed in Plan A**
 - **Difference of 0.4% will be added to the Plan A COLA Accumulation**

- **3.4% CPI Percentage Change exceeds the 2.0% maximum allowed in all other Plans**
 - **Difference of 1.4% will be added to all other Plans' COLA Accumulation**

Accumulation Examples



COLA Accumulation Examples (Board memo attachments include all Plans)

EX	Retirement Date	Plan	Maximum COLA	CPI Change	Accumulation April 2024	STAR COLA January 2025	Adjustment April 2025	Accumulation April 2025
#1	Prior to 4/1/81	A	3.0%	3.4%	11.3%	N/A	+0.4%	11.7%
#2	4/1/77 – 3/31/91	B,C,D	2.0%	3.4%	21.5%	-1.5%	+1.4%	21.4%
#3	4/1/24-3/31/25	PEPRA G,C	2.0%	3.4%	0.0%	N/A	+1.4%	1.4%



05 COLA Funding

Basic Elements



Overview

Contributions

- **Retiree COLAs are included in actuarial assumptions**
 - Member and Employer contribution rates include ½ of COLA benefit
- **Impact is \$0 and 0.00% of pay to Actuarial Accrued Liability (AAL) and Normal Cost (NC)**
 - Maximum statutory COLAs are included in actuarial assumptions

Benefit Payments

- **Increase in retirement benefits**
- **Paid the same as typical member benefits**
 - No separate Reserve account for COLAs
- **Subject to Board of Retirement approval, effective for the April 30, 2025 benefit payments**

Thank You!



2025 Retiree COLA

Questions?

**FOR INFORMATION ONLY**

December 19, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger 
Chief Financial Officer

FOR: February 12, 2025 Board of Investments Meeting
January 15, 2025 Board of Retirement Meeting

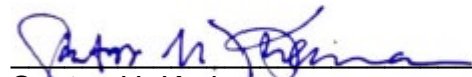
SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – NOVEMBER 2024

Attached for your review is the monthly Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through November 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. Grabel
S. Rice
R. Contreras

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
NOVEMBER 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Nancy Durazo			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
V	- Edu - Southern New Hampshire University: Principles of Finance & Public Fiscal Management Weekly Course - VIRTUAL	07/01/2024 - 08/25/2024	Attended
	- Edu - Southern New Hampshire University: Policy Analysis and the Role of the Public Weekly Course - VIRTUAL	09/02/2024 - 10/27/2024	Attended
Trevor Fay			
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - Toigo Foundation 35th Anniversary Gala - Los Angeles CA	11/20/2024 - 11/20/2024	Attended
Mike Gatto			
A	1 Edu - 2024 SACRS UC Berkeley Public Pension Investment Management Program - Berkeley CA	07/14/2024 - 07/17/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - IFEBP Annual Employee Benefits Conference - San Diego CA	11/10/2024 - 11/13/2024	Attended
Elizabeth Ginsberg			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
B	- Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - IFEBP New Trustees Institute - Level I: Core Concepts - San Diego CA	11/09/2024 - 11/11/2024	Attended
Vivian Gray			
A	1 Edu - 2024 Koried Global Summit: What Matters Now in 2024: Trends and Insights for Tomorrow - Coral Gables FL	07/17/2024 - 07/19/2024	Attended
	2 Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	3 Edu - New America Alliance International Symposium - Mexico City, Mexico	09/25/2024 - 09/26/2024	Attended
	4 Edu - PRI in Person 2024 - Toronto, Canada	10/08/2024 - 10/10/2024	Attended
B	- Admin - SACRS Board of Directors - Sacramento CA	09/16/2024 - 09/16/2024	Attended
	- Edu - CALAPRS Intermediate Course in Retirement Plan Administration - San Jose CA	11/06/2024 - 11/08/2024	Attended
	- Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended
	- Admin - 28th Annual NASP Symposium - Queens NY	11/20/2024 - 11/21/2024	Attended
Jason Green			
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
NOVEMBER 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Patrick Jones			
A	1 Edu - IDAC 2024 Annual Summit - Broomfield CO	09/24/2024 - 09/26/2024	Attended
	2 Edu - NACD Directors Summit 2024 - Washington, DC	10/06/2024 - 10/09/2024	Attended
	3 Edu - Goldman Sachs the Garland Summit: Enduring Legacy - New York City NY	10/09/2024 - 10/10/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - NACD PSW Corporate Directors Symposium - Los Angeles CA	11/15/2024 - 11/15/2024	Attended
V	- Edu - NACD Workforce Challenges and Future Strategy - Why Directors Should Be Engaged - VIRTUAL	11/04/2024 - 11/04/2024	Attended
Aleen Langton			
B	- Edu - NCPERS Accredited Fiduciary Program Modules 1 & 2: Governance & Finance - Palm Springs CA	10/26/2024 - 10/27/2024	Attended
	- Admin - Trustee Business Meeting - Pasadena CA	10/30/2024 - 10/30/2024	Attended
Debbie Martin			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
X	- Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Canceled
Nicole Mi			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
	2 Edu - New America Alliance International Symposium - Mexico City, Mexico	09/25/2024 - 09/26/2024	Attended
	3 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
	4 Edu - CII NYU Corporate Governance Bootcamp - New York City NY	11/14/2024 - 11/15/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - Saxena White Women's Alliance Luncheon - Los Angeles CA	09/30/2024 - 09/30/2024	Attended
	- Edu - WIIN 10th Anniversary Event - Los Angeles CA	10/02/2024 - 10/02/2024	Attended
	- Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/10/2024	Attended
Wayne Moore			
A	1 Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	2 Edu - Harvard Business School - Audit Committees in a New Era of Governance - Boston MA	11/20/2024 - 11/22/2024	Attended
B	- Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
NOVEMBER 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
David Ryu			
A	1 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/10/2024	Attended

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.
- M - Regular Board and Committee Meetings
- V - Virtual Event
- X - Canceled events for which expenses have been incurred.
- Z - Trip was Canceled - Balance of \$0.00

**FOR INFORMATION ONLY**

January 23, 2025

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger 
Chief Financial Officer

FOR: February 5, 2025 Board of Retirement Meeting
February 12, 2025 Board of Investments Meeting

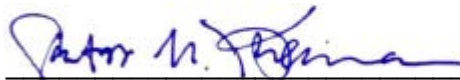
SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – DECEMBER 2024

Attached for your review is the monthly Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through December 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. Grabel
S. Rice
R. Contreras

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
DECEMBER 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Nancy Durazo			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
V	- Edu - Southern New Hampshire University: Principles of Finance & Public Fiscal Management Weekly Course - VIRTUAL	07/01/2024 - 08/25/2024	Attended
	- Edu - Southern New Hampshire University: Policy Analysis and the Role of the Public Weekly Course - VIRTUAL	09/02/2024 - 10/27/2024	Attended
	- Edu - Southern New Hampshire University: Program Accountability and Driving Business Opportunities (Weekly Course) - VIRTUAL	10/28/2024 - 12/22/2024	Attended
Trevor Fay			
A	1 Edu - Infrastructure Investor: North America Forum - New York City NY	12/04/2024 - 12/05/2024	Attended
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - Toigo Foundation 35th Anniversary Gala - Los Angeles CA	11/20/2024 - 11/20/2024	Attended
Mike Gatto			
A	1 Edu - 2024 SACRS UC Berkeley Public Pension Investment Management Program - Berkeley CA	07/14/2024 - 07/17/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - IFEBP Annual Employee Benefits Conference - San Diego CA	11/10/2024 - 11/13/2024	Attended
Elizabeth Ginsberg			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
B	- Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - IFEBP New Trustees Institute - Level I: Core Concepts - San Diego CA	11/09/2024 - 11/11/2024	Attended
Vivian Gray			
A	1 Edu - 2024 Korie Global Summit: What Matters Now in 2024: Trends and Insights for Tomorrow - Coral Gables FL	07/17/2024 - 07/19/2024	Attended
	2 Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	3 Edu - New America Alliance International Symposium - Mexico City, Mexico	09/25/2024 - 09/26/2024	Attended
	4 Edu - PRI in Person 2024 - Toronto, Canada	10/08/2024 - 10/10/2024	Attended
B	- Admin - SACRS Board of Directors - Sacramento CA	09/16/2024 - 09/16/2024	Attended
	- Edu - CALAPRS Intermediate Course in Retirement Plan Administration - San Jose CA	11/06/2024 - 11/08/2024	Attended
	- Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended
	- Admin - 28th Annual NASP Symposium - Queens NY	11/20/2024 - 11/21/2024	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
DECEMBER 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Jason Green			
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
V	- Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended
Patrick Jones			
A	1 Edu - IDAC 2024 Annual Summit - Broomfield CO	09/24/2024 - 09/26/2024	Attended
	2 Edu - NACD Directors Summit 2024 - Washington, DC	10/06/2024 - 10/09/2024	Attended
	3 Edu - Goldman Sachs the Garland Summit: Enduring Legacy - New York City NY	10/09/2024 - 10/10/2024	Attended
	4 Edu - Infrastructure Investor: North America Forum - New York City NY	12/04/2024 - 12/05/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - NACD PSW Corporate Directors Symposium - Los Angeles CA	11/15/2024 - 11/15/2024	Attended
V	- Edu - NACD Workforce Challenges and Future Strategy - Why Directors Should Be Engaged - VIRTUAL	11/04/2024 - 11/04/2024	Attended
Aleen Langton			
B	- Edu - NCPERS Accredited Fiduciary Program Modules 1 & 2: Governance & Finance - Palm Springs CA	10/26/2024 - 10/27/2024	Attended
V	- Edu - TLF Virtual Discussion for Pension Trustees - VIRTUAL	12/05/2024 - 12/05/2024	Attended
	- Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended
	- Edu - Understanding Buffett's \$80B Apple Windfall: Inside the Greatest Value Investment of Our Time - VIRTUAL	12/16/2024 - 12/16/2024	Attended
Debbie Martin			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
X	- Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Canceled

**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
DECEMBER 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Nicole Mi			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
	2 Edu - New America Alliance International Symposium - Mexico City, Mexico	09/25/2024 - 09/26/2024	Attended
	3 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
	4 Edu - CII NYU Corporate Governance Bootcamp - New York City NY	11/14/2024 - 11/15/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - Saxena White Women's Alliance Luncheon - Los Angeles CA	09/30/2024 - 09/30/2024	Attended
	- Edu - WIIN 10th Anniversary Event - Los Angeles CA	10/02/2024 - 10/02/2024	Attended
	- Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/10/2024	Attended
Wayne Moore			
A	1 Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	2 Edu - Harvard Business School - Audit Committees in a New Era of Governance - Boston MA	11/20/2024 - 11/22/2024	Attended
B	- Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended
V	- Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended
David Ryu			
A	1 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/10/2024	Attended

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.

**FOR INFORMATION ONLY**

December 19, 2024

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

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: January 9, 2024 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Semi-Annual Report on Approved Engagements**

LEGAL AUTHORITY

The Board of Retirement's (BOR) Policy on Engagement for Public Policy Issues Relating to Plan Administration and Retirement and Health Care Benefits provides that staff will present semi-annual reports to the Insurance, Benefits and Legislative Committee (IBLC) each year as to the status of all approved engagements

ENGAGEMENTS**Meetings with Congress and California State Legislature**

There were no meetings with legislators during the second half of 2024.

Legislative Positions

During the 2024 legislative session, LACERA adopted positions on the following bills.

AB 2284 (Grayson): Authorizes a retirement system to define "grade" for the purposes of determining compensation earnable.

Status: Enacted. (09/28/2024)

BOR Position: Watch.

AB 2474 (Lackey): Authorizes a retirement system to establish a prepaid account for the disbursement of retirement allowances. Defines the account of a retired member or survivor for the purpose of receiving retirement allowances to include a living trust or an income-only trust. Requires that a reemployed retired member who exceeds 960 hours

of employment repay any retirement allowance received during the period in which they are not in compliance with the 960-hour limit.

Status: Enacted. (07/15/2024)

BOR Position: Support, Sponsor.

AB 2770 (Committee on Public Employment and Retirement): Modifies repeal date of presumption for disability retirement for post-traumatic stress disorder from January 1, 2025, to January 1, 2029. Remove requirement for return receipt when a registered or certified letter is required to be sent to a member.

Status: Enacted. (07/15/2024)

BOR Position: Support.

AB 3025 (Valencia): Provides for a correction process to contributions and retirement allowances, if a retirement system determines that the compensation reported for a member by the employer was disallowed compensation.

Status: Enacted. (09/22/2024)

BOR Position: Neutral.

Taxpayer Protection and Government Accountability Act (21-0042A1): Amends the California Constitution to define all state and local levies, charges, and fees as taxes and proposes new voting requirements to approve such taxes.

Status: Removed from ballot. (06/20/2024)

BOR Position: Watch.

HR 957 (Spanberger): Enacts the “Public Safety Retirees Healthcare Protection Act of 2023” and increases the maximum amount that a public safety officer may exclude from gross income for the payment of qualified health insurance premiums from \$3,000 to \$6,000.

Status: Referred to the House Committee on Ways and Means. (02/09/2023)

BOR Position: Watch.

HR 5241 (Murphy): Expands tax-exempt governmental pension plans to include plans maintained by a tax-exempt public safety agency whose employees are emergency response providers performing firefighting services or out-of-hospital emergency medical services.

Status: Referred to the Committee on Education and the Workforce and the Committee on Ways and Means. (08/18/2024)

BOR Position: Watch.

SACRS Legislative Committee

The State Association of County Retirement Systems (SACRS) Legislative Committee continues to meet virtually, and staff participates in monthly virtual meetings of the Committee. The Committee's activities include monitoring current legislation, formulating and advocating legislative proposals, and discussing current events related to public pension plans.

CONCLUSION

Staff will continue to work with its legislative advocates and the SACRS Legislative Committee to monitor and advocate on issues relevant to LACERA.

Reviewed and Approved:



Luis Lugo, Deputy Chief Executive Officer

cc: Board of Investments
Santos H. Kreimann
Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jon Gabel
Anthony J. Roda, Williams & Jensen
Naomi Padron, MKP Government Relations



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**