LACERA.GOV

LACERA
Los Angeles County Employees Retirement Association

Annual Comprehensive Financial Report

Guided by Values | Driven by Innovation

Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2025 and 2024
Pension and OPEB Trust Funds, and OPEB Custodial Fund of the County of Los Angeles, California
Prepared by LACERA's Financial and Accounting Services Division. LACERA is a Component Unit of Los Angeles County.

Mission

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

Vision

Empowering our members to enjoy a healthy and secure retirement

Values

- Accountability
- Collaboration
- Inclusivity
- Innovation
- Integrity
- Transparency

2025 Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

Pension and OPEB Trust Funds, and OPEB Custodial Fund of the County of Los Angeles, California

Prepared by LACERA's Financial and Accounting Services Division. LACERA is a Component Unit of Los Angeles County.

LACERA has been proudly fulfilling our mission since 1938. We achieve this by collectively upholding our core values while pursuing innovative ways to meet the evolving needs of those we serve.

Santos H. Kreimann
Chief Executive Officer

Luis A. Lugo
Acting Chief Executive Officer

Laura Guglielmo
Assistant Executive Officer

JJ Popowich
Assistant Executive Officer

Jonathan Grabel
Chief Investment Officer

Jude Perez
Deputy Chief Investment Officer

Steven P. Rice
Chief Counsel

Los Angeles County
Employees Retirement
Association

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Pasadena, CA 91101
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lacera.gov

Produced by LACERA Communications Division. Contributors: LACERA Administrative Services, Benefits, Internal Audit, Investments, Legal, Retiree Healthcare, and Systems divisions.

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"Year after year, LACERA delivers on its mission of providing financial stability for our members by adhering to our core values and fostering organizational innovation. In 2025, the pension plan continued to achieve strong investment returns as a result of our diversified investment portfolio and long-term focus, with a net return of 9.7 percent for the fiscal year, and a five-year annualized net return of 9.8 percent."

— Santos H. Kreimann, Chief Executive Officer

LACERA Los Angeles County Employees Retirement Association

300 N. Lake Ave., Pasadena, CA 91101 | PO Box 7060, Pasadena, CA 91109-7060 | www.lacera.gov | 626-564-6000 • 800-786-6464

December 1, 2025

To the Members, Plan Sponsors, and Trustees, of the Los Angeles County Employees Retirement Association:

I am pleased to present the Los Angeles County Employees Retirement Association (LACERA) Annual Comprehensive Financial Report (ACFR) for the fiscal years ended June 30, 2024 and 2025. This report is intended to provide a detailed review of the association's financial, actuarial, and investment status. LACERA has the duty and authority to administer defined retirement plan benefits for the employees of Los Angeles County and outside districts. It is our mission to produce, protect, and provide the promised benefits to our members and their beneficiaries. In the course of fulfilling that mission, we provide comprehensive customer service to over 198,000 members, which includes over 76,000 benefit recipients.

LACERA and Its Services

On January 1, 1938, LACERA was established to provide retirement allowances and other benefits to the general and safety members employed by Los Angeles County, which expanded to include the Los Angeles County Superior Court and LACERA employees. Subsequently, LACERA expanded its membership program to include four other outside districts:

- Little Lake Cemetery District
- Local Agency Formation Commission for the County of Los Angeles
- Los Angeles County Office of Education
- South Coast Air Quality Management District

Since its inception, LACERA has been governed by the California Constitution, the County Employees Retirement Law of 1937 (CERL), and the regulations, procedures, and policies adopted by LACERA's Boards of Retirement and Investments. The Los Angeles County Board of Supervisors may also adopt resolutions, as permitted by the CERL, which may affect benefits of LACERA members. On September 12, 2012, California Governor Jerry Brown signed the Public Employees' Pension Reform Act of 2013 (PEPRA) into law. As of January 1, 2013, LACERA is governed by CERL and PEPRA. Both laws are contained in the California Government Code.

The Board of Retirement is responsible for the general management of LACERA. The Board of Investments is responsible for determining LACERA's investment objectives, strategies, and policies. Both Boards appoint a Chief Executive Officer, to whom is delegated the responsibility of overseeing the day-to-day management of LACERA and developing its annual administrative budget. Adoption of the budget is subject to approval by both Boards.

Financial Information

Internal Control

The financial attest audit performed by Plante Moran Certified Public Accountants (CPAs) states that LACERA's financial statements, which are prepared by management, are presented in conformity with Generally Accepted Accounting Principles and are free of material misstatement. Management acknowledges it is responsible for the entire contents of this ACFR. In the course of sustaining a rigorous and comprehensive control environment throughout its operations, LACERA practices stringent risk management activities and annually performs a detailed, organization-wide risk assessment in which control objectives and their related processes are reviewed.

Maintaining appropriate internal controls is the responsibility of management; however, management recognizes no control or combination of controls can entirely free an organization from all error or misstatement. At their best, controls provide reasonable assurance such failings do not occur. The concept of reasonable assurance recognizes that the cost of a control should not exceed benefits likely derived; the valuation of costs and benefits requires estimates and judgments by management.

LACERA management is provided additional assurance through the ongoing oversight of its Internal Audit and Quality Assurance Divisions and its Boards. The Executive Office is confident that LACERA's established controls and the interactions of those controls detect all significant occurrences and prevent noteworthy inaccuracies.

Analysis

An overview of LACERA's fiscal operations is presented in the Management's Discussion and Analysis (MD&A) preceding the financial statements. This transmittal letter, when taken into consideration with the MD&A, provides an enhanced picture of the organization's operational activities. LACERA's management is responsible for the accuracy, completeness, fair presentation of information, and all disclosures within this report.

Investment Activities

The Board of Investments adopted an Investment Policy Statement that provides a framework for the management of LACERA's investment portfolio. This statement establishes LACERA's investment policies and objectives and defines the principal duties of the Board of Investments, investment staff, investment managers, master custodian, and consultants.

A pension fund's strategic asset allocation policy, implemented in a consistent and disciplined manner, is generally recognized to have the most impact on a fund's investment performance. The asset allocation process determines a fund's optimal long-term asset class mix (target allocation), which is expected to achieve a specific set of investment objectives. LACERA's strategic asset allocation targets are long-term by design because of the Pension Plan's long-term investment horizon and the illiquidity of certain asset types.

The total Pension Plan returned 9.7 percent (net of fees), which was the same as its policy benchmark. Over the five-year period ended June 30, 2025, the total Pension Plan's annualized return was 9.8 percent (net of fees).

Actuarial Funding Status

Pursuant to provisions in the CERL, LACERA engages an independent actuarial firm to perform annual actuarial valuations. A system investigation of experience (also referred to as the experience study) is performed every three years. The

economic and demographic actuarial assumptions are updated at the time each experience study is performed. These triennial experience studies serve as the basis for changes in member contribution rates necessary to properly fund the system. LACERA also hires an independent actuarial firm to audit the results of each experience study. The latest experience study was conducted as of June 30, 2025.

LACERA is funded by member and employer contributions and investment earnings on those contributions. Normal member contributions are those required to fund a specific annuity at a specified age. Member contribution rates for members who entered LACERA membership prior to January 1, 2013, vary according to the member's plan and age at initial membership. The CERL also requires members to pay half the contributions required to fund the cost-of-living benefit, which is affected by changes in both economic and demographic assumptions.

Liabilities not funded through member contributions are the responsibility of the employer. Changes in any of the economic and demographic assumptions impact employer contribution rates. The employer is responsible for contributing to cover the cost of benefits expected to be accrued in the future and half of the cost-of-living benefit. These are called normal cost contributions. The employer is responsible also for making additional contributions to eliminate any shortfalls in funding covering liabilities that have accrued in the past, which is known as the Unfunded Actuarial Accrued Liability (UAAL).

Provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA) require equal sharing of normal costs between employers and employees. In January 2013, LACERA

established two new retirement plans—General Plan G and Safety Plan C—for members with membership dates on or after January 1, 2013. Contributions for these plans are based on a single flat-rate percentage and are structured in accordance with the required 50/50 cost-sharing. A member's age at first membership is not considered.

In December 2022, the Board of Investments kept the investment return assumption at 7.0 percent; kept the wage growth assumption and CPI assumption at 3.25 percent and 2.75 percent, respectively; and adopted an increase in life expectancies. All assumption changes were adopted effective June 30, 2022 and resulted in higher overall employer contribution rates. These assumptions will be subject to change when the next experience study is conducted in 2025.

The June 30, 2024 valuation determined the funded ratio to be 80.9 percent and recognized an Unfunded Actuarial Accrued Liability (UAAL) of $18.1 billion. The Los Angeles County contribution rate was therefore set equal to 14.7 percent of payroll for the amortization of the UAAL, plus the normal cost rate of 10.9 percent, for a calculated contribution rate of 25.6 percent of payroll.

Summary of Accomplishments for Fiscal Year 2024–25

Following are LACERA's divisional achievements and statistics for the 2024–25 fiscal year.

Administrative Services processed 319,245 pieces of mail and scanned and indexed 653,323 member documents.

Benefits Division added 3,619 new retirees for the fiscal year. They also ensured that 76,895 retirement allowances were paid on time each month. The **Benefit Protection Unit** investigated 3,773 high-risk cases, which included instances of fraud, lost contact, and elder abuse.

Communications Division provided multimedia support for key initiatives and campaigns related to the strategic plan priorities of superior member experience, investing in people, compliance and enterprise risk management, and fiscal durability. Some of the major projects completed during the year included the Service Retirement Guide redesign, New Hire Journey map and packet update, and Retiree Healthcare and Medicare enrollment video. Communications also provided technical and communications support for the transition from lacera.com to lacera.gov; conducted extensive member communications during the January wildfire emergency; and informed members via multiple platforms about changes to PEPRA final compensation calculations, the federal repeal of Social Security penalties (windfall elimination provision and government pension offset), and other important topics. The Communications Division also ramped up its social media efforts via LinkedIn, Facebook, and YouTube in preparation for a significant expansion of its platforms and outreach later in the year.

Disability Retirement Services (DRS) Division submitted 657 disability retirement applications to the Board of Retirement for adjudication. The division continues to add enhancements and functionality to LACERA's case management solution. DRS presented two comprehensive presentations at the State Association of County Retirement Systems' conference related to mental health and how to service an aging population, and continued its efforts in conducting outreach and training about the disability retirement process and compliance to County departments and staff. DRS also continues to be a departmental liaison for County departments, this year providing training to Sheriff's and Fire Departments, and the Department of Human Resources' Disability Management and Compliance Unit.

Financial and Accounting Services Division (FASD) processed 6,710 staff, trustee, and vendor payables transactions, totaling $39.8 million; 656 corporate credit card transactions totaling $1.2 million; 875 stop payment requests; 166 check inquiries; 450 ACH reversals; 884 cancellations; 658 investment account reconciliations; and wire transfers totaling $25.8 billion.

Human Resources Division established 29 eligible lists; hired 31 new team members and return retirees, decreasing the vacancy rate from 19 percent to 16 percent; and made 35 promotions. HR processed a total of 245 leaves and 30 worker's compensation cases. In April, the Employee and Organizational Development (EOD) unit launched a new learning management system, NeoGov LEARN, to streamline the training request process and make it easier for staff members to access training opportunities and track their progress. For the fiscal year, there were 4,102 staff registrations for 320 total courses, with the EOD also coordinating the following required trainings: Harassment

Prevention, Workplace Violence Prevention, Info Security, Privacy, and NeoGov LEARN.

Member Services retirement benefits specialists answered 117,033 phone inquiries and, with the addition of new team members, LACERA was able to offer more appointments for one-on-one retirement counseling sessions and conduct additional outreach to L.A. County departments. For FY 2024–2025, retirement benefits specialists provided 15,579 in-person, telephonic, and virtual appointments (up more than 67 percent from 2024); conducted 291 workshops and benefit fairs totaling 14,993 attendees (up 17 percent from 2024); and hosted 38 Retiree Healthcare webinars with 1,158 attendees. It also implemented improved statistics tracking and boasted a member satisfaction rate of 97.62 percent.

Quality Assurance and Metrics Division (QA) completed Specialist Basic Training for and successfully graduated a class of 12 new hybrid retirement benefits specialists, who joined the Member Services and Benefits Divisions in June after a year-long intensive training program. Auditors reviewed 20 pre-completion processes, with an increase in audit samples over the prior year from 6,846 to 7,350; four post-completion processes, with an increase in audit samples from 1,641 to 1,781; and eight specialist basic training processes, with an audit sample of 1,512.

QA special projects included: six ad hoc calculation accuracy reviews and 52 pay code reviews in partnership with the Legal Office for Board of Retirement approval. In coordination with Legal, Executive Office, and Member Operations Group (MOG) management, QA reviewed legal interpretations and company policies related to six operational processes, including PEPRA final average compensation (FAC) and various pension-related aspects of L.A. County payroll processing. In coordination with other MOG divisions, QA participated in cross-functional projects, such as the PEPRA FAC business rule implementation, retro-salary adjustment compliance, and the presentation of pay codes on LACERA's website. The division also reviewed worksheet updates and beta-tested new functionality in LACERA's member service software. In addition to training, audits, and special projects, QA also facilitated and collected organizational data for the annual CEM Benchmarking Report for Pension Administration.

Retiree Healthcare Division (RHC) specialists answered 58,961 calls, mailed 60,327 annual healthcare packets, and processed 7,435 enrollment forms. The RHC Division also conducted the in-person fall 2024 and spring 2025 retiree wellness program events, attended by 900 members.

The **Systems Division** made significant continuous improvements in the fiscal year by modernizing technology infrastructure and implementing automated business solutions, resulting in notable efficiency gains. Key accomplishments include the automation of death notifications processing, the redesign of benefit estimates, and the development of a comprehensive board archive solution. The division transitioned from a traditional waterfall development lifecycle to an Agile/SCRUM approach, enhancing project management processes. Additionally, Systems assisted the Human Resources Division in expanding the use of NeoGov, adopted Microsoft Playwright for automated testing, and retired several legacy systems. Notably, the Sol case management solution for the first payment process was launched in the Benefits Division and integrated with My LACERA for member access, and case management displays were implemented for the Disability Retirement Services and Disability Litigation divisions. These initiatives demonstrate a commitment to leveraging technology to streamline operations, improve collaboration, and deliver better services to members.

For the fiscal year, My LACERA registrations numbered 138,573, with a total of 636,096 visits and 277,164 retirement benefit estimates created. My LACERA member self-service statistics include: 20,647 secure messages sent; 40,682 documents uploaded; 28,087 pension verification letters generated; 12,016 amount-in-fund letters generated; 11,517 beneficiaries updated; 5,062 tax elections changed; 3,264 addresses updated; and 2,119 direct deposit accounts updated.

Awards and Recognition

For the 35th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded LACERA its Certificate of Achievement for Excellence in Financial Reporting. This award is in recognition of our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

By extension, the GFOA awarded LACERA's Financial Accounting and Services Division an Award of Financial

Reporting Achievement as the department primarily responsible for attaining the Certificate of Achievement. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

LACERA was also a recipient of the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the 27th year in a row. We received this honor for our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024.

Finally, the Public Pension Coordinating Council (PPCC) presented its Public Pension Standards Award to LACERA in recognition of compliance with professional standards for plan design and administration for the fiscal year ended June 30, 2025. LACERA is a 23-time recipient of this honor, which is judged on a retirement system's comprehensive benefits program, funding adequacy, actuarial valuation, independent audits, investments, and communications.

Acknowledgments

The preparation of this ACFR in a timely manner is made possible by the collaboration and teamwork of LACERA staff under the leadership, dedication, and support of the LACERA Boards. I am sincerely grateful to the LACERA Boards and staff, as well as all our professional service providers, who perform so diligently to ensure the successful operation and financial soundness of LACERA.

Respectfully submitted,

Santos H. Kreimann
Chief Executive Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Los Angeles County Employees Retirement Association California

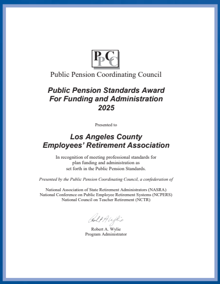
For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2024

Executive Director/CEO

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to LACERA for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the 35th consecutive year that LACERA received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized ACFR, and it must satisfy both generally accepted accounting principles and applicable legal requirements. In addition, the GFOA recognized LACERA's Financial Accounting and Services Division with an Award of Financial Reporting Achievement (AFRA) as the department primarily responsible for attaining the Certificate of Achievement.



Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2025

Presented to

Los Angeles County Employees' Retirement Association

In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Program Administrator

PPCC Award

LACERA received the Public Pension Coordinating Council's (PPCC)* Public Pension Standards 2025 Award, in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards. The Public Pension Standards are intended to reflect minimum expectations for public retirement systems management and administration, and serve as a benchmark by which all defined benefit public plans should be measured. LACERA is a 23-time recipient of this important award.

*A confederation of NASRA, NCPERS, and NCTR

Board of Retirement

Established: 1938

The Board of Retirement (BOR) is responsible for the administration of the retirement system, the retiree healthcare program, and the review and processing of disability retirement applications. The Board is composed of 12 trustees. Six trustees are elected: two by active general members; two by retired members (one trustee and one alternate trustee); and two by safety members (one trustee and one alternate trustee). Four trustees are appointed by the Los Angeles County Board of Supervisors. In addition, the law requires the County Treasurer and Tax Collector and Chief Deputy County Treasurer and Tax Collector to serve as ex-officio and acting ex-officio trustees, respectively.

Board of Investments

Established: 1971

The Board of Investments is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment management of the Fund. The Board is composed of 10 trustees. Four trustees are elected: two by active general members; one by retired members; and one by safety members. Four trustees are appointed by the Los Angeles County Board of Supervisors. In addition, the law requires the County Treasurer and Tax Collector and Chief Deputy County Treasurer and Tax Collector to serve as ex-officio and acting ex-officio trustees, respectively.

Board Responsibilities

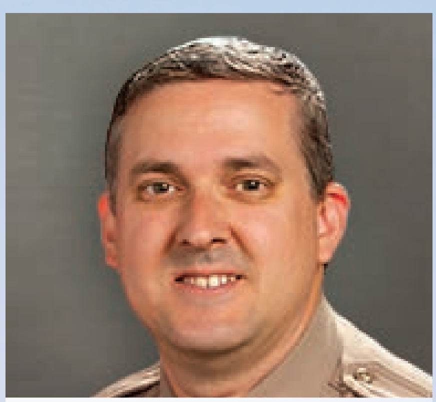
Appointment of CEO
Compensation of Personnel
Adoption of LACERA's Annual Budget
Adoption of Travel Policy

Board of Retirement

Manage LACERA
Administer retiree healthcare program
Ensure prompt delivery of benefits
Review disability retirement applications

Board of Investments

Diversify investments
Establish investment policy
Set employer and employee contribution rates
Investigate merits of investments



DEBBIE MARTIN
Board of Investments
Term Expires 2026
Elected by Retired Members

ALMA K. MARTINEZ
Board of Investments
Term Expires 2027
Appointed by Board of Supervisors

NICOLE MI
Board of Investments
Term Expires 2026
Elected by General Members

WAYNE MOORE
Board of Retirement
Term Expires 2026
Appointed by Board of Supervisors

RONALD OKUM
Vice Chair
Board of Retirement
Term Expires 2025
Appointed by Board of Supervisors

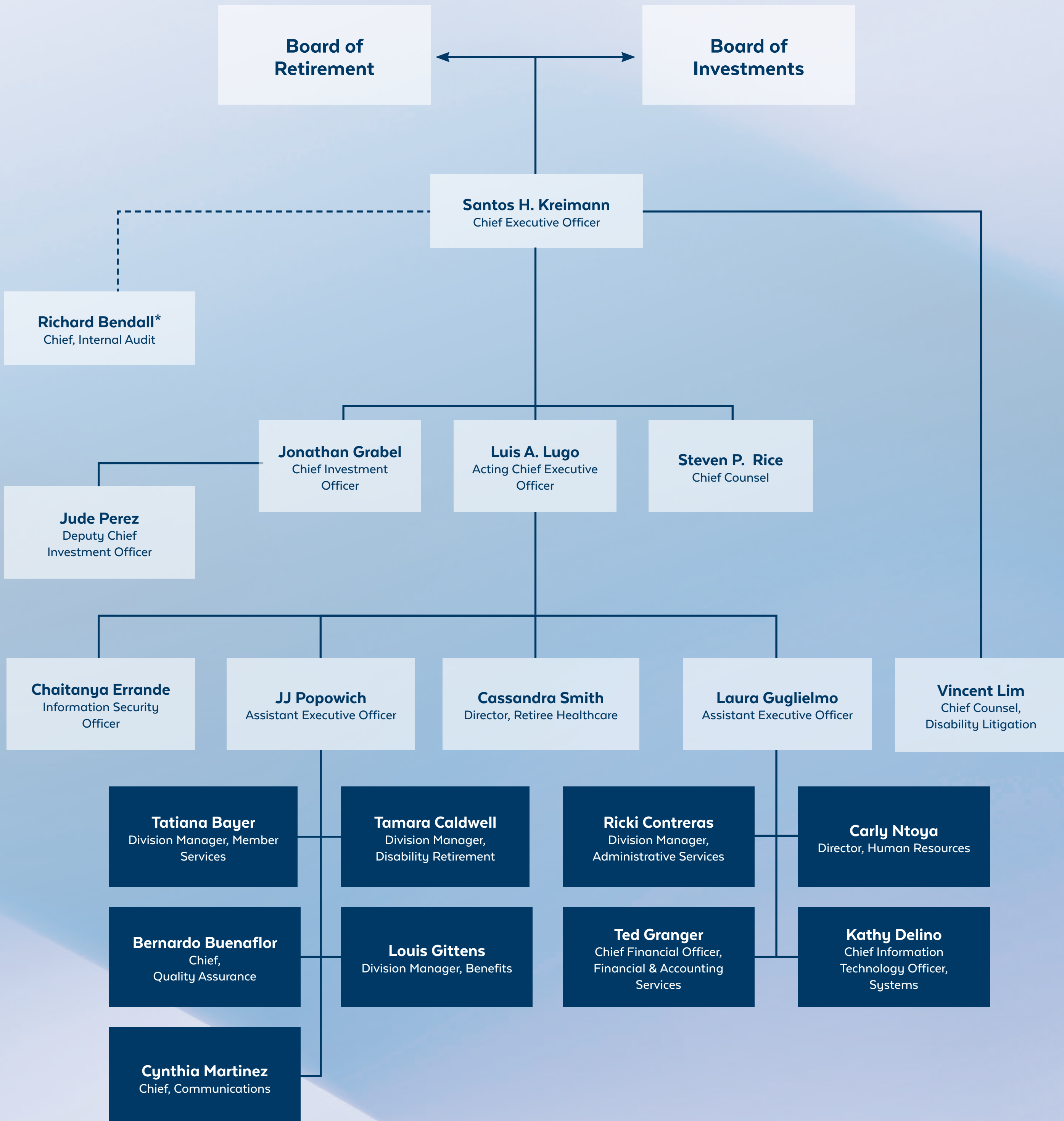
LISA PROFT
Board of Retirement
Board of Investments
Chief Deputy County Treasurer and
Tax Collector
Acting Ex-Officio Trustee*

LES ROBBINS
Chair
Board of Retirement
Term Expires 2026
Elected by Retired Members

DAVID E. RYU
Board of Retirement
Secretary
Board of Investments
Terms Expire 2026 (BOR) and
2025 (BOI)
Appointed by Board of Supervisors

When ex-officio trustee is absent

LACERA ORGANIZATIONAL CHART



*Reports functionally to the Audit Committee and administratively to the CEO

Consulting Actuary
Milliman

Reviewing Actuary
CavMac

Financial Auditor
Plante Moran

Audit, Compliance, Risk, and Ethics (ACRE) Committee Consultant
Audit & Risk Management Services, LLC

Commercial Banking and Custodian
State Street Bank and Trust Company

Active Member Payroll Data Processing
Los Angeles County Internal Services Department

Governance Consultants
Glass, Lewis & Company, LLC

Institutional Shareholder Services, Inc.

Mosaic Governance Advisors, LLC

Investment Consultants
Albourne America, LLC

Altus Group US, Inc.

Campbell Lutyens & Co., Inc.

Evercore Group, LLC

Jefferies, LLC

Kroll, LLC (US)

Meketa Investment Group

Stepstone Group, LP

Alternative Investment Fees Validation Service Provider
Mercer Investments, LLC

Mortgage Loan Custodians
Deutsche Bank National Trust Company

Retiree Healthcare Consultant and Claims Auditor
Segal Consulting

Legal Consultants
Berman Tabacco

Bernstein Litowitz Berger & Grossman, LLP

Buchalter, A Professional Corporation

Cohen Milstein Sellers & Toll, PLLC

Cox, Castle & Nicholson, LLP

Crowell & Moring, LLP

DLA Piper

Foster Garvey, PC

Glaser Weil Fink Howard Jordan & Shapiro, LLP

Goldstein & Russell, PC

Gordon Rees Scully Mansukhani, LLP

Grant & Eisenhofer

Gutierrez Preciado & House, LLP

Hitchcock Law Firm, PLLC

Kaplan & Walker, LLP

Klausner Kaufman Jensen & Levinson

Labaton Sucharow

Larson, LLP

Latham & Watkins, LLP

Lewis Brisbois Bisgaard & Smith, LLP

Liebert Cassidy Whitmore

Lieff Cabraser Heimann & Bernstein, LLP

Nossaman, LLP

Olson Remcho, LLP

Oppenheimer Investigations Group

Peterson Bradford Burkwitz Gregorio Burkwitz & Su, LLP

Pillsbury Winthrop Shaw Pittman, LLP

Quinn Emanuel Urquhart & Sullivan, LLP

Robbins Geller Rudman & Dowd, LLP

Safarian Choi & Bolstad, LLP

Seyfarth Shaw, LLP

Sheppard Mullin Richter & Hampton, LLP

Spector Roseman & Kodroff, PC

Winet Patrick Gayer Creighton & Hanes

Vivian W. Shultz

Legislative Advocates
Doucet Consulting Solutions

McHugh Koepke Padron

Williams & Jensen, PLLC

Media and Public Relations Consultant
Englander, Knabe & Allen

Please refer to pages 116-119 in the Investment Section for the Schedule of Investment Management Fees and list of investment managers.

Financial Section

plante moran

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Independent Auditor's Report

To the Board of Retirement and Board of Investments
Los Angeles County Employees Retirement Association

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Los Angeles County Employees Retirement Association (LACERA) as of and for the years ended June 30, 2025 and 2024 and the related notes to the financial statements, which collectively comprise LACERA's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LACERA as of June 30, 2025 and 2024 and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of LACERA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As explained in Note P, the financial statements include investments valued at $29,100,000,000 (32 percent of net position) at June 30, 2025 and $25,879,000,000 (31 percent of net position) at June 30, 2024, whose fair values have been estimated by management in the absence of readily determinable market values. Given that publicly listed prices are not available, management's estimates are based on alternative sources of information, including audited financial statements, unaudited interim reports, independent appraisals, and other similar sources of information to determine the fair value of investments. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LACERA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Retirement and Board of Investments
Los Angeles County Employees Retirement Association

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of LACERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LACERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Retirement and Board of Investments
Los Angeles County Employees Retirement Association

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise LACERA's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory, investment, actuarial, and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025 on our consideration of LACERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LACERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LACERA's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 15, 2025, except for the introductory section, as identified in the table of contents of our report, as to which the date is December 1, 2025

INTRODUCTION

Management is pleased to present the Management's Discussion and Analysis (MD&A) of the Los Angeles County Employees Retirement Association's (LACERA's) financial activities for the fiscal years ended June 30, 2025 and June 30, 2024. This narrative overview and analysis is intended to provide context and insight into LACERA's financial performance.

FINANCIAL HIGHLIGHTS

LACERA's financial position remained resilient throughout fiscal year 2025 despite economic fluctuations, supported by prudent investment strategies, stable contributions, and disciplined expense management. The following highlights the key financial developments across the Pension Plan and Other Post-Employment Benefits (OPEB) Program.

Pension Plan

Statement of Fiduciary Net Position

- As of June 30, 2025, LACERA's Fiduciary Net Position was $86.2 billion, which is an increase of $7.0 billion or 8.8 percent from June 30, 2024, resulting from favorable market conditions and investment portfolio performance.

Statement of Changes in Fiduciary Net Position

- Total additions to fiduciary net position were $11.9 billion, an increase of $1.9 billion, representing a 19.0 percent increase over fiscal year 2024. The increase was primarily due to higher investment income.
- Total deductions to fiduciary net position totaled $4.9 billion, an increase of $266 million or 5.7 percent from the prior year, primarily attributable to higher pension benefits payments to retired members.

Funding Valuation

- Milliman, LACERA's independent actuarial consulting firm, completed the most recent actuarial valuation as of June 30, 2024, and determined the funded status—defined as the ratio of actuarial value of assets to actuarial accrued liabilities—of the Pension Plan to be 80.9 percent versus 79.9 percent as of June 30, 2023. The 1.0 percentage point increase in funded ratio was primarily due to additional employer contributions to amortize the Unfunded Actuarial Accrued Liability (UAAL). The annual 2025 Pension Plan valuation report is not yet available.

Governmental Accounting Standards Board Statement Number 67 (GASB 67)

- The Net Pension Liability, provided in accordance with GASB 67, was $10.7 billion for the fiscal year ended June 30, 2025. This represents a decrease of $2.8 billion from June 30, 2024, when the liability was $13.5 billion. The decrease was primarily due to an increase in investment income.
- As of June 30, 2025, the most recent measurement date, the Pension Plan's Fiduciary Net Position was 88.9 percent of the Total Pension Liability, an increase from 85.4 percent as measured for the previous fiscal year ended 2024. The ratio increased due to the growth in the Pension Plan's Fiduciary Net Position outpacing the increase in the Total Pension Liability.

Other Post-Employment Benefits (OPEB) Program

OPEB Trust

- The OPEB Trust receives and invests prefunding contributions from participating employers to satisfy liabilities of the Retiree Healthcare Benefits Program (also referred to as the OPEB Program). The Fiduciary Net Position increased by $1.0 billion, primarily due to employer contributions and investment gains for the fiscal year. The balance available to fund future OPEB liabilities as of June 30, 2025 increased by 26.6 percent, totaling $5.0 billion as compared to $4.0 billion for the prior fiscal year ended June 30, 2024.

OPEB Custodial Fund

- The OPEB Custodial Fund captures the operating activity of the Retiree Healthcare Benefits Program. The fund balance as of June 30, 2025 increased to $221.4 million from $215.3 million in the prior fiscal year end. The balance increased $6.1 million or 2.8 percent, and is held on behalf of plan sponsors after funding pay-as-you-go benefit costs. Plan sponsor contributions and positive investment performance contributed to the growth.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A introduces the LACERA Basic Financial Statements, which include the following primary components: the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Notes to the Basic Financial Statements. These statements are prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), using the accrual basis of accounting as prescribed by Generally Accepted Accounting Principles of the United States (U.S. GAAP). Separate statements are provided for the Pension Plan, OPEB Trust, and OPEB Custodial Fund, each of which reports annual financial activity.

Statement of Fiduciary Net Position

This statement provides a snapshot of account balances at fiscal year-end and reflects assets available for upcoming payments to retirees and their beneficiaries, minus any current liabilities as of the report date. The Fiduciary Net Position Restricted for Benefits (Fiduciary Net Position) amount, which equals total assets minus total liabilities, represents the funds available for future benefit payments.

Statement of Changes in Fiduciary Net Position

This statement summarizes all additions and deductions that occurred during the fiscal year and their impact on Fiduciary Net Position. The additions versus deductions trend indicates the financial condition over time for the Pension Plan, OPEB Trust, and OPEB Custodial Fund, separately.

Notes to the Basic Financial Statements (Notes)

The Notes are an integral part of the financial statements and provide detailed discussions of key policies, programs, and fiscal activity that occurred during the year.

Other information to enhance LACERA's Basic Financial Statements is provided as follows:

- *Required Supplementary Information (RSI)*: presents historical trend data to satisfy GASB 67 reporting requirements and discloses historical information to support the Net Pension Liability. Additionally, it includes OPEB Trust investment returns to ensure compliance with GASB Statement Number 74 requirements under an agent plan structure.
- *Supplementary Information (SI)*: includes the schedules of Administrative Expenses, Investment Expenses, and Payments to Consultants, and is presented immediately after the RSI.

Pension Plan

Under the California Constitution, County Employees Retirement Law of 1937 (CERL), California Public Employees' Pension Reform Act of 2013 (PEPRA), Internal Revenue Code, and other applicable law, LACERA administers a tax-exempt cost-sharing multiple employer defined benefit retirement plan (Pension Plan) for eligible employees of the following agencies:

- County of Los Angeles (County)
- Superior Court of California, County of Los Angeles (Superior Court)
- Los Angeles County Employees Retirement Association (LACERA)
- Four outside districts:
  - Little Lake Cemetery District
  - Local Agency Formation Commission for the County of Los Angeles
  - Los Angeles County Office of Education
  - South Coast Air Quality Management District

The Pension Plan is presented separately in the Statement of Fiduciary Net Position as an irrevocable trust fund, which means that the assets of the fund may only be used to pay benefits and related administrative costs. LACERA collects contributions from employers and active members and invests these assets to ensure long-term funding of promised retirement benefits.

Other Post-Employment Benefits Program

Established in April 1982 pursuant to CERL, the Other Post-Employment Benefits Program (OPEB Program) offers:

- Medical and dental/vision healthcare plans for retired members and their eligible dependents
- Death/burial benefits for retired members only

LACERA administers the OPEB Program subject to the terms and conditions of the 1982 Agreement with the County. Under the California Government Code, the OPEB Program is legally distinct and separately funded from the Pension Plan. In 1994, the County amended the Agreement to ensure continuation of the OPEB Program regardless of changes to or termination of the active employee health insurance programs.

Program Tiers

In June 2014, the LACERA Board of Retirement approved the County's request to modify the Agreement, creating a new retiree healthcare benefits tier.

- Tier 1: Includes all retirees and employees hired before July 1, 2014; provides subsidies for retirees and eligible dependents
- Tier 2: Applies to employees hired on or after July 1, 2014; provides retiree-only subsidies, and Medicare eligible members are required to enroll in Medicare and a LACERA-administered Medicare healthcare plan.

Benefits

OPEB Program eligibility requires LACERA membership and retirement from the County, Superior Court, LACERA, or a participating outside district. The OPEB Program offers members the following benefits through third-party insurance carriers:

- Choice of HMO or indemnity medical plans (with some designed to work with Medicare benefits)
- Choice of two dental/vision plans

Employer Subsidy

Retirees may qualify for employer-paid medical/dental insurance subsidies ranging from 40 percent up to 100 percent of the selected plan or benchmark plan premium. LACERA bills the participating employers and members for healthcare premiums on a monthly basis, although Tier 2 excludes dependent subsidies. Program participants must pay their unsubsidized portion of the premium cost and Medicare Part B premium. The County reimburses members and/or their eligible dependents for Medicare Part B premiums up to the standard rate only.

OPEB Custodial Fund

This fund reflects the annual operating activity of the OPEB Program for all participating employers and members using a pay-as-you-go methodology to finance healthcare insurance premiums, administrative fees, and other healthcare benefits provided by the OPEB Program.

LACERA maintains two investment accounts and acts as a custodian for these excess balances from program operations, including funds held for administrative fees and insurance premium reserves. The OPEB Custodial Fund is presented separately in the Statement of Fiduciary Net Position.

OPEB Trust

Under the California Government Code, the County and the Superior Court established an irrevocable, tax-exempt OPEB Trust for the purpose of prefunding a portion of the LACERA-administered OPEB Program (or Retiree Healthcare Benefits Program) cost.

Los Angeles County

In May 2012, the County negotiated a trust and investment services agreement with the LACERA Board of Investments to manage and invest the OPEB Trust assets. The County and LACERA provide quarterly contributions, while administrative costs are deducted from the OPEB Trust.

Los Angeles County Superior Court

The Superior Court began prefunding its OPEB obligations through a Superior Court OPEB Trust effective June 30, 2016. LACERA and the Superior Court negotiated a trust and investment services agreement setting forth the terms under which the LACERA Board of Investments serves as Trustee. The Superior Court makes contributions on a discretionary basis at fiscal year-end, while administrative costs are deducted from the OPEB Trust.

OPEB Master Trust

The OPEB Master Trust is a LACERA-administered investment pool that facilitates, under a 2016 amendment to the County Trust and as permitted by the Superior Court Trust, combined assets and investment strategies for the County, Superior Court, and LACERA.

The OPEB Trust is legally distinct from the Pension Plan. LACERA's Board of Investments manages the OPEB Trust through an investment policy statement, approved by the LACERA Board of Investments, that defines goals and objectives. The OPEB Trust's Fiduciary Net Position at fiscal year-end measures the effort in prefunding future program costs and is presented separately in the OPEB Trust's Statement of Changes in Fiduciary Net Position. Pension Plan assets are used only in a limited instance when LACERA pays for post-employment costs, as an employer, for its retired employees and their eligible dependents.

FINANCIAL ANALYSIS — PENSION PLAN

Fiduciary Net Position

The Pension Plan's Fiduciary Net Position represents funds available for retirement benefits. This includes the balances of assets held by LACERA—such as investments, cash, and receivables—and liabilities, including amounts payable and due to others.

As of June 30, 2025, LACERA had Total Assets of $89.3 billion, which exceeded Total Liabilities of $3.1 billion, resulting in a Fiduciary Net Position of $86.2 billion. This amount reflects an increase of $7.0 billion or 8.8 percent from the prior year, primarily due to the appreciation of equity investment holdings and the increase in interest income from fixed income securities. As of the prior year June 30, 2024, LACERA had $82.2 billion of Total Assets, which was greater than $3.0 billion in Total Liabilities, resulting in a Fiduciary Net Position of $79.2 billion. This amount reflects an increase of $5.4 billion or 7.2 percent from the prior fiscal year 2023, primarily due to the appreciation of equity investment holdings and the increase in interest income from fixed income securities.

Fiduciary Net Position — Pension Plan

As of June 30, 2025, 2024, and 2023

(Dollars in Millions)

	2025	2024	2023	2025-2024 % Change	2024-2023 % Change
Investments	**$82,395**	$75,016	$71,461	9.8%	5.0%
Other Assets	**6,902**	7,155	4,678	(3.5)%	52.9%
Total Assets	**$89,297**	$82,171	$76,139	8.7%	7.9%
Total Liabilities	**(3,109)**	(2,969)	(2,287)	4.7%	29.8%
Fiduciary Net Position	**$86,188**	**$79,202**	**$73,852**	**8.8%**	**7.2%**

Additions and Deductions to Fiduciary Net Position

Additions

The primary sources that fund LACERA's promised pension benefits are investment earnings and contributions from employers and members. For the three fiscal years ended 2025, 2024, and 2023, Total Additions from these sources amounted to $11.9 billion, $10.0 billion, and $8.0 billion respectively. Total Additions increases in all three fiscal years were primarily due to the appreciation of equity investment holdings and the increase in interest income from fixed income securities. Over the past 29 years, 68 cents of each LACERA pension dollar have been funded by returns on investments. Employee contributions have funded 10 cents of each dollar, while employer (County) contributions have funded the remaining 22 cents.

The net investment gain for fiscal year 2025 was approximately $8.3 billion, an increase of $1.7 billion from the 2024 fiscal year, when the net investment gain was $6.6 billion. This fiscal year's time-weighted investment return of 9.7 percent (net of fees) was higher than the actuarial assumed investment earnings rate of 7.0 percent, primarily due to strong equity performance and the increase in interest earnings from fixed income securities. In fiscal year 2024, the net investment gain was $6.6 billion, $1.7 billion greater than the net investment gain of $4.9 billion in 2023. The fiscal year 2024 time-weighted investment return of 9.1 percent (net of fees) was higher than the actuarial assumed investment earnings rate of 7.0 percent, primarily due to robust performance in the global equity markets.

Contributions

To finance employer contributions that are due to LACERA, the County and the outside districts made monthly cash payments or semi-monthly contributions to coincide with the employee payroll cycle. For the fiscal years ended June 30, 2025, and 2024, the required employer contributions due to LACERA were paid in full.

Deductions

LACERA's assets are primarily used to pay promised pension benefits to members and their beneficiaries, refund contributions to terminated employees, and cover the costs to administer the Pension Plan. During the fiscal year 2025, deductions totaled $4.9 billion, an increase of $266 million or 5.7 percent from the prior fiscal year. During the fiscal year 2024, deductions totaled $4.6 billion, an increase of $243 million or 5.5 percent from the prior fiscal year, 2023. The increases in fiscal years 2025 and 2024 were due to the growing number of LACERA retirees and corresponding retirement benefit payments, including cost-of-living adjustments.

Administrative Expenses

Administrative and miscellaneous expenses increased 6.7 percent from $119 million to $127 million from the fiscal years ended June 30, 2024 to June 30, 2025. This increase was driven by the filling of previously vacant positions, which led to higher salary and employee benefit costs, along with increased spending on software and hardware during the fiscal year. Administrative and miscellaneous expenses increased 5.3 percent from $113 million to $119 million from the fiscal years ended June 30, 2023 to June 30, 2024, due to salary and employee benefit growth, occupancy of previously vacant positions, higher staff development costs such as educational and travel expenses, and higher insurance and postage fees.

Fiduciary Net Position

For the fiscal years ended June 30, 2025 and 2024, the Fiduciary Net Position had a net increase of $7.0 billion for 2025 and a net increase of $5.4 billion for 2024. These amounts represent the annual change in fund balance made available for additional investments, retirement benefit payments, and LACERA's cost of operations. The increase in Fiduciary Net Position for both fiscal years 2025 and 2024 resulted primarily from the positive performance of LACERA's investment portfolio.

Additions and Deductions in Fiduciary Net Position — Pension Plan

For the Fiscal Years Ended June 30, 2025, 2024, and 2023

(Dollars in Millions)

				2025-2024		2024-2023	
	2025	**2024**	**2023**	**$ Change**	**% Change**	**$ Change**	**% Change**
Contributions	**$3,590**	$3,370	$3,095	$220	6.5%	$275	8.9%
Net Investment Income/(Loss)	**8,299**	6,617	4,861	1,682	25.4%	1,756	36.1%
Total Additions	**$11,889**	**$9,987**	**$7,956**	**$1,902**	**19.0%**	**$2,031**	**25.5%**
Benefits and Refunds	**($4,776)**	($4,518)	($4,281)	$258	5.7%	$237	5.5%
Administrative Expenses and Miscellaneous	**(127)**	(119)	(113)	8	6.7%	6	5.3%
Total Deductions	**($4,903)**	**($4,637)**	**($4,394)**	**$266**	**5.7%**	**$243**	**5.5%**
Net Increase/(Decrease)	**$6,986**	$5,350	$3,562	$1,636	30.6%	$1,788	50.2%
Fiduciary Net Position Beginning of Year	**79,202**	73,852	70,290	5,350	7.2%	3,562	5.1%
Fiduciary Net Position End of Year	**$86,188**	**$79,202**	**$73,852**	**$6,986**	**8.8%**	**$5,350**	**7.2%**

Pension Plan Investment Structure

Meketa Investment Group (Meketa), LACERA's general investment consultant, along with Investment Office staff, reviews the existing asset allocation structure every three to five years to recommend an appropriate allocation consistent with the economic environment, considering financial model assumptions and constraints.

Functional Categories

In March 2018, the LACERA Board of Investments adopted a functional asset category framework to improve the portfolio's risk/return profile and diversification across a full market cycle, reassigning traditional asset classes into Growth, Credit, Real Assets and Inflation Hedges, and Risk Reduction and Mitigation. As part of the 2021 strategic asset allocation study, the Board approved the addition of a fifth functional category: Overlays and Hedges.

Cash Overlay

In fiscal year 2020, LACERA implemented a cash overlay program for the Pension Plan designed to further rebalance the portfolio toward its functional category strategic weights using the portfolio's excess cash. LACERA maintains a strategic allocation to cash that generates investment income while allowing it to fund member benefit payments for three months.

Strategic Asset Allocation

In fiscal year 2024, the Board approved a new strategic asset allocation and updated the Investment Policy Statement and benchmarks for the Pension Plan. The allocation maintains broad diversification aligned with LACERA's Investment Beliefs, increasing the probability of achieving the 7.0 percent actuarial return, improving the modeled net-of-fees Sharpe Ratio versus the prior policy allocation, and preserving sufficient liquidity for benefit payments and expenses. The Sharpe Ratio is a measure used in finance to evaluate the risk-adjusted return of an investment.

Pension Plan Liabilities

As GASB Statement Number 67 (GASB 67) requires, LACERA reports the Total Pension Liability and the Net Pension Liability as calculated by LACERA's actuary. The Total Pension Liability is the portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the individual entry age actuarial cost method. The Net Pension Liability is the Total Pension Liability minus the plan's fiduciary net position. These liabilities, which are the employers' responsibility, are calculated under the guidance of GASB 67 for financial statement reporting purposes.

Net Pension Liability

The actuarial valuation of retirement benefits report (funding valuation) provides information about the employers' funding of such liabilities, including the Pension Plan's required contributions and funded status. In addition, the funding valuation serves as a basis for providing the information required for accounting and reporting disclosures (under GASB standards). The Total Pension Liability as of June 30, 2025 was $96.9 billion, or an increase of 4.5 percent from the Total Pension Liability of $92.7 billion as of June 30, 2024. The Net Pension Liability as of June 30, 2025 was $10.7 billion, representing a decrease of 20.7 percent from the Net Pension Liability of $13.5 billion as of June 30, 2024. The Net Pension Liability decreased by $2.8 billion because LACERA experienced a $7.0 billion increase in the Fiduciary Net Position, while the Total Pension Liability increased at a slower rate of $4.2 billion.

GASB 67 requires the presentation of the Fiduciary Net Position as a percentage of the Total Pension Liability. For the fiscal years ended June 30, 2025 and 2024, the Fiduciary Net Position as a percentage of the Total Pension Liability is reported as 88.9 percent and 85.4 percent, respectively. The decrease for the fiscal year ended June 30, 2025 is due to the growth in the Total Pension Liability of $4.2 billion with a higher increase in LACERA's Fiduciary Net Position of $7.0 billion, compared to the liability. The Total Pension Liability increased as generally expected from year to year and is consistent with prior experience over time. Contributing factors include the cost of benefits earned over the period, interest on the Total Pension Liability, investment activity, and benefit payments.

Net Pension Liability

As of June 30, 2025, 2024, and 2023

(Dollars in Millions)

				2025-2024		2024-2023	
	2025	**2024**	**2023**	**$ Change**	**% Change**	**$ Change**	**% Change**
Total Pension Liability	**$96,927**	$92,714	$88,469	$4,213	4.5%	$4,245	4.8%
Less: Fiduciary Net Position	**86,188**	79,202	73,852	6,986	8.8%	5,350	7.2%
Net Pension Liability	**$10,739**	**$13,512**	**$14,617**	**($2,773)**	**(20.5)%**	**($1,105)**	**(7.6)%**
Fiduciary Net Position as a Percentage of Total Pension Liability	**88.9%**	**85.4%**	**83.5%**	**N/A**	**N/A**	**N/A**	**N/A**

OPEB PROGRAM FINANCIAL REPORTING

There are two financial sources provided by plan sponsor employers used to fund the OPEB Program for retiree healthcare benefits. One is the OPEB Trust, which includes contributions set aside by participating employers to prefund future benefits and pay for current administrative costs. The other is the OPEB Custodial Fund, used to pay premium costs and administrative expenses on a current and ongoing basis.

Financial Analysis — OPEB Trust

Fiduciary Net Position

The OPEB Trust's Fiduciary Net Position represents funds available to pay future post-employment health care and related benefits. It includes the balances of assets contributed by participating employers, including the County, LACERA, and the Superior Court, such as investments, cash, and receivables, together with related liabilities, including amounts payable for investment and administrative expenses.

As of June 30, 2025, the OPEB Trust reported total assets of $5.2 billion, which exceeded total liabilities of $157 million, resulting in a Fiduciary Net Position of $5.0 billion available for future benefits and related supporting costs. This represents an increase of $1.0 billion, or 26.6 percent, from the prior fiscal year, primarily due to the appreciation of equity investment holdings and higher employer contributions.

As of June 30, 2024, the OPEB Trust reported total assets of $4.1 billion and total liabilities of $108 million, resulting in a Fiduciary Net Position of $4.0 billion. This was an increase of $0.9 billion, or 28.7 percent, compared to the fiscal year ended June 30, 2023, primarily due to robust performance in the global equity markets and higher employer contributions.

Fiduciary Net Position — OPEB Trust

As of June 30, 2025, 2024, and 2023

(Dollars in Millions)

				2025-2024	2024-2023
	2025	2024	2023	% Change	% Change
Investments	$4,907	$3,880	$3,022	26.5%	28.4%
Other Assets	286	206	72	38.8%	186.1%
Total Assets	$5,193	$4,086	$3,094	27.1%	32.1%
Total Liabilities	(157)	(108)	(2)	45.4%	5,300.0%
Fiduciary Net Position	**$5,036**	**$3,978**	**$3,092**	**26.6%**	**28.7%**

Additions and Deductions to Fiduciary Net Position

Additions

Employer prefunding contributions and investment earnings are two primary sources of additions for the OPEB Trust. For fiscal years ended 2025, 2024, and 2023, total additions amounted to $1.9 billion, $1.7 billion, and $1.4 billion, respectively. Investment expenses are charged to investment earnings.

Employer contributions reported in the OPEB Trust include both prefunding amounts and pay-as-you-go adjustments, described in the Contributions Adjustment paragraph below. Reported contributions totaled $1.5 billion in 2025, $1.3 billion in 2024, and $1.2 billion in 2023. Although the pay-as-you-go amounts are not deposited into the OPEB Trust, GASB standards require that they be reported as contributions in the OPEB Trust Statement of Changes in Fiduciary Net Position.

The net investment income rose to $472 million in fiscal year 2025, compared to $368 million in fiscal year 2024 and $248 million in fiscal year 2023. This represented a 28.3 percent increase from 2024 and a 48.4 percent increase from 2023. The time-weighted rate of return on OPEB Trust investments was 11.1 percent in 2025 and 11.0 percent in 2024 (net of fees), both of which exceeded the actuarial assumed rate of 6.25 percent. These results were primarily attributable to strong performance in global equity markets.

Deductions

The primary deductions from the OPEB Trust fiduciary net position are service benefits and administrative expenses, which include the costs of LACERA employees who perform administrative activities for the OPEB Trust. Service benefits, which reflect the pay-as-you-go adjustment described in the Contributions Adjustment section, were $873 million in 2025, $797 million in 2024, and $745 million in 2023. Administrative expenses were approximately $1 million in each of the last three fiscal years. Total deductions amounted to $874 million in 2025, $798 million in 2024, and $746 million in 2023, resulting in an increase of 9.5 percent and 7.0 percent, respectively.

Contributions

Employers provided OPEB Trust prefunding contributions of $587 million for fiscal year 2025, a 13.2 percent increase from $519 million for fiscal year 2024, which represents a portion of the total contributions presented in this statement. This amount reflects only the actual prefunding contributions; reported contributions also include GASB adjustments, as described in the Contributions Adjustment paragraph below.

Contributions Adjustment

In addition to prefunding contributions, total contributions reported under GASB standards include both the actual prefunding amounts and pay-as-you-go benefit payments made by employers through the OPEB Custodial Fund. Although the pay-as-you-go amounts are not deposited into the OPEB Trust, GASB standards require that they be reported, for presentation only, as contributions in the OPEB Trust Statement of Changes in Fiduciary Net Position. Matching expenses are reported as service benefits, for presentation only, as an offset to the employers' and members' contributions to the OPEB Trust through deductions. These adjustments increased reported contributions to $1.5 billion for fiscal year 2025 and $1.3 billion for fiscal year 2024. The OPEB Custodial Fund collects these reimbursements from employers to cover retiree healthcare benefits, which are then reported as contributions in the Statement of Changes in Fiduciary Net Position of the OPEB Trust.

Additions and Deductions in Fiduciary Net Position — OPEB Trust

For the Fiscal Years Ended June 30, 2025, 2024, and 2023

(Dollars in Millions)

				2025-2024		2024-2023	
	2025	**2024**	**2023**	**$ Change**	**% Change**	**$ Change**	**% Change**
Contributions	**$1,460**	$1,316	$1,196	$144	10.9%	$120	10.0%
Net Investment Income	**472**	368	248	104	28.3%	120	48.4%
Total Additions	**$1,932**	**$1,684**	**$1,444**	**$248**	**14.7%**	**$240**	**16.6%**
Service Benefits	**($873)**	($797)	($745)	$76	9.5%	$52	7.0%
Administrative Expenses	**(1)**	(1)	(1)	—	0.0%	—	0.0%
Total Deductions	**($874)**	**($798)**	**($746)**	**$76**	**9.5%**	**$52**	**7.0%**
Net Increase	**$1,058**	$886	$698	$172	19.4%	$188	26.9%
Fiduciary Net Position at Beginning of Year	**3,978**	3,092	2,394	886	28.7%	698	29.2%
Fiduciary Net Position at End of Year	**$5,036**	**$3,978**	**$3,092**	**$1,058**	**26.6%**	**$886**	**28.7%**

OPEB Trust Investment Structure

The OPEB Trust is also referred to as the OPEB Master Trust throughout the financial statements and accommodates commingling and coinvesting of the County, LACERA, and Superior Court OPEB Trust funds. In June 2021, the LACERA Board of Investments adopted a revised asset allocation model for the OPEB Trust that included private market asset classes such as private equity, infrastructure, natural resources, illiquid credit, and real estate within the functional asset category structure. During the fiscal year ended 2023, LACERA selected an investment manager for this private market asset investment mandate. In January 2023, LACERA exercised its authority under the OPEB Trust to implement a unitized fund structure that allows for unitization of investments at the asset composite level while retaining individual net asset values for each participating employer.

Strategic Asset Allocation

During fiscal year 2024, the Board adopted a new strategic asset allocation for the OPEB Master Trust. The primary difference between the adopted strategic asset allocation and the prior version was the reduction of the Real Assets functional category to increase the weight to Risk Reduction and Mitigation category.

Information related to the OPEB Trust is included in the Financial Section's Note Q — OPEB Trust and Note N — OPEB Program, which describe program benefits, to meet financial reporting requirements.

Financial Analysis — OPEB Custodial Fund

Fiduciary Net Position

The OPEB Custodial Fund is used to pay benefit costs as incurred on an ongoing pay-as-you-go basis. As of June 30, 2025, the OPEB Custodial Fund's total assets exceeded total liabilities, resulting in a Fiduciary Net Position of $221 million. This balance, where total assets of $353 million exceeded total liabilities of $132 million, represents accumulated balances of excess healthcare premiums held in reserve and rebates due to federal program participation, both of which can be used to offset future OPEB costs. These funds are held at LACERA on behalf of the employers. At fiscal year-end June 30, 2024, the Fiduciary Net Position was $215 million as a result of total assets, reported at $334 million, exceeding total liabilities of $119 million. At fiscal year-end June 30, 2023, the Fiduciary Net Position was $206 million as a result of total assets, reported at $304 million, exceeding total liabilities of $98 million.

Fiduciary Net Position — OPEB Custodial Fund

As of June 30, 2025, 2024, and 2023

(Dollars in Thousands)

	2025	2024	2023	2025-2024 % Change	2024-2023 % Change
Investments	**$196,392**	$187,775	$181,677	4.6%	3.4%
Other Assets	**156,814**	146,123	122,927	7.3%	18.9%
Total Assets	**$353,206**	$333,898	$304,604	5.8%	9.6%
Total Liabilities	**(131,784)**	(118,577)	(98,396)	11.1%	20.5%
Fiduciary Net Position	**$221,422**	$215,321	$206,208	2.8%	4.4%

As required under GASB 84, LACERA's Statement of Changes in Fiduciary Net Position includes the financial activity of the OPEB Custodial Fund. For the fiscal years ended June 30, 2025, 2024 and 2023 total additions were $946 million, $871 million, and $820 million, and total deductions amounted to $940 million, $862 million and $806 million, respectively. This caused a $6 million and $9 million net increase in the Fiduciary Net Position over the last two fiscal years, as contributions from employers and members exceeded the total of benefit costs and administrative expenses. The net increase for fiscal year 2025 was less than the increase for fiscal year 2024 because of higher service benefit payments and reduced investment income. The OPEB Custodial Fund generated a net investment income, inclusive of miscellaneous income, of $7.5 million for the fiscal year ended June 30, 2025, $12.5 million for the fiscal year ended June 30, 2024, and $15.2 million for the fiscal year ended June 30, 2023.

Additions and Deductions in Fiduciary Net Position — OPEB Custodial Fund
For the Fiscal Years Ended June 30, 2025, 2024, and 2023
(Dollars in Thousands)

				2025-2024		2024-2023	
	2025	**2024**	**2023**	**$ Change**	**% Change**	**$ Change**	**% Change**
Contributions	**$938,469**	$858,929	$804,691	$79,540	9.3%	$54,238	6.7%
Net Investment Income	**7,507**	12,521	15,183	(5,014)	(40.0)%	(2,662)	(17.5)%
Total Additions	**$945,976**	**$871,450**	**$819,874**	**$74,526**	**8.6%**	**$51,576**	**6.3%**
Service Benefits	**($927,299)**	($847,991)	($793,711)	$79,308	9.4%	$54,280	6.8%
Administrative Expenses and Miscellaneous	**(12,576)**	(14,346)	(12,465)	(1,770)	(12.3)%	1,881	15.1%
Total Deductions	**($939,875)**	**($862,337)**	**($806,176)**	**$77,538**	**9.0%**	**$56,161**	**7.0%**
Net Increase/(Decrease)	**$6,101**	$9,113	$13,698	($3,012)	(33.1)%	($4,585)	(33.5)%
Fiduciary Net Position at Beginning of Year	**215,321**	206,208	192,510	9,113	4.4%	13,698	7.1%
Fiduciary Net Position at End of Year	**$221,422**	**$215,321**	**$206,208**	**$6,101**	**2.8%**	**$9,113**	**4.4%**

PLAN ADMINISTRATION

LACERA Membership

The following table summarizes the changes in active and retired members over the last three years. Active members increased by 1,797 or 1.5 percent as of June 30, 2025, primarily due to the County's growing workforce. The retired member population increased by 1,923 or 2.6 percent when comparing the two fiscal years ended June 30, 2025 and 2024, as a higher percentage of members retired and there were fewer retiree deaths. When contrasting the two fiscal years 2023 and 2024, active members increased by 2,630 or 2.2 percent as of June 30, 2024, while retired members increased by 1,759 or 2.4 percent as of June 30, 2023.

LACERA Membership
As of June 30, 2025, 2024, and 2023

				2025-2024		2024-2023	
	2025	**2024**	**2023**	**Difference**	**% Change**	**Difference**	**% Change**
Active Members[1]	**121,758**	119,961	117,331	1,797	1.5%	2,630	2.2%
Retired Members	**76,704**	74,781	73,022	1,923	2.6%	1,759	2.4%
Total Membership	**198,462**	**194,742**	**190,353**	**3,720**	**1.9%**	**4,389**	**2.3%**

[1]Active member counts include inactive members who are both vested and non-vested, but not yet retired.

ACTUARIAL FUNDING VALUATIONS

The actuarial funded status determines if the Fiduciary Net Position can meet the Pension Plan's future obligations. An actuarial valuation appraises the assets available for promised benefits and compares them to actuarial liabilities—the actuarial present value of all future benefits expected for each member. Annual actuarial valuations assess the Pension Plan's funded status and identify future contribution amounts needed from the employers (plan sponsors) and the employees (members) to provide all promised future benefits. Experience studies are performed every three years to review the actuarial assumptions and methods applied to the annual valuations.

Actuarial Liabilities

As of June 30, 2024, the most recent valuation, the Actuarial Accrued Liability (AAL) totaled $94.8 billion, and the actuarial value of assets was $76.7 billion, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of $18.1 billion.

Actuarial Assumptions

In December 2022, following the most recent experience and assumption study, the LACERA Board of Investments adopted to reaffirm the investment return assumption of 7.0 percent for the June 30, 2022 actuarial valuation due to capital market projections and economic forecasts. Changes to actuarial assumptions included revising merit salary increases, updating service retirement rates, and refreshing the mortality improvement scale. The June 30, 2024 actuarial valuation increased employee and employer contribution rates for the fiscal year beginning July 1, 2025, as recommended by the consulting actuary and adopted by the Board of Investments.

Funded Ratios

The funded ratio measures the funded status of the Pension Plan and is calculated by dividing the Valuation Assets by the AAL. Valuation Assets include cash, investments, and other Pension Plan assets used by the actuary for the purpose of preparing the actuarial valuation. Investment returns vary over time, causing fluctuations in Valuation Assets. As of June 30, 2024, the Pension Plan's Funded Ratio of the actuarial assets to the AAL increased to 80.9 percent from 79.9 percent as of the June 30, 2023 valuation. As determined for the July 1, 2024 OPEB valuation, the OPEB Program's Funded Ratio of the actuarial assets to the AAL increased to 16.1 percent, as compared to 13.2 percent reported in the July 1, 2023 valuation.

Pension Plan Investment Return

For the 2024 and 2023 fiscal year-end actuarial valuations, respectively, the Pension Plan investment portfolio returned 9.1 percent and 6.4 percent (both net of fees) on a time-weighted market basis, compared to the 7.0 percent investment return assumption. The annual 2025 pension valuation report is not yet available.

OPEB Trust Investment Return

The annual time-weighted rate of return on OPEB Trust investments, net of OPEB Trust investment expenses as of the fiscal years ended June 30, 2025, and 2024, were 11.1 percent, and 11.0 percent, respectively, while the investment return assumption was 6.25 percent. The County, LACERA, and the Superior Court continued to provide OPEB Trust contributions, which increased prefunding assets and offset the AAL. The annual 2025 OPEB Program valuation report is not yet available.

LACERA OPERATIONS

LACERA's mission to produce, protect, and provide promised benefits has consistently guided our decisions. The financial statements demonstrate LACERA's capability to serve members and manage the retirement system effectively, even in a dynamic environment. LACERA's financial flows and operational approaches remained consistent as the fund collected contributions from members and plan sponsors; provided counseling and retirement services to members through multiple channels; successfully managed the pension fund investment portfolio, achieving returns exceeding the actuarial investment return assumption; and delivered retirement and retiree healthcare benefits to our members without interruption. Throughout the year, LACERA's governing boards and executive team remained focused on implementing strategic plans and organizational initiatives to prepare for the future.

ACCOUNTING AND FINANCIAL REPORTING STANDARDS EFFECTIVE FOR UPCOMING FISCAL YEARS

Financial Reporting Model Improvements

In April 2024, GASB issued Statement Number 103 (GASB 103), Financial Reporting Model Improvements, to improve the effectiveness of providing information that is essential for decision-making and assessing a government's accountability while also addressing certain application issues. GASB 103 requires the MD&A provide an objective and easily readable analysis of the government's financial activities, provide results of operations in comparison with the prior year, refer users to the component unit's separately issued financial statements, remove unnecessary duplication, and include relevant explanations rather than boilerplate discussion. The requirements of this Statement are effective for LACERA's fiscal year ending June 30, 2026.

REQUESTS FOR INFORMATION

This annual comprehensive financial report is designed to provide the members, plan sponsors, LACERA Boards of Retirement and Investments, and interested third parties with a general overview of LACERA's finances and to show accountability for the funds it receives and its management of the Pension Plan and OPEB Program.

Address questions regarding this report and/or requests for additional financial information to:

Chief Financial Officer
LACERA
300 N. Lake Avenue
Pasadena, CA 91101

Respectfully submitted,

Theodore Granger

Theodore Granger
Chief Financial Officer

Statement of Fiduciary Net Position

As of June 30, 2025 and 2024

(Dollars in Thousands)

	2025			2024		
	Pension Plan	OPEB Trust	OPEB Custodial Fund	Pension Plan	OPEB Trust	OPEB Custodial Fund
ASSETS						
Cash & Short-Term Investments						
Cash and Cash Equivalents	$2,451,959	$225,887	$71,293	$3,149,007	$177,282	$64,266
Cash and Short-Term Investments on Loaned Securities	2,548,885	—	—	2,359,153	—	—
Total Cash & Short-Term Investments	**$5,000,844**	**$225,887**	**$71,293**	**$5,508,160**	**$177,282**	**$64,266**
Receivables						
Contributions Receivable	$147,386	$—	$—	$139,950	$—	$—
Accounts Receivable - Sale of Investment	298,646	22,761	5,531	154,063	12,415	7,714
Accrued Interest and Dividends	241,779	37,578	1,011	197,731	15,507	1,044
Accounts Receivable - Other	6,613	—	78,979	6,418	—	73,099
Notes Receivable - Sale of Investments	1,206,596	—	—	1,149,153	—	—
Total Receivables	**$1,901,020**	**$60,339**	**$85,521**	**$1,647,315**	**$27,922**	**$81,857**
Investments, at Fair Value						
Equity	$27,882,122	$2,515,430	$—	$29,462,196	$2,107,137	$—
Fixed Income	25,667,373	2,257,799	196,392	19,855,304	1,735,690	187,775
Private Equity	13,803,331	42,542	—	13,057,191	18,175	—
Real Estate	4,534,296	44,367	—	4,406,609	2,431	—
Hedge Funds	6,497,104	—	—	4,875,300	—	—
Real Assets	4,010,516	46,400	—	3,359,137	16,894	—
Total Investments at Fair Value	**$82,394,742**	**$4,906,538**	**$196,392**	**$75,015,737**	**$3,880,327**	**$187,775**
TOTAL ASSETS	**$89,296,606**	**$5,192,764**	**$353,206**	**$82,171,212**	**$4,085,531**	**$333,898**
LIABILITIES						
Accounts Payable - Purchase of Investments	$464,200	$91,750	$6,083	$517,077	$60,007	$7,879
Retiree Payable and Other	3,822	—	552	2,830	—	465
Accrued Expenses	30,060	562	891	30,428	986	839
Tax Withholding Payable	48,458	—	—	45,367	—	—
Obligations under Securities Lending Program	2,548,885	—	—	2,359,152	—	—
Accounts Payable - Other	13,563	64,445	124,258	14,133	46,667	109,394
TOTAL LIABILITIES	**$3,108,988**	**$156,757**	**$131,784**	**$2,968,987**	**$107,660**	**$118,577**
FIDUCIARY NET POSITION RESTRICTED FOR BENEFITS	**$86,187,618**	**$5,036,007**	**$221,422**	**$79,202,225**	**$3,977,871**	**$215,321**

The accompanying Notes to the Basic Financial Statements are an integral part of these basic financial statements.

Statement of Changes in Fiduciary Net Position

For the Fiscal Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	2025			2024		
	Pension Plan	OPEB Trust	OPEB Custodial Fund	Pension Plan	OPEB Trust	OPEB Custodial Fund
ADDITIONS						
Contributions						
Employer[1]	$2,670,874	$1,460,060	$883,203	$2,509,071	$1,316,128	$807,722
Member	919,148	—	55,266	861,042	—	51,207
Total Contributions	**$3,590,022**	**$1,460,060**	**$938,469**	$3,370,113	$1,316,128	$858,929
Investment Income						
From Investment Activities:						
Net Appreciation in Fair Value of Investments	$3,413,648	$195,527	$2,191	$2,834,757	$234,787	$2,076
Investment Income	5,027,708	285,773	11,566	3,943,479	137,210	9,275
Total Investment Activities Income	**$8,441,356**	**$481,300**	**$13,757**	$6,778,236	$371,997	$11,351
Less Expenses from Investment Activities:	($167,079)	($9,649)	($154)	($184,367)	($3,586)	($150)
Net Investment Activities Income	**$8,274,277**	**$471,651**	**$13,603**	$6,593,869	$368,411	$11,201
From Securities Lending Activities:						
Securities Lending Income	$141,680	$—	$—	$134,663	$—	$—
Less Expenses from Securities Lending Activities:						
Borrower Rebates	($121,451)	$—	$—	($114,315)	$—	$—
Management Fees	(2,266)	—	—	(2,233)	—	—
Total Expenses from Securities Lending Activities	**($123,717)**	**$—**	**$—**	($116,548)	$—	$—
Net Securities Lending Income	**$17,963**	**$—**	**$—**	$18,115	$—	$—
Total Net Investment Income	**$8,292,240**	**$471,651**	**$13,603**	$6,611,984	$368,411	$11,201
Miscellaneous	$6,770	$—	($6,096)	$5,334	$—	$1,320
TOTAL ADDITIONS	**$11,889,032**	**$1,931,711**	**$945,976**	$9,987,431	$1,684,539	$871,450
DEDUCTIONS						
Retiree Payroll	$4,730,836	$—	$—	$4,470,099	$—	$—
Service Benefits[1]	—	872,675	927,299	—	797,431	847,991
Administrative Expenses	127,185	900	12,576	118,628	1,077	11,910
Refunds	41,791	—	—	43,666	—	—
Lump Sum Death Benefits	3,483	—	—	4,372	—	—
Miscellaneous	344	—	—	327	—	2,436
TOTAL DEDUCTIONS	**$4,903,639**	**$873,575**	**$939,875**	$4,637,092	$798,508	$862,337
NET INCREASE IN FIDUCIARY NET POSITION	**$6,985,393**	**$1,058,136**	**$6,101**	$5,350,339	$886,031	$9,113
FIDUCIARY NET POSITION RESTRICTED FOR BENEFITS						
BEGINNING OF YEAR	**$79,202,225**	**$3,977,871**	**$215,321**	$73,851,886	$3,091,840	$206,208
END OF YEAR	**$86,187,618**	**$5,036,007**	**$221,422**	$79,202,225	$3,977,871	$215,321

[1]OPEB Trust Employer Contributions and Service Benefits are adjusted. Refer to Note B — Summary of Significant Accounting Policies for additional information. See Note Q for OPEB Trust prefunding contributions.

The accompanying Notes to the Basic Financial statements are an integral part of these basic financial statements.

NOTE A — Benefit Plan Descriptions

Pension Plan

The Los Angeles County Employees Retirement Association (LACERA) was established on January 1, 1938. It is governed by the California Constitution, the County Employees Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), relevant provisions of the Internal Revenue Code, and the regulations, policies, and procedures adopted by the LACERA Board of Retirement and the LACERA Board of Investments. The Los Angeles County (County) Board of Supervisors may also adopt resolutions, as permitted by CERL, which may affect the retirement benefits of LACERA members. LACERA operates as a tax-exempt, cost-sharing, multiple-employer defined benefit pension plan for Los Angeles County (County); LACERA; Superior Court of California, County of Los Angeles (Superior Court); and four outside districts: Little Lake Cemetery District, Local Agency Formation Commission for the County of Los Angeles, Los Angeles County Office of Education, and South Coast Air Quality Management District.

Retiree Healthcare Benefits Program

In April 1982, the County adopted an ordinance pursuant to CERL that created the Retiree Healthcare Benefits Program, also referred to as the Other Post-Employment Benefits Program (OPEB Program). The OPEB Program provides medical, dental, and vision insurance, including a subsidy for eligible dependents, as well as death/burial benefits for retired employees. In that same year, the County and LACERA entered into an agreement whereby LACERA would administer the program subject to the terms and conditions of the agreement. In 1994, the County amended the agreement to ensure that the OPEB Program will continue even if there are changes to or termination of the active employee health insurance programs.

In June 2014, at the County's request, the LACERA Board of Retirement approved an amendment to the agreement that created a new retiree healthcare benefits program tier to lower costs by excluding the subsidy for dependents. The Los Angeles County Retiree Healthcare Benefits Program Tier 2 was established and provides benefits for all employees hired after June 30, 2014. The existing benefits program and current membership at that time was identified as Tier 1.

In July 2018, the OPEB Program, in which the County, LACERA, Superior Court, and the outside districts participate, was restructured as an agent multiple-employer defined benefit OPEB plan. The OPEB Program description and benefit provisions are explained in Note N — OPEB Program.

Governance

The LACERA Board of Retirement (BOR) is responsible for the administration of the retirement system, review and processing of disability retirement applications, and administration of the OPEB Program, including overseeing OPEB actuarial matters. The BOR is composed of 12 trustees. Four trustees and two alternate trustees are elected by members; four trustees are appointed by the County Board of Supervisors; and the law requires the County Treasurer and Tax Collector to serve as an ex-officio trustee, with the Chief Deputy County Treasurer and Tax Collector (acting ex-officio) sitting in for the ex-officio trustee as needed. Of the six elected seats, active general members elect two trustees; retired members elect one trustee and one alternate trustee; and safety members elect one trustee and one alternate trustee.

The LACERA Board of Investments (BOI) is responsible for establishing LACERA's investment policy and objectives, deciding pension fund actuarial matters, including setting assumptions and member and employer contribution rates, setting retirement system funding policies, and exercising oversight and monitoring the investment management of the trust funds and the OPEB Trust. Under the California Constitution and CERL, the Board shall diversify fund investments so as to minimize the risk of loss and maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. The BOI is composed of 10 trustees. Four trustees are elected: Active general members elect two trustees; retired members elect one trustee; and safety members elect one trustee. Four trustees are appointed by the Los Angeles County Board of Supervisors and are required as a condition of appointment to have significant prior experience in institutional investing. In addition, the law requires the County Treasurer and Tax Collector to serve as an ex-officio trustee, with the Chief Deputy County Treasurer and Tax Collector (acting ex-officio) sitting in for the ex-officio trustee as needed. The BOR and BOI are jointly responsible for LACERA's budget, personnel classifications and salaries, and oversight of the Chief Executive Officer.

Under the California Constitution and CERL, the boards and their trustees have a fiduciary duty to perform their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, LACERA's members and their beneficiaries. The boards and the trustees also have the responsibility to minimize employer contributions and defray the reasonable expenses of administering the system. The duty to members and their beneficiaries takes precedence over any other duty, and the trustees shall act consistently with this duty of loyalty. In performing their fiduciary duty, the trustees shall act with the care, skill, prudence, and diligence that a prudent fiduciary familiar with the matters and the circumstances of each particular decision would use in the conduct of a similar enterprise with like aims.

Membership

LACERA provides retirement, disability, and death benefits to its active safety and general members and administers the plan sponsors' Retiree Healthcare Benefits (or OPEB) Program. Safety membership includes law enforcement (sheriff and district attorney investigators), firefighting, forester, and lifeguard classifications. General membership is applicable to all other occupational classifications. The retirement benefits within the pension plan are tiered based on the date of LACERA membership and other factors. Additional information regarding the benefits structure is available by contacting LACERA or visiting the lacera.gov website.

LACERA Pension Plan Membership

As of June 30, 2025 and 2024

	2025			2024		
	General	Safety	Total	General	Safety	Total
Active Members						
Vested	65,279	10,151	75,430	65,479	9,948	75,427
Non-Vested	22,333	2,026	24,359	20,810	2,463	23,273
Total Active Members	**87,612**	**12,177**	**99,789**	**86,289**	**12,411**	**98,700**
Inactive Members[1]						
Vested[2]	8,974	708	9,682	9,008	711	9,719
Non-Vested	11,433	854	12,287	10,753	789	11,542
Total Inactive Members	**20,407**	**1,562**	**21,969**	**19,761**	**1,500**	**21,261**
Total Active & Inactive Members	**108,019**	**13,739**	**121,758**	**106,050**	**13,911**	**119,961**
Retired Members						
Service	49,865	5,186	55,051	48,434	5,166	53,600
Disability	3,728	7,619	11,347	3,717	7,334	11,051
Survivors & Beneficiaries	8,155	2,151	10,306	8,020	2,110	10,130
Total Retired Members	**61,748**	**14,956**	**76,704**	**60,171**	**14,610**	**74,781**
Total Membership	**169,767**	**28,695**	**198,462**	**166,221**	**28,521**	**194,742**

[1]Inactive members are terminated/out-of-service.

[2]Inactive vested members are deferred.

PLAN FUNDING

Pension Plan

Pension plan funding is derived from three sources: realized investment earnings; employer contributions; and employee contributions, including those made by the employer on behalf of employees pursuant to Section 414(h)(2) of the Internal Revenue Code (IRC). Pension plan assets are held separate from other assets, including the distinct OPEB Trust and OPEB Custodial Fund, and are invested pursuant to policies and procedures adopted by the LACERA Board of Investments. Pension plan gross income is exempt from federal income taxation under IRC §115.

OPEB Trust

In 2012, the County and LACERA, as participating employers, established an OPEB Trust for the purpose of holding and investing assets to prefund the OPEB Program administered by LACERA for eligible retired members and eligible dependents and survivors of LACERA members. In June 2016, the Superior Court established and began making OPEB prefunding contributions to the Superior Court OPEB Trust. The assets held within the OPEB Trusts meet the criteria of qualifying trusts under Governmental Accounting Standards Board (GASB) Statement Number 74 and do not modify the OPEB Program benefits.

The County and Superior Court entered into separate trust and investment services agreements with the LACERA Board of Investments to serve as trustee with sole and exclusive authority, control over, and responsibility for directing the investment and management of the respective employers' OPEB Trust assets. The County and Superior Court OPEB Trust documentation and structure are substantively similar. The LACERA Board of Investments serves as trustee for the two OPEB Trusts, exercising similar authority for each employer's OPEB Trust assets. Gross income from all OPEB Trusts described above is exempt from federal income taxation under IRC §115. LACERA obtained letter rulings from the Internal Revenue Service to this effect.

In 2016, the County trust agreement was amended to permit the co-investment of the County and the Superior Court's trust assets. The LACERA Board of Investments approved the formation of an OPEB Master Trust to commingle funds of the County OPEB Trust and the Superior Court OPEB Trust for investment purposes only.

The LACERA Board of Investments is responsible for determining the OPEB Trust investment objectives, strategies, and policies, as well as exercising authority over the investment management of the fund. An investment policy statement defines the framework by which LACERA manages the OPEB Trust assets. The LACERA Board of Investments periodically reviews and adopts the investment policy statement, including a strategic asset allocation for investment diversification, growth optimization, and risk mitigation across the assets of the OPEB Trust. Contributions and transfers to the OPEB Trust are determined at the employers' discretion, as there are no statutory requirements for minimum contributions.

OPEB Custodial Fund

LACERA administers a health insurance and death benefits program (OPEB Program) for the County, Superior Court, LACERA, and participating outside district employers' (Plan Employers) retired employees and their dependents. Pursuant to an administrative agreement between the County, LACERA, and certain County ordinances, the County subsidizes, either in whole or in part, insurance premiums covering certain program participants who meet active service credit requirements.

LACERA maintains three primary accounts under the OPEB Custodial Fund: the OPEB Administrative Account, OPEB Premiums Account, and OPEB Reserve Account. The Plan Employers provide monthly contributions to fund current benefits and own the funds in these accounts, which LACERA reports and invests separately from Pension Plan and OPEB Trust assets. The funds held within the OPEB Custodial Fund investment accounts do not meet the definition of a qualifying OPEB Trust under GASB 74 and are not used to reduce the employers' Total OPEB Liability. External investment managers invest funds in both accounts pursuant to policies and procedures approved by the LACERA Board of Investments. In addition, investment income realized in these types of accounts maintained by government entities generally is exempt from federal income taxation under IRC §115.

OPEB Administrative Account

This account is primarily used to fund the OPEB Program's operations. Additions include the retiree healthcare administrative fee subsidies collected from the Plan Employers, administrative fees collected from OPEB Program member participants, and interest income. Deductions include the Program's administrative expenses. The OPEB Program's administrative costs are paid for by the Plan Employers and members, not from the Pension Plan's assets, except as to LACERA's share as a participating employer.

OPEB Premiums Account

This account is primarily used to fund the OPEB Program's healthcare benefits. Additions include the monthly health insurance premium subsidies collected from the Plan Employers; premium payments collected from program participants; and interest income. Deductions include premium payments made to insurance carriers.

OPEB Reserve Account

This account was established by the Board of Retirement to help stabilize health insurance premium rates over time. Annual surpluses and deficits for the various insurance plans result from the difference between premiums received and the healthcare costs incurred. The accumulated surplus is held in this account to address deficits and/or emergency premiums. Additions include rebates from insurance carriers and other income. Deductions include management fees and County-authorized payments to offset waived premium costs (insurance premium holidays) for both the County and affected program participants. In 2013, the LACERA Board of Retirement adopted a policy that established an account balance minimum target amount, which is 20 percent of the total annual premium cost by plan for indemnity medical and dental/vision plans. As of fiscal years ended June 30, 2025 and 2024, the OPEB Reserve Account balance was in compliance with the Board's policy.

OPEB Federal Program Rebates

LACERA's retiree healthcare program participates in the Retiree Drug Subsidy and Low Income Subsidy federal programs offered by the Centers for Medicare and Medicaid Services (CMS). LACERA files annual claims with CMS and receives subsidies for eligible LACERA retirees who participate in eligible Medicare insurance plans. These restricted funds are held by LACERA in accordance with federal guidelines in a zero-risk account and, at the discretion of the plan sponsor, are applied to the retiree healthcare program for the benefit of employers and program participants including the transfer of a portion of such funds to the OPEB Trust.

Benefit Provisions

Retirement benefit vesting occurs when a member accumulates five years of creditable service under contributory plans or accumulates 10 years of creditable service under the general service non-contributory plan. Depending on the retirement plan, benefits—according to applicable statutory formula—are based upon 12 or 36 months of average compensation, age at retirement, and length of service as of the retirement date. Vested members who terminate employment before retirement age are considered terminated vested (deferred) members. Service-connected disability benefits may be granted regardless of length of service. Five years of service are required for nonservice-connected disability eligibility, according to applicable statutory formula. Members of the non-contributory plan, who are covered under separate long-term disability provisions not administered by LACERA, are not eligible for disability benefits provided by LACERA. A Summary of Major Program Provisions for the Pension Plan is available upon request by contacting LACERA or visiting the LACERA website. OPEB Program provisions are explained in Note N — OPEB Program and posted on lacera.gov.

Replacement Benefit Program (RBP)

In addition to the Pension Plan, the County established the RBP pursuant to Ordinance 2010-0048 and as permitted by and in accordance with CERL Section 31899.4. For certain retired members of LACERA whose annual Pension Plan benefits exceed the limits set forth under IRC § 415, the RBP provides additional retirement benefit payments that would have otherwise been payable under the Plan except for the federal limit. For such retirees, the retirement benefit permitted by IRC § 415 is paid by LACERA under the Plan and the excess benefit payment amount is paid from the RBP. The RBP is funded solely by the County, and RBP benefits are paid from the general assets of the County. As provided by CERL Section 31899.4(a), LACERA, the Superior Court, and outside districts shall also provide a replacement benefit program if needed to not "impair the vested rights of any person," though PEPRA Section 7522.43 prohibits such plans for replacement benefits of any "new member." LACERA expects to address the RBP eligibility and funding uniformly among its participating employers.

See Note C — Pension Plan Contributions, for an explanation of the RBP's impact on County contributions.

Cost-of-Living Adjustment (COLA)

Each year, the LACERA Board of Retirement considers how the change in the cost-of-living, a measure of inflation, has affected the purchasing power of monthly retirement benefit allowances paid by LACERA. The cost-of-living is measured by the Bureau of Labor Statistics, which releases the Consumer Price Index (CPI) for all Urban Consumers in the Los Angeles-Long Beach-Anaheim area as of January 1. The difference between the current and previous year's CPI shows whether the cost of living has increased or decreased within this geographic region during the past year.

The LACERA Board of Retirement may grant an annual statutory COLA increase for monthly retirement allowances up to 3 percent for Plan A members or 2 percent for all other retired members. If the CPI has decreased, it is possible for the LACERA Board of Retirement to decrease monthly allowances; however, a decrease in allowances has never occurred. If applied, a cost-of-living decrease could not reduce a member's allowance to an amount less than the allowance received at the time of retirement.

CERL also allows the amount of any CPI cost-of-living increase in any year that exceeds the maximum annual change of 3 percent or 2 percent in retirement allowances to be accumulated and tracked. The accumulated percentage carryover is known as the COLA Accumulation which, under certain circumstances, may be applied to retirement allowances in future years when the cost of living falls below the maximum amount. LACERA members may receive more than one type of COLA, which requires Board of Retirement approval.

Statutory COLA ("April 1 COLA")

The COLA percentage adjustment is effective annually on April 1. Contributory plan members who retire prior to April 1, or eligible survivors of members who died prior to April 1, are eligible for that year's COLA. The adjustment begins with the April 30 monthly allowance. The COLA provision was added to CERL in 1966, and LACERA's first COLA was granted July 1, 1967.

Plan E COLA

Effective June 4, 2002, Plan E noncontributory 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 on and after June 4, 2002 to total service credit. The portion of the full increase not awarded may be purchased by the member.

Supplemental Targeted Adjustment for Retirees (STAR) COLA Program

In addition to statutory cost-of-living adjustments, the CERL also provides the LACERA Board of Retirement the authority to grant supplemental cost-of-living adjustments for retirement benefits. Under this program, known as the STAR Program, excess earnings held in reserve may be used to restore retirement allowances to retirees and survivors whose allowances have lost more than 80 percent of their purchasing power. Loss of purchasing power varies based on an individual retiree's plan and retirement date and is tracked through COLA Accumulation balances maintained by LACERA. When the balances exceed 20 percent, retirees and survivors are considered eligible for STAR Program benefits. STAR benefits apply to retirees in contributory plans only.

The STAR percentage increase is effective annually on January 1 at the Board of Retirement's discretion and upon approval, provided sufficient excess earnings are available in the STAR Reserve. LACERA's consulting actuary calculates the cost of awarding STAR benefits. The Board of Retirement may approve ad hoc STAR benefits that are payable only for the calendar year approved or permanent STAR benefits that become part of the member's retirement allowance for a lifetime. For ad-hoc awards, benefits are paid from the STAR Reserve directly; for the lifetime awards, funds are transferred from the STAR Reserve to the Employer Reserve to pay benefits.

NOTE B — Summary of Significant Accounting Policies

Reporting Entity

LACERA, governed by its two independent boards—the Board of Retirement and Board of Investments (Boards)—is an independent governmental entity separate and distinct from the County of Los Angeles (County) and having plenary authority and sole and exclusive fiduciary responsibility for the system's management, administration and investment of funds. Due to the nature of the relationship between LACERA and the County and pursuant to GASB Statement Number 84, Fiduciary Activities, the LACERA Pension and Other Post-Employment Benefit (OPEB) Trust Funds are considered fiduciary component units of Los Angeles County and are reported in the County's financial statements as fiduciary funds, due to the Trust Funds' reliance on County funding and their operations primarily benefiting the County. In addition, LACERA's financial statements include the OPEB Custodial Fund held by LACERA on behalf of Los Angeles County and participating employers. The OPEB Custodial Fund reports fiduciary activities not included in a qualified trust or equivalent arrangement but conducted by LACERA on behalf of the County pursuant to the 1982 Agreement, as amended.

Maintaining appropriate controls and preparing the financial statements are the responsibility of LACERA management. LACERA's Audit, Compliance, Risk, and Ethics (ACRE) Committee and the Chief Audit Executive assist the LACERA Boards in fulfilling their fiduciary oversight responsibilities for the organization's financial reporting process; values and ethics; internal controls; compliance with laws, regulations, policies, and procedures; and risk management.

Method of Reporting

LACERA follows the Generally Accepted Accounting Principles in the United States of America (U.S. GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements which guide LACERA are promulgated by the Governmental Accounting Standards Board (GASB).

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting to reflect LACERA's overall operations. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Employer and employee contributions are recognized in the period in which the contributions are due, pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each benefit plan.

OPEB Trust Fund and OPEB Custodial Fund Presentation

The OPEB Trust Fund and OPEB Custodial Fund are presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as part of the Basic Financial Statements.

OPEB Trust

OPEB Trust financial activity includes receiving prefunding contributions provided by plan sponsors either quarterly or on an annual basis. The contributions are set aside and placed in trust to earn investment income and interest, which is held and used to provide future OPEB benefits at the plan sponsors' discretion. Investment income activity is reported in the OPEB Trust. For financial statement presentation purposes, GASB standards require that pay-as-you-go employer contributions from the County, Court, and LACERA's portion of the OPEB Custodial Fund are added as additions and corresponding deductions to the OPEB Trust (per paragraphs 28a and 31 of GASB 74). Employer Contributions for the OPEB Trust reflect actual prefunding contributions to the OPEB Trust, as well as the County, Court, and LACERA's employer contributions to the OPEB Custodial Fund for pay-as-you-go costs. As a result, Service Benefits for the OPEB Trust are also adjusted to offset the amount of the County, Court, and LACERA's employer contributions to the OPEB Custodial Fund for pay-as-you-go costs. See Note Q for OPEB Trust prefunding contributions from participating employers.

OPEB Custodial Fund

The OPEB Custodial Fund captures the annual financial operating activity of the OPEB Program for all participating employers (i.e., the County, Court, and LACERA), including the outside districts. Plan sponsors and members provide monthly funding using a pay-as-you-go methodology, which LACERA uses to pay healthcare premiums including administrative fees, as well as other healthcare benefits provided by the OPEB Program. LACERA acts as a custodian for these funds on behalf of the plan sponsors and participants. Actual amounts reimbursed to LACERA in the form of contributions and paid out by LACERA as benefits are included within the OPEB Custodial Fund. Residual balances (contributions that exceed benefit payments) are reported at fiscal year-end, held on behalf of plan sponsors, and made available to fund current benefit payments in subsequent fiscal years.

Capital Assets (Including Intangible Assets)

Capital assets are items that benefit the organization for more than one fiscal year. LACERA primarily holds potential tangible capital assets within information technology (IT) systems. Due to the constant evolving IT landscape, frequent updates and enhancements occur. In recent years, LACERA has entered into agreements with external service providers, which has reduced the need to acquire and maintain significant tangible IT equipment. LACERA classifies these items as budgeted expenses, as they are immaterial to LACERA's overall financial statements. Management reviewed and considered all expenses that could be capitalized as either capital or intangible assets and determined these items to be appropriately classified as expenses for the current fiscal year.

Cash and Cash Equivalents

Cash includes deposits with various financial institutions and the County. Any non-U.S. currency holdings are translated to U.S. dollars using the exchange rates in effect on June 30, 2025 and 2024. Foreign exchange contracts held in pending status are also included in this category.

LACERA classifies fixed income securities with a maturity of 12 months or less as short-term investments.

Real Estate Separate Account Investments

LACERA's real estate investments utilize several different types of legal structures called special purpose entities (SPEs), including title holding companies (THCs) and limited liability companies (LLCs). The THCs are nonprofit corporations under §501(c)(25) and §501(c)(2) of the Internal Revenue Code (IRC). The LLCs do not have tax-exempt status, but their income is excludable from taxation under IRC §115. SPEs invest in real estate assets located throughout the United States. Under GASB Statement Number 72, Fair Value Measurement and Application, the SPEs meet GASB's definition of an investment and therefore are included in the accompanying financial statements presented as investments at fair value. For additional information, see Note J — Special Purpose Entities.

Receivables

LACERA recognizes short-term receivables as amounts expected to be collected within one year or less, while long-term receivables are amounts expected to be collected after one year. Long-term receivables may be discounted using a discount method and rate deemed most applicable to a transaction. LACERA records the long-term receivable in the period in which the transaction occurs.

Fair Value of Investments

Investments are carried at fair value. Fair values for investments are derived by various methods, as summarized in the table below. Note P — Fair Value of Investments includes additional detail regarding fair value methodology and should be referred to in conjunction with this table.

Investments	Source
Publicly Traded Securities (such as stocks and bonds) Bonds include obligations of the U.S. Treasury, U.S. agencies, non-U.S. governments, and both U.S. and non-U.S. corporations. Also included are mortgage-backed securities and asset-backed securities.	Valuations are provided by LACERA's custodian based on end-of-day prices from external pricing vendors. Non-U.S. securities may be reflected in foreign currency.
Whole Loan Mortgages	For the LACERA Member Home Loan Program, valuation is performed by LACERA using loan information provided by Onity Group Inc., the program's mortgage servicer, with fair value adjustments based on the investment returns of the Bloomberg Barclays mortgage-backed securities index.
Real Estate Equity Commingled Funds[1]	Fair value as provided by real estate fund managers, based on review of cash flow, exit capitalization rates, and market trends. Fund managers commonly subject each property to independent third-party appraisals annually. Investments under development are carried at cumulative cost until development is completed, unless a material change in value has occurred.
Real Estate: Special Purpose Entities, including Title Holding Companies and Limited Liability Companies[1]	Fair value of the investment as provided by investment managers. Each property is subject to independent third-party appraisals every year.
Real Estate Debt Investments[1]	Fair value for real estate debt investments as provided by investment managers.
Private Equity and Real Assets[1]	Fair value provided by investment managers as described below. Private investments: valued by the general partner giving consideration to financial condition and operating results of the portfolio companies, nature of investment, marketability, and other factors deemed relevant. Public investments: valued based on quoted market prices, less a discount, if appropriate, for restricted securities.

[1] These assets are reported by LACERA based on the practical expedient allowed under GAAP.
Note: The fair value hierarchy is provided in Note P — Fair Value of Investments.

Investments	Source
Public Market Equity and Fixed Income Investments Held in Institutional Commingled Fund/Partnership[1]	Fair value is typically provided by third-party fund administrator, who performs this service for the fund manager.
Derivatives	Fund managers provide valuation for over-the-counter derivatives. Currency forwards contracts are valued by the custodian bank.
Hedge Fund of Funds[1]	The valuation is carried out by the general partners of the underlying funds. Valuation of the fund of funds portfolios are provided by third-party administrators and by the general partner for the portfolios held in limited partnership vehicles.

[1]These assets are reported by LACERA based on the practical expedient allowed under GAAP.
Note: The fair value hierarchy is provided in Note P — Fair Value of Investments.

LACERA faces multiple risks, such as market, credit, foreign currency exchange, liquidity, and event risks. These can arise due to economic shifts impacting particular industries, sectors, or regions. For additional information, see Note G — Deposit and Investment Risks.

Dividend income is recorded on the ex-dividend date. Other investment income is recorded as earned on an accrual basis.

PENSION PLAN INVESTMENTS

Investment Policy Statement

The allocation of assets within the Pension Plan's investment portfolio is approved by the LACERA Board of Investments, as outlined in the Investment Policy Statement (IPS). Pension Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status of the liabilities for the benefits provided through the Pension Plan. The IPS calls for a strategic asset allocation study to be conducted no later than every three to five years.

Since 2018, the LACERA Board of Investments has adopted a restated IPS to address topics such as Legal Authority, Investment Philosophy and Strategy, Investment Process, Risk Management, Roles and Responsibilities, Asset Allocation and Benchmarks, and Delegated Authorities. In addition, the IPS includes several related policies as attachments: Corporate Governance and Stewardship Principles, Responsible Contractor Policy, Emerging Manager Policy, Placement Agent Policy, Private Equity Privatization Policy, and Procurement Policy for Investment-Related Services.

The LACERA Board of Investments and internal staff implement asset allocation targets through the use of external managers who oversee portfolios using active and passive investment strategies.

LACERA's Board of Investments has established Investment Beliefs that indicate long-term strategic allocation is expected to influence LACERA's risk and return outcomes. In March 2018, the Board of Investments approved the use of a functional framework. The categories include various asset classes that represent the risk/return characteristics of each functional area. LACERA expects the five functional categories to diversify the Fund, generate returns, and optimize growth, while mitigating downside risk, to ultimately build a portfolio that can meet LACERA's future benefit obligations.

In the following table and in the Investment Section, investment portfolio information is presented in functional asset categories. The asset allocation determines what proportion of the Fund is allocated to each functional category and underlying asset class, including target weights and allowable ranges as a percentage of the Fund. Note that LACERA's financial statements are prepared using traditional investment asset classifications (i.e., equity, fixed income, private equity).

Schedule of Target Allocation and Long-Term Expected Rate of Return

As of June 30, 2025 and 2024

Asset Class	2025 Target Allocation (Policy)	2025 Weighted Average Long-Term Expected Real Rate of Return (After Expected 2.75% Inflation Rate) (Geometric)	2024 Target Allocation (Policy)	2024 Weighted Average Long-Term Expected Real Rate of Return (After Expected 2.75% Inflation Rate) (Geometric)
Growth	**48.0%**	**6.3%**	**53.0%**	**6.1%**
Global Equity	29.0%	4.6%	32.0%	5.0%
Private Equity	17.0%	7.6%	17.0%	7.3%
Non-Core Private Real Estate	2.0%	6.1%	4.0%	5.9%
Credit	**13.0%**	**3.7%**	**11.0%**	**3.1%**
Real Assets and Inflation Hedges	**15.0%**	**4.1%**	**17.0%**	**3.9%**
Core Private Real Estate	5.0%	3.4%	6.0%	2.5%
Natural Resources and Commodities	3.0%	6.3%	3.0%	4.0%
Infrastructure	4.0%	5.0%	5.0%	4.5%
TIPS	3.0%	1.9%	3.0%	0.7%
Risk Reduction and Mitigation	**24.0%**	**1.5%**	**19.0%**	**1.1%**
Investment Grade Bonds	13.0%	2.2%	7.0%	1.0%
Diversified Hedge Funds	8.0%	3.4%	6.0%	2.0%
Long-Term Government Bonds	2.0%	2.2%	5.0%	0.8%
Cash Equivalents	1.0%	0.1%	1.0%	(0.5)%

Target Allocation

LACERA's Board of Investments adopts asset allocation targets to provide for asset diversification in an effort to meet LACERA's actuarial assumed rate of return, consistent with market conditions and risk control. Per the Investment Policy Statement, a comprehensive asset allocation study is conducted every three to five years or at the Board's request. The Board approved the current functional asset class allocation structure as a result of the asset allocation study completed in 2018 by Meketa, LACERA's investment consultant. The most recent strategic asset allocation study was completed in 2024 and approved by the Board.

Weighted Average Long-Term Expected Real Rate of Return

The long-term expected real rate of return on Pension Plan investments is based on inflation expectations and nominal return expectations developed by Meketa for each asset class. For the total portfolio and functional categories (i.e., growth, credit) investment returns are calculated using target weights and estimates for expected return, volatility, and correlations for each asset class, adjusted for the return period. Nominal expected returns for each asset class are converted to real expected returns by adjusting them for inflation, using a base inflation rate assumption of 2.75 percent.

A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding of a given time period, and the impact of volatility and correlations to the portfolio.

GASB Discount Rate

GASB Statement Number 67 requires determination of whether the Pension Plan's Fiduciary Net Position is projected to be sufficient to make projected benefit payments. The discount rate used to measure the Total Pension Liability was 7.15 percent. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.00 percent, net of all expenses, increased by 0.15 percent, gross of administrative expenses.

The valuation assumption for the long-term expected return is reassessed in detail at the triennial investigation of experience and is set based on a long-term time horizon; the most recent analysis was completed in January 2023. See Milliman's Investigation of Experience for Retirement Benefit Assumptions report for the period July 1, 2019 to June 30, 2022 for more details. The consulting actuary's internal investment consultants review the long-term expected return assumption annually for continued compliance with the relevant actuarial standards of practice. As part of this assessment, Milliman compares the assumption with the 20-year expected geometric return determined by LACERA's investment consultant, Meketa, and other measures of expected long-term returns.

The projection of cash flows used to determine the discount rate assumed that Pension Plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be sufficient to pay projected benefit payments in all future years. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Money-Weighted Rate of Return

The annual money-weighted rates of return on Pension Plan investments, net of investment expenses as of the fiscal years ended June 30, 2025 and 2024, were 9.7 percent and 9.1 percent, respectively. The money-weighted rate of return is a measure of the performance of an investment calculated by finding the rate of return that will set the present values of all cash flows equal to the value of the initial investment. This method is equivalent to the internal rate of return. Historical returns are presented in the Schedule of Investment Returns — Pension Plan in the Required Supplementary Information (RSI) Section.

Time-Weighted Rate of Return

The annual time-weighted rates of return on Pension Plan investments, net of investment expenses as of the fiscal years ended June 30, 2025 and 2024, were 9.7 percent and 9.1 percent, respectively. The time-weighted rate of return is a measure of the compound growth rate in a portfolio. This measure is often used to compare the performance of investment managers because it eliminates the distorting effects on growth rates created by inflows and outflows of money. The time-weighted return divides the return on an investment portfolio into separate intervals based on whether money was added or withdrawn from the fund. Historical returns are presented in the Investments Results Based on Fair Value — Pension Plan in the Investment Section.

Use of Estimates

The preparation of LACERA's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes to the financial statements. Actual results may differ from these estimates.

Compensated Absences

Effective fiscal year ended June 30, 2025, LACERA implemented GASB Statement Number 101 (GASB 101), Compensated Absences. This statement establishes a unified model for recognizing and measuring liabilities associated with employee leave benefits, including vacation, sick leave, paid time off (PTO), and other compensated absences when:

- Leave is attributable to services already rendered,
- Leave accumulates and carries forward to future periods, and
- It is more likely than not that the leave will be used or paid in cash/noncash settlement.

Compensated absences exclude parental, military, and jury duty leave, which are all recognized only when the leave commences. Liabilities are measured using the employee's pay rate as of the financial statement date, including salary-related payments directly associated (e.g., employer share of Social Security or Medicare taxes) and incrementally associated (e.g., defined contribution or cafeteria plan payments if triggered by leave payout) with the leave.

LACERA recognized a net increase of $465,000 in compensated absences liabilities during the fiscal year ended June 30, 2025. The total liability for compensated absences as of June 30, 2025 and 2024 were $7.5 million and $7.0 million, respectively, of which $4.7 million and $4.4 million are classified as long-term.

Certain Risk Disclosures

Effective fiscal year ended June 30, 2025, LACERA adopted and implemented GASB Statement Number 102 (GASB 102), Certain Risk Disclosures. This statement provides users of governmental financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that limit its ability to acquire resources or control spending. Under GASB 102, disclosure is required when all of the following criteria are met:

- The concentration or constraint is known prior to the issuance of the financial statements,
- It exposes the reporting entity to the risk of a substantial impact—defined as greater than material, and
- An associated event has occurred, begun to occur, or is more likely than not to occur within 12 months of the financial statement issuance date.

Under GASB 102, a concentration is a lack of diversity related to an aspect of significant inflow or outflow of resources. A constraint denotes a limitation imposed by an external party or by formal action of a government's highest level of authority. LACERA management evaluated the requirements of GASB 102 and determined there was no additional information that met the criteria for disclosure.

UPCOMING GASB PRONOUNCEMENTS

Financial Reporting Model Improvements

In April 2024, GASB issued Statement Number 103 (GASB 103), Financial Reporting Model Improvements, to improve the effectiveness of providing information that is essential for decision-making and assessing a government's accountability while also addressing certain application issues. This statement establishes or modifies accounting and financial reporting requirements included in Management's Discussion and Analysis (MD&A), unusual or infrequent items, budgetary comparison information, and financial trends information in the Statistical Section, among other requirements. GASB 103 requires the MD&A to provide an objective and easily readable analysis of the government's financial activities, provide results of operations in comparison with the prior year, refer users to the component unit's separately issued financial statements, remove unnecessary duplication, and include relevant explanations rather than boilerplate discussion. The requirements of this statement are effective for LACERA's fiscal year ending June 30, 2026.

NOTE C — Pension Plan Contributions

Funding Policy

In December 2009, the LACERA Board of Investments adopted a Retirement Benefit Funding Policy (Funding Policy) to establish a funding goal, provide benefit security for LACERA members, and maintain stable employer contribution rates at the lowest practicable level. In addition, the Funding Policy provided guidance for performing interest crediting on reserve accounts and direction to the actuary in performing the plan's retirement benefit actuarial valuation. The Funding Policy was amended in February 2013 to conform to the new standards mandated in the California Public Employees' Pension Reform Act of 2013 (PEPRA), which restricted the ability to reduce employer contribution rates and redefined excess earning requirements. The Funding Policy required actuarial valuations to be performed annually to measure the plan's funding progress and to determine employer and employee contribution rates.

The Funding Policy was superseded and renamed the Actuarial Funding Policy, with the interest crediting process separated into a new standalone Interest Crediting Policy. The Actuarial Funding Policy clarifies the Board's funding objectives by defining key principles, actuarial processes and procedures, policy terminology, and discretionary benefits. The policies were presented to the Board of Investments and adopted in October 2024. The Board of Investments will review and consider updates to these policies on a triennial basis to coincide with the experience study.

Member and Employer Contribution Rates

Members and employers contribute to LACERA based on unisex rates recommended by an independent actuarial consulting firm and adopted by the LACERA Board of Investments and thereafter by the Los Angeles County Board of Supervisors. Member and employer contributions received from the outside districts constitute part of LACERA's Pension Plan as a whole.

Participating employers are required to contribute the remaining amounts necessary to finance their employees' (members') pension benefits through monthly or annual prefunded contributions at actuarially determined rates. Rates for contributory plan members who entered the Pension Plan prior to January 1, 2013 are based upon plan entry age and plan-specific enrollment. The PEPRA-mandated retirement plan contributions for new members who enter the system on and after January 1, 2013 are based on a single flat-rate percentage that varies by member class (general or safety) and are structured in accordance with the required 50/50 normal cost-sharing between the employer and the member.

Both member rate methodologies are actuarially designed for the members, as a group, to make contributions into the Pension Plan, which when combined with employer contributions and investment earnings, provide sufficient funding for their retirement benefits. As a result of collective bargaining, actual member contribution rates for various plan types are controlled through these agreements and through additional employer contributions (for some contributory plans), known as the surcharge amount, which is subject to change each year. As required by GASB Statement Number 82, member contributions paid by the employer under these agreements are reported as member contribution amounts.

Contributory plan members are required to contribute between approximately 6 percent and 18 percent of their annual covered salary. On April 8, 2025, the Los Angeles County Board of Supervisors adopted new member contribution rates for PEPRA retirement plans, effective July 1, 2025. Contribution rates for legacy plans are updated when certain assumptions change, which typically occurs during the triennial experience study, with the most recent one completed for June 30, 2022, changing the contribution rates beginning July 1, 2023.

The employer contribution rate is composed of a share of the normal cost and the UAAL amortization payment. The normal cost is the portion of the actuarial present value of retirement benefits attributable to a valuation year. The UAAL amortization payment reduces the funding shortfall related to liabilities accrued in the past that are not provided for by future normal costs.

The employer normal cost rate from the latest actuarial valuation as of June 30, 2024 slightly decreased from 11.01 percent to 10.88 percent, and the employers' required contribution rate to finance the UAAL decreased from 14.87 percent to 14.73 percent. 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. In addition, all existing amortization layers were set to be amortized over a maximum 22-year period and now have a period of 17 years or less, so they are fully amortized no later than 2042.

At its February 2025 meeting, the Board of Investments adopted a decrease of 0.27 percent in the total employer contribution rate beginning July 1, 2025, as compared to the previous valuation as of June 30, 2023 (from 25.88 percent to 25.61 percent). Per the County Employees Retirement Law (CERL), the decrease is effective within 90 days after fiscal year-end, between July 1 and September 29 each year. Los Angeles County implemented the new employer contribution rates for fiscal year 2025–2026 effective with the July 1st payroll cycle. The decrease was primarily caused by the recognition of investment gains 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.

Contribution Payments

For the fiscal years ended June 30, 2025 and 2024, Los Angeles County, including the Superior Court and LACERA, paid their employer contributions and withholding of employee pension plan contributions due to LACERA in the form of semi-monthly cash payments consistent with the employee payroll cycle. The remaining outside districts with active members—the Local Agency Formation Commission of the County of Los Angeles (LAFCO) and Little Lake Cemetery District (LLCD)—paid pension plan contributions due to LACERA in the form of monthly cash payments. For the fiscal years ended June 30, 2025 and 2024, employer contributions totaled $2.7 billion and $2.5 billion, and member contributions totaled $919 million and $861 million, respectively.

Replacement Benefit Program Offset

The County contributions to the Pension Plan are reduced by the exact dollar amount that it paid in benefits under the Replacement Benefit Program (RBP) each year, as permitted by CERL Section 31899.4, subdivision (d). Milliman reviewed this contribution offsetting method and determined there to be appropriate pension plan funding from an actuarial perspective. In preparing the annual actuarial valuation, Milliman takes into account both the benefits paid by LACERA and the RBP benefits paid by the County in calculating both the employer contribution normal cost rates and the Unfunded Actuarial Accrued Liability (UAAL); therefore, the employer contribution rates calculated in the valuation include the cost of RBP benefits. In Milliman's opinion, due to this valuation approach, the contribution offset by the County results in providing the normal cost and UAAL funding necessary to support all benefits that LACERA is anticipated to pay.

For the fiscal year ended June 30, 2025, the County offset contributions in the amount of $2.6 million to fund the RBP and $2.5 million for the fiscal year ended June 30, 2024. These adjustments both represent 0.10% of the $2.7 billion employer contribution for FY 2024-2025 and the $2.5 billion employer contribution for FY 2023-2024.

See Note A — Benefit Plan Descriptions for additional information regarding RBP benefits.

Pension Plan Contributions

For the Fiscal Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Employers		
Los Angeles County[1]	$2,571,141	$2,410,853
Superior Court	99,510	98,006
Local Agency Formation Commission for the County of Los Angeles	211	200
Little Lake Cemetery District	12	12
South Coast Air Quality Management District[2]	—	—
Los Angeles County Office of Education[3]	—	—
Total Employer Contributions	**$2,670,874**	**$2,509,071**
Member Contributions[4]	$919,148	$861,042
Total Contributions	**$3,590,022**	**$3,370,113**

[1]Los Angeles County includes LACERA as a Pension Plan employer (plan sponsor) and LACERA active member contributions. LACERA pays employer contributions from its administrative budget, funded by Pension Plan investment earnings.

[2]South Coast Air Quality Management District has no active members contributing to the Pension Plan for the fiscal years ended 2025 and 2024.

[3]Los Angeles County Office of Education has no active members contributing to the Pension Plan for the fiscal years ended 2025 and 2024.

[4]In accordance with GASB Statement Number 82, payments made by an employer to satisfy member contribution requirements are classified as member contributions. These payments amounted to $35.2 million and $36.3 million for the fiscal years ended 2025 and 2024, respectively.

NOTE D — Pension Plan Reserves

LACERA maintains Pension Plan reserve accounts within its financial records for various operating purposes in accordance with its reserves accounting policies. Reserves are derived from member and employer contributions and the accumulation of realized investment income after satisfying investment and administrative expenses. With the exception of the reserves required by CERL, reserves are not mandated or recognized under Generally Accepted Accounting Principles (GAAP). Reserves are an accounting method used for dividing pension plan assets into groups that are identified as attributable or non-attributable to the actuarial funded status of the plan, as determined by the actuarial valuation, to meet future benefit obligations. Although the sum of these reserves and unrealized earnings equals the Fiduciary Net Position Restricted for Benefits (Fiduciary Net Position), the balances contained in the reserves impact the plan's funded status after reductions for non-valuation reserves (i.e., the Contingency and STAR reserves). Reserves are presented in the Notes to the Basic Financial Statements.

During the fiscal year 2024-2025, the Board of Investments adopted two new policies:

- The Actuarial Funding Policy (AFP), which updates the 2009 Funding Policy to reflect current legal interpretations and actuarial practices by establishing a principles-based framework to guide funding objectives, define targets, set actuarial processes, clarify procedures, and discuss discretionary benefits when earnings exceed the funding goal.
- Interest Crediting Policy (ICP) which was separated from the AFP to improve clarity and accounting documentation. It introduces the concept of Available Earnings, sets the interest crediting rate for the Member Reserve account, and mandates funding of the Contingency Reserve at 1.0 percent of the Fiduciary Net Position of the Pension Plan for each crediting cycle. It creates a new Undistributed Earnings Reserve to post any remaining earnings after all other priorities have been satisfied or deficiencies are addressed.

PENSION PLAN

LACERA's major classes of Pension Plan reserves are classified as either Valuation Reserves or Non-Valuation Reserves. Valuation Reserves are used to determine employer and employee contribution rates. Non-Valuation Reserves include the STAR Reserve and Contingency Reserve, which were set aside for discretionary benefits and contingencies to be funded outside of the actuarially determined contribution rate.

Valuation Reserves

Member Reserve

The Member Reserve reflects the balance of member contributions. Additions to this reserve are from member contributions and related earnings. Deductions include annuity payments to retirees, contribution refunds to members, and related expenses.

Employer Reserve

The Employer Reserve represents the balance of employer contributions for future retirement payments to current active members. Additions include contributions from employers and related earnings. Deductions consist of annuity payments to retired members, disability retirement benefits, and death benefits.

Undistributed Earnings Reserve

The Undistributed Earnings Reserve represents the accumulation of available earnings not yet allocated to any other 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 AFP.

Pension Plan Reserves

As of June 30, 2025 and 2024

(Dollars in Thousands)

	2025	2024
Valuation Reserves		
Member Reserve	$29,487,523	$28,180,342
Employer Reserve	35,178,912	33,774,629
Undistributed Earnings Reserve	—	—
Total Valuation Reserves	**$64,666,435**	**$61,954,971**
Non-Valuation Reserves		
Contingency Reserve	$861,876	$—
STAR Reserve	607,036	608,631
Total Non-Valuation Reserves	**$1,468,912**	**$608,631**
Total Reserves at Book Value	**$66,135,347**	**$62,563,602**
Unrealized Investment Portfolio Appreciation	$20,052,271	$16,638,623
Total Reserves at Fair Value[1]	**$86,187,618**	**$79,202,225**

[1]Total Reserves at Fair Value equals the Fiduciary Net Position as presented in the Basic Financial Statements.

Non-Valuation Reserves

Contingency Reserve

The Contingency Reserve represents reserves accumulated for future earning deficiencies, investment losses, and other contingencies. The Contingency Reserve is statutorily defined and set at 1.0 percent of the Fiduciary Net Position to offset deficiencies in interest earnings in other years, losses on investments, and other contingencies and purposes permitted under CERL. For the fiscal year ended June 30, 2024, the net investment realized earnings were applied as interest credits to the Reserve accounts, leaving no available balances in the Contingency Reserve. For the fiscal year ended June 30, 2025, the Contingency Reserve balance amounted to $862 million.

Supplemental Targeted Adjustment for Retirees (STAR) Reserve

The STAR Reserve represents the balance available to fund future STAR Program benefit increases. During the fiscal years ended 1995 through 1999, 25 percent of excess earnings were credited to the STAR Reserve pursuant to the 1994 Retirement System Funding Agreement between LACERA and the County. Additions included transfers from the Contingency Reserve. Deductions are STAR Program payments to retirees and funding for permanent STAR benefits.

The STAR Program has received $1.523 billion in funding from its inception in 1990 to the present. Ad hoc STAR Program costs from 1990 through 2001 reduced the STAR Reserve by $556 million. Subsequently, except for program year 2005, the LACERA Board of Retirement (BOR) made permanent the 2001 through 2009 and 2023 through 2025 STAR benefits totaling $360 million, which was transferred to the Employer Reserve to invest and pay for permanent STAR benefits awarded. As of June 30, 2025, there is $607 million remaining in the STAR Reserve to fund future STAR Program benefits.

The following chart summarizes the STAR COLA Award history. Please note that not all retirees in all plans receive a STAR COLA award each year; STAR COLA awards are only eligible to retirees where the COLA Accumulation account exceeds a 20 percent balance. Since its inception, the Board of Retirement has granted and funded STAR COLA Program awards as they became available each year.

STAR COLA Awards

Program Year	Eligibility for STAR	Maximum Level	BOR Awarded	Permanent Award[1]	Program Cost (Dollars in Thousands)
1990-2001	Yes	75%	Yes	Yes	$556,399
2001-2004	Yes	80%	Yes	Yes	310,173
2005	No	80%	N/A	N/A	—
2006-2009	Yes	80%	Yes	Yes	42,591
2010-2022	No	80%	N/A	N/A	—
2023	Yes	80%	Yes	Yes	2,467
2024	Yes	80%	Yes	Yes	2,913
2025	Yes	80%	Yes	Yes	$1,595

[1]Beginning in 2001, all prior STAR COLA awards became permanent prospectively.

NOTE E — Pension Plan Liabilities

The County Employees Retirement Law of 1937 (CERL) requires an actuarial valuation to be performed at least every three years for the purpose of measuring the Pension Plan's funding progress and setting employer and employee contribution rates. LACERA exceeds this requirement by engaging an independent actuarial consulting firm to perform an actuarial valuation annually. Employer contribution rates and employee contribution rates for new retirement plans established under the California Public Employees' Pension Reform Act of 2013 (PEPRA) may be updated each year as a result of the valuation.

LACERA engages an independent actuarial consulting firm to perform an investigation of experience (experience study) at least every three years, in alignment with CERL and actuarial best practices. The study evaluates economic and demographic assumptions, which are reviewed and updated as deemed necessary for use in annual valuations. The experience study and corresponding annual valuation are the basis for changes in annual employer and employee contribution rates for both legacy and PEPRA retirement plans, to ensure the Pension Plan receives proper funding.

Upon completing the 2022 triennial experience study, LACERA's consulting actuary made recommendations, and the Board of Investments adopted the assumptions that have been used beginning with the June 30, 2022 actuarial valuation. Certain assumptions from prior experience studies were reaffirmed and carried forward, while other assumptions where changed. For financial reporting purposes, LACERA and its consulting actuary review these assumptions annually to ensure they represent appropriate plan assumptions under U.S. GAAP and actuarial standards. Actuarial information reported in this footnote disclosure is based upon the actuarial valuation report to comply with GASB Statement Number 67 (GASB 67). For additional information regarding the actuarial funding valuation, refer to the Actuarial Section.

Actuarial Assumptions

Actuarial valuations of a perpetual benefits plan involve assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, cost trends, assumed rate of investment return, inflation, and other demographic and economic changes over time. Actuarially determined assumptions are subject to continual review or modification as actual experience is compared with past expectations, and new estimates are made about the future. Benefit projections for financial reporting purposes are based on the adopted assumptions, actual Pension Plan demographics, and include the types of benefits provided at the time of each valuation.

The following actuarial assumptions were used in accordance with the requirements of GASB 67. The actuarial funding valuation serves as a basis for the GASB 67 financial reporting information. All actuarial methods and assumptions used for this GASB analysis were the same as those used for the June 30, 2024 funding valuation, except where differences are noted. Key actuarial methods and significant assumptions used to calculate the Total Pension Liability are summarized below.

Actuarial Methods and Significant Assumptions

Method/Assumption	Description
Actuarial Cost Method	Individual entry age.
Discount Rate	7.15 percent, net of Pension Plan investment expense, including inflation and addition of 0.15 percent administrative expense load. The 7.00 percent rate (net of all expenses) was adopted beginning with the June 30, 2019 valuation and reaffirmed in the 2022 triennial experience study.
Price Inflation	2.75 percent annual rate. This rate was adopted beginning with the June 30, 2016 valuation and reaffirmed in the 2022 triennial experience study.
General Wage Growth and Projected Salary Increases	General wage growth: 3.25 percent. This rate was adopted beginning with the June 30, 2016 valuation. The rate was reaffirmed in the 2022 triennial experience study. Projected salary increases: 3.66 percent to 12.54 percent. Projected salary increases include both general wage growth and merit and longevity increases. Merit and longevity increases vary based on class of membership (general or safety) and length of service. Current merit and longevity increase assumptions were adopted beginning with the June 30, 2022 valuation.

Actuarial Methods and Significant Assumptions

Method/Assumption	Description
Cost-of-Living Adjustments	Post-retirement COLA (cost-of-living adjustment) benefit increases of either 2.75 percent (adjusted to 3 percent if appropriate for COLA accumulation banks) or 2 percent per year (a pro-rata portion for Plan E) are assumed. This rate was adopted beginning with the June 30, 2016 valuation. The rate was reaffirmed in the 2022 triennial experience study. For the Total Pension Liability, STAR (supplemental cost-of-living adjustments) benefits are assumed to be substantively automatic at the 80 percent purchasing power level until the STAR Reserve is projected to be insufficient to pay further STAR benefits. This roll-forward calculation includes a future liability for STAR benefits. See Note A — Benefit Plan Description for additional COLA and STAR information.
Mortality	Various rates based on the Pub-2010 mortality tables and using the MP-2021 Ultimate Projection Scale for expected future mortality improvement. This assumption was adopted with the June 30, 2022 valuation.

Other Key Assumptions

Other key actuarial assumptions used to calculate the Total Pension Liability as of the June 30, 2025 and 2024 measurement dates are the same as those used to prepare actuarial funding valuations for June 30, 2024 and 2023, respectively.

Net Pension Liability

GASB 67 requires public pension plans to provide the calculation of the Net Pension Liability. The Net Pension Liability is measured as the Total Pension Liability less the amount of the Pension Plan's Fiduciary Net Position. For the Schedule of Net Pension Liability and Related Ratios and the Schedule of Changes in Net Pension Liability and Related Ratios, see the Required Supplementary Information (RSI) Section.

The Net Pension Liability is an accounting measurement for financial statement reporting purposes. The funded status of the Pension Plan is calculated separately by the consulting actuary and the results, along with other funding metrics, are included in the actuarial funding valuation report. The Net Pension Liability amounts at fiscal year-end June 30, 2025 and 2024 for the Pension Plan were as shown in the table below.

Schedule of Net Pension Liability

For the Fiscal Years Ended June 30, 2025 and 2024

(Dollars in Thousands)

	2025	2024
Total Pension Liability	$96,927,319	$92,713,809
Less: Fiduciary Net Position	(86,187,618)	(79,202,225)
Net Pension Liability	**$10,739,701**	**$13,511,584**
Fiduciary Net Position as a Percentage of Total Pension Liability	88.92%	85.43%

The Total Pension Liability increased primarily due to the regular operations of LACERA, which include Service Cost increases and interest on the Total Pension Liability, minus benefit payments. The Net Pension Liability decreased primarily due to an increase in contributions received and higher than expected investment returns, which resulted in a higher Fiduciary Net Position, offsetting the Total Pension Liability for the fiscal year ended June 30, 2025.

GASB Discount Rate

Milliman's June 30, 2022 experience study was used to develop the 7.15 percent discount rate assumption used for the current reporting date. This is equal to the 7.00 percent long-term investment return assumption (net of investment and administrative expenses) adopted by the Board of Investments, plus 0.15 percent assumed administrative expenses. See Note L — Administrative Expenses for additional information regarding LACERA's annual budget.

The plan's projected Fiduciary Net Position, after reflecting expected future employee and employer contributions, was expected to be sufficient to make all future benefit payments of current active and inactive employees. Therefore, a separate calculation using the municipal bond rate is not required; the discount rate for calculating the Total Pension Liability, as prescribed by GASB, is equal to the long-term expected rate of return plus administrative expenses.

GASB Discount Rate

For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
GASB Discount Rate	7.15%	7.15%
Long-Term Expected Rate of Return, Net of Expenses	7.00%	7.00%
Municipal Bond Rate	N/A	N/A

Sensitivity Analysis

In accordance with GASB 67, sensitivity of the Net Pension Liability to changes in the discount rate must be reported. The following presents the Net Pension Liability, calculated for the fiscal year ended June 30, 2025, using the discount rate of 7.15 percent, as well as the results of Net Pension Liability calculations using a discount rate that is 1 percentage point lower 6.15 percent or 1 percentage point higher 8.15 percent than the current rate 7.15 percent. A corresponding calculation is presented for the fiscal year ended June 30, 2024, based on the 7.15 percent discount rate in effect for that year.

Sensitivity Analysis

For the Fiscal Years Ended June 30, 2025 and 2024

(Dollars in Thousands)

	2025			2024		
	1.0% Decrease 6.15%	Current Discount Rate 7.15%	1.0% Increase 8.15%	1.0% Decrease 6.15%	Current Discount Rate 7.15%	1.0% Increase 8.15%
Total Pension Liability	$109,699,418	$96,927,319	$86,337,582	$104,968,757	$92,713,809	$82,553,421
Less: Fiduciary Net Position	(86,187,618)	(86,187,618)	(86,187,618)	(79,202,225)	(79,202,225)	(79,202,225)
Net Pension Liability	**$23,511,800**	**$10,739,701**	**$149,964**	**$25,766,532**	**$13,511,584**	**$3,351,196**

NOTE F — Partial Annuitization of Pension Benefit Payments

In January 1987, LACERA entered into agreements to purchase single life annuities from two insurance companies that provide pension benefit payments to a portion of retired members, referred to as covered members. Under the terms of the agreements, LACERA continues to administer all pension benefit payments to covered members. There is no effect on covered members since they retain all pension benefits accorded to LACERA members under the law, including rights to a monthly continuing allowance that is also payable to eligible survivors or beneficiaries of deceased LACERA retirees, health insurance subsidies, and any cost-of-living adjustments (COLAs) awarded. The values of the annuities are allocated to covered members.

In accordance with the agreements, the annuity providers make monthly annuity reimbursements to LACERA, limited to straight life annuity payments and statutory COLA increases. LACERA is responsible for any difference in pension benefit payments payable to covered members that are not reimbursed by the insurance companies. As the annuity providers' monthly annuity reimbursements are allocated to covered members' pension payments, the fair value of contracts was excluded from pension plan assets, and the valuation liability includes only net benefits paid by LACERA.

The reimbursements received offset the pension payments (i.e., retiree payroll) reported in LACERA's financial statements. For the fiscal year ended June 30, 2025, LACERA paid $3.4 million to covered members and received $2.8 million in related reimbursements. For the fiscal year ended June 30, 2024, LACERA paid $4.5 million to covered members and received $3.7 million in related reimbursements.

NOTE G — Deposit and Investment Risks

The County Employees Retirement Law of 1937 (CERL) vests the LACERA Board of Investments with exclusive control over LACERA's investment portfolio. The Board of Investments establishes investment policy statements and investment manager guidelines for the management of the LACERA defined benefit retirement plan investments (Pension Plan) and the LACERA Other Post-Employment Benefits Master Trust (OPEB Master Trust or OPEB Trust). The Board of Investments exercises authority and control over the management of LACERA's investment assets by setting a policy that the LACERA's Investment Office executes either internally or through the use of prudent external experts.

Investment policy statements recognize that every investment asset class and type is subject to certain risks. Outlined below are the deposit and investment risks as they relate to fixed-income investments.

Credit Risk

Credit Risk is the risk that an issuer or a counterparty to an investment transaction will not fulfill its contractual obligations, resulting in a loss of principal or interest and a decline in the investment's value. LACERA seeks to maintain a diversified portfolio of fixed and floating rate instruments in order to obtain the highest total return for the Pension Plan Trust at an acceptable level of risk within this asset class. To manage credit risk, credit guidelines have been established.

Investment Grade Bonds

Investment grade bonds are categorized as a component of the Risk Reduction and Mitigation functional asset category presented in the Investment Section. The majority of this category is invested in an indexing strategy that provides exposure to the Bloomberg U.S. Aggregate Bond Index. LACERA also invests with managers that employ a low active-risk "core bond" approach. Investment guidelines require that managers invest predominantly in sectors represented in their benchmark index. As a result, these portfolios contain almost 100 percent of bonds rated investment grade by the major credit rating agencies: Moody's, S&P Global Ratings (S&P), and Fitch.

High Yield Bonds

Dedicated high yield bond portfolios are categorized in the Credit functional asset category presented in the Investment Section. By definition, high yield bonds are securities rated below investment grade. Therefore, the majority of bonds in the high yield portfolios are rated below investment grade by at least one of the major credit rating agencies: Moody's, S&P, and Fitch.

The credit portfolios allow for the assumption of more credit risk than investment grade portfolios by investing in securities that include unrated bonds, bonds rated below investment grade issued by corporations undergoing financial stress or distress, junior tranches of structured securities backed by residential and commercial mortgages, bank loans, illiquid credit, and emerging market debt. LACERA utilizes specific investment manager guidelines for these portfolios that may include limiting maximum exposure by issuer, industry, and sector, which result in well-diversified portfolios.

The following is a schedule for the year ended June 30, 2025 of the credit quality ratings by Moody's, a nationally recognized statistical rating organization, of investments in fixed income securities. Whole loan mortgages of $7.5 million and derivatives of $44 thousand included in the Pension Plan portfolio are excluded from this presentation.

Credit Quality Ratings of Investments in Fixed Income Securities — Pension Plan

As of June 30, 2025

(Dollars in Thousands)

Quality Ratings	U.S. Treasuries	U.S. Govt. Agencies	Municipals	Corporate and Asset-Backed Securities	Pooled Investments	Non-U.S. Fixed Income	Private Placement Fixed Income	Total	Percentage of Portfolio
Aaa	$17,708	$—	$—	$74,143	$—	$—	$61,742	$153,593	0.6%
Aa	4,737,048	1,148,041	7,517	64,391	5,795,130	1,272	14,698	11,768,097	45.9%
A	—	—	—	239,446	1,874,440	27,964	35,103	2,176,953	8.5%
Baa	—	—	—	331,969	—	47,142	61,612	440,723	1.7%
Ba	—	—	—	128,304	—	19,044	190,184	337,532	1.3%
B	—	—	—	453,733	—	40,652	327,484	821,869	3.2%
Caa	—	—	—	65,529	—	6,047	92,527	164,103	0.6%
Ca	—	—	—	1,999	—	—	2,548	4,547	—%
C	—	—	—	13	—	—	—	13	—%
Not Rated	37,204	486	—	230,978	9,307,357	72,265	144,148	9,792,438	38.2%
Total	**$4,791,960**	**$1,148,527**	**$7,517**	**$1,590,505**	**$16,976,927**	**$214,386**	**$930,046**	**$25,659,868**	**100.0%**

Note: Pooled Investments included within the Not Rated Quality Ratings represent investments in commingled funds. The Credit Quality Ratings table does not include holdings with commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

The following is a schedule for the year ended June 30, 2024 of the credit quality ratings by Moody's, a nationally recognized statistical rating organization, of investments in fixed income securities. Whole loan mortgages of $8.7 million and derivatives of $46 thousand included in the Pension Plan portfolio are excluded from this presentation.

Credit Quality Ratings of Investments in Fixed Income Securities — Pension Plan

As of June 30, 2024

(Dollars in Thousands)

Quality Ratings	U.S. Treasuries	U.S. Govt. Agencies	Municipals	Corporate and Asset-Backed Securities	Pooled Investments	Non-U.S. Fixed Income	Private Placement Fixed Income	Total	Percentage of Portfolio
Aaa	$6,052,414	$823,751	$—	$118,170	$1,604,320	$581	$51,304	$8,650,540	43.6%
Aa	—	—	3,871	30,128	80,320	1,145	18,601	134,065	0.7%
A	—	—	—	264,037	396,844	28,953	40,083	729,917	3.7%
Baa	—	—	—	306,056	394,010	24,568	42,838	767,472	3.9%
Ba	—	—	—	102,453	17,297	17,154	202,448	339,352	1.7%
B	—	—	—	486,583	—	52,435	286,620	825,638	4.2%
Caa	—	—	—	91,324	—	4,536	108,068	203,928	1.0%
Ca	—	—	—	1,808	—	600	3,580	5,988	—%
C	—	—	—	693	—	80	—	773	—%
Not Rated	—	420	—	203,108	7,805,688	48,092	131,615	8,188,923	41.2%
Total	**$6,052,414**	**$824,171**	**$3,871**	**$1,604,360**	**$10,298,479**	**$178,144**	**$885,157**	**$19,846,596**	**100.0%**

Note: Pooled Investments included within the Not Rated Quality Ratings represent investments in commingled funds. The Credit Quality Ratings table does not include holdings with commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

Credit Quality Ratings of Investments in Fixed Income Securities — OPEB Trust

As of June 30, 2025
(Dollars in Thousands)

Quality Ratings	U.S. Treasuries	U.S. Govt. Agencies	Municipals	Corporate and Asset-Backed Securities	Pooled Investments	Non-U.S. Fixed Income	Private Placement Fixed Income	Total	Percentage of Portfolio
Aaa	$3,253	$3,843	$453	$14,159	$—	$8,783	$—	$30,491	1.4%
Aa	957,660	234,656	2,510	17,373	—	6,405	—	1,218,604	54.0%
A	—	—	596	83,365	—	19,766	50	103,777	4.6%
Baa	—	—	—	88,569	—	19,811	3,211	111,591	4.9%
Ba	—	—	—	137,766	—	13,692	119,359	270,817	12.0%
B	—	—	—	173,048	—	18,637	147,651	339,336	15.0%
Caa	—	—	—	17,229	—	936	51,001	69,166	3.1%
Ca	—	—	—	542	—	—	32	574	—%
C	—	—	—	—	—	—	—	—	—%
Not Rated	1,966	58	164	32,649	59,095	13,407	6,104	113,443	5.0%
Total	**$962,879**	**$238,557**	**$3,723**	**$564,700**	**$59,095**	**$101,437**	**$327,408**	**$2,257,799**	**100.0%**

Credit Quality Ratings of Investments in Fixed Income Securities — OPEB Trust

As of June 30, 2024
(Dollars in Thousands)

Quality Ratings	U.S. Treasuries	U.S. Govt. Agencies	Municipals	Corporate and Asset-Backed Securities	Pooled Investments	Non-U.S. Fixed Income	Private Placement Fixed Income	Total	Percentage of Portfolio
Aaa	$633,286	$113,312	$—	$9,229	$—	$4,742	$—	$760,569	43.8%
Aa	—	—	1,314	5,023	—	3,156	—	9,493	0.5%
A	—	—	587	41,662	—	8,941	—	51,190	3.0%
Baa	—	—	—	44,722	—	8,647	3,314	56,683	3.3%
Ba	—	—	—	93,585	—	14,526	81,048	189,159	10.9%
B	—	—	—	167,408	—	9,874	104,345	281,627	16.2%
Caa	—	—	—	16,187	—	1,301	32,682	50,170	2.9%
Ca	—	—	—	311	—	—	1,187	1,498	0.1%
C	—	—	—	—	—	—	20	20	—%
Not Rated	—	64	73	25,762	294,517	11,247	3,618	335,281	19.3%
Total	**$633,286**	**$113,376**	**$1,974**	**$403,889**	**$294,517**	**$62,434**	**$226,214**	**$1,735,690**	**100.0%**

Note: Pooled Investments included with the Not Rated Quality represents investments in commingled funds.

Credit Quality Ratings of Investments in Fixed Income Securities — OPEB Custodial Fund
As of June 30, 2025
(Dollars in Thousands)

Quality Ratings	U.S. Treasuries	Corporate and Asset-Backed Securities	Total	Percentage of Portfolio
Aaa	$—	$—	$—	—%
Aa	194,545	864	195,409	99.5%
A	—	983	983	0.5%
Not Rated	—	—	—	—%
Total	**$194,545**	**$1,847**	**$196,392**	**100.0%**

Credit Quality Ratings of Investments in Fixed Income Securities — OPEB Custodial Fund
As of June 30, 2024
(Dollars in Thousands)

Quality Ratings	U.S. Treasuries	Corporate and Asset-Backed Securities	Total	Percentage of Portfolio
Aaa	$180,471	$421	$180,892	96.3%
Aa	—	2,356	2,356	1.3%
A	—	4,161	4,161	2.2%
Not Rated	—	366	366	0.2%
Total	**$180,471**	**$7,304**	**$187,775**	**100.0%**

Custodial Credit Risk

LACERA's contract with its custodian, State Street Bank and Trust (Bank), provides that the Bank may hold LACERA's securities in various forms, including: its own name or its agent's nominee name, in bearer form, book-entry form, with a clearing house corporation, or with a depository, so long as the Bank's records clearly indicate that the securities are held in custody for LACERA's account. The Bank may also hold securities in custody in LACERA's name when required by LACERA. When held in custody by the Bank, the securities are not at risk of loss in the event of the Bank's financial failure, because the securities are not property (assets) of the Bank.

Cash invested overnight in the Bank's depository accounts is subject to the risk that in the event of the Bank's failure, LACERA might not recover all or part of those deposits. This risk is mitigated when the deposits are insured or collateralized.

LACERA's contract requires the Bank to provide immediate notice in the event LACERA funds on deposit are not eligible for and covered by the Federal Deposit Insurance Corporation (FDIC), subject to applicable law and FDIC rules and regulations. In addition, the Bank warrants that it will provide reasonable commercially available insurance, including a financial institution bond that would cover the loss of money and securities with respect to any and all property the Bank or its agents hold in or for LACERA's account, up to the amount of the bond. LACERA's compliance procedures request that the Bank certify to its financial health and provide evidence of insurance coverage.

For certain investment strategies, some of LACERA's assets are invested in investment managers' pooled vehicles. The securities in these vehicles may be held by custodians other than State Street Bank and Trust.

Counterparty Risk

Counterparty risk for investments is the risk that, in the event of the failure of the counterparty to complete a transaction, LACERA would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. LACERA and its investment managers seek to minimize risk of loss from its counterparties by diversifying the number of counterparties, periodically reviewing their credit quality, and seeking to structure agreements so that collateral is posted on accrued gains if they reach certain size thresholds.

On March 31, 2024, LACERA sold 17 private equity limited partnership interests on the secondary market, which were valued at $1.2 billion, to three separate buyers. The buyer will remit payments for these partnership interests to LACERA at the end of an 18-month deferral period on September 30, 2025. To estimate the fair value of these transactions, LACERA discounted the future payments to net present value utilizing a 5 percent discount rate, which included the current swap rate plus an appropriate spread, to arrive at the long-term Notes Receivable–Sale of Investments balance of $1.1 billion reported on the Statement of Fiduciary Net Position. The discounted amount is accreted over the 18-month deferral period. Each month, the accreted amount is added to the long-term Notes Receivable balance and recognized as interest income on the income statement. LACERA determined the fair value of these payments applying judgment and considering factors such as general market conditions and the time value of money. LACERA contemplated other elements of the transactions, including each buyer's respective risk of default, which did not impact the fair value for this reporting period.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that can occur when there is a concentration of exposure to a single or small number of debt issuers versus having exposure to a relatively more diversified pool of debt issuers. For diversification purposes, all investment grade and liquid credit portfolios limit the exposure to a single issuer. This limitation does not apply to U.S. Treasury securities, government-guaranteed debt (including G-7 countries), agency debt, agency mortgage-backed securities, and approved commingled funds and fund-of-one vehicles.

As of June 30, 2025, LACERA did not hold any investments in any one debt issuer that would represent 5 percent or more of the Pension Plan Fiduciary Net Position. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from this requirement.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

To manage interest rate risk, investment manager guidelines require that the duration of all investment grade bond portfolios must remain within a range centered around the duration of the benchmark index. Deviations from any of the portfolio structure guidelines are monitored as part of LACERA's compliance review process.

The Duration in Fixed Income Securities – Pension Plan schedule for the year ended June 30, 2025 presents the duration by investment type. Whole loan mortgages of $7.5 million and derivatives of $44 thousand included in the Pension Plan portfolio are excluded from this presentation.

Duration in Fixed Income Securities — Pension Plan

As of June 30, 2025

(Dollars in Thousands)

Investment Type	Fair Value	Portfolio-Weighted Average Effective Duration[1]
U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments:		
U.S. Treasuries	$4,791,960	7.36
U.S. Government Agencies	1,148,527	4.11
Municipal/Revenue Bonds	7,517	11.61
Subtotal U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments	**$5,948,004**	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	$141,713	2.44
Corporate and Other Credit	1,448,792	3.22
Pooled Funds	16,976,927	2.03
Subtotal Corporate Bonds and Credit Securities	**$18,567,432**	
Non-U.S. Fixed Income	$214,386	2.69
Private Placement Fixed Income	930,046	3.04
Subtotal Non-U.S. and Private Placement Securities	**$1,144,432**	
Total Fixed Income Securities	**$25,659,868**	

Note: The Duration table does not include holdings within commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

[1]Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1 percent increase in a bond's yield will cause the bond price to decline 5 percent.

The Duration in Fixed Income Securities – Pension Plan schedule for the year ended June 30, 2024 presents the duration by investment type. Whole loan mortgages of $8.7 million and derivatives of $46 thousand included in the Pension Plan portfolio are excluded from this presentation.

Duration in Fixed Income Securities — Pension Plan

As of June 30, 2024

(Dollars in Thousands)

Investment Type	Fair Value	Portfolio-Weighted Average Effective Duration[1]
U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments:		
U.S. Treasuries	$6,052,414	10.81
U.S. Government Agencies	824,171	4.41
Municipal/Revenue Bonds	3,871	14.03
Subtotal U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments	**$6,880,456**	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	$178,877	2.19
Corporate and Other Credit	1,425,483	2.73
Pooled Funds	10,298,479	1.51
Subtotal Corporate Bonds and Credit Securities	$11,902,839	
Non-U.S. Fixed Income	$178,144	1.97
Private Placement Fixed Income	885,157	2.98
Subtotal Non-U.S. and Private Placement Securities	**$1,063,301**	
Total Fixed Income Securities	**$19,846,596**	

Note: The Duration table does not include holdings within commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

[1]Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1 percent increase in a bond's yield will cause the bond price to decline 5 percent.

Duration in Fixed Income Securities — OPEB Trust

As of June 30, 2025

(Dollars in Thousands)

Investment Type	Fair Value	Portfolio-Weighted Average Effective Duration[1]
U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments:		
U.S. Treasuries	$962,879	7.14
U.S. Government Agencies	238,557	4.78
Municipal/Revenue Bonds	3,723	10.40
Subtotal U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments	**$1,205,159**	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	$10,944	3.00
Corporate and Other Credit	553,756	2.90
Pooled Funds	59,095	N/A
Subtotal Corporate Bonds and Credit Securities	**$623,795**	
Non-U.S. Fixed Income	$101,437	3.26
Private Placement Fixed Income	327,408	2.76
Subtotal Non-U.S. and Private Placement Securities	**$428,845**	
Total Fixed Income Securities	**$2,257,799**	

[1]Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1 percent increase in a bond's yield will cause the bond price to decline 5 percent.

Duration in Fixed Income Securities — OPEB Trust

As of June 30, 2024

(Dollars in Thousands)

Investment Type	Fair Value	Portfolio-Weighted Average Effective Duration[1]
U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments:		
U.S. Treasuries	$633,286	8.84
U.S. Government Agencies	113,376	4.94
Municipal/Revenue Bonds	1,974	9.72
Subtotal U.S. Treasuries, U.S. Government Agencies, and Municipal Instruments	**$748,636**	
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	$5,513	3.20
Corporate and Other Credit	398,376	2.07
Pooled Funds	294,517	N/A
Subtotal Corporate Bonds and Credit Securities	**$698,406**	
Non-U.S. Fixed Income	$62,434	2.69
Private Placement Fixed Income	226,214	3.21
Subtotal Non-U.S. and Private Placement Securities	**$288,648**	
Total Fixed Income Securities	**$1,735,690**	

[1]Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1 percent increase in a bond's yield will cause the bond price to decline 5 percent.

Duration in Fixed Income Securities — OPEB Custodial Fund

As of June 30, 2025
(Dollars in Thousands)

Investment Type	Fair Value	Portfolio-Weighted Average Effective Duration[1]
U.S. Treasuries	$194,545	1.99
Corporate and Other Credit	1,847	0.56
Total Fixed Income Securities	**$196,392**	

[1]Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1 percent increase in a bond's yield will cause the bond price to decline 5 percent.

Duration in Fixed Income Securities — OPEB Custodial Fund

As of June 30, 2024
(Dollars in Thousands)

Investment Type	Fair Value	Portfolio-Weighted Average Effective Duration[1]
U.S. Treasuries	$180,471	2.15
Corporate Bonds and Credit Securities:		
Asset-Backed Securities	787	0.28
Corporate and Other Credit	6,517	1.11
Subtotal Corporate Bonds and Credit Securities	**$7,304**	
Total Fixed Income Securities	**$187,775**	

[1]Effective Duration is a measure of a bond's sensitivity to interest rates. It is calculated as the percentage change in a bond's price caused by a change in the bond's yield. For example, a duration of 5 indicates that a 1 percent increase in a bond's yield will cause the bond price to decline 5 percent.

Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. LACERA's investment managers are permitted to invest in approved countries or regions, as stated in their respective investment manager guidelines. To mitigate foreign currency risk within global equity, LACERA has implemented a passive currency hedging program, which hedges into U.S. dollars approximately 50 percent of LACERA's foreign currency exposure for developed market equities.

The following schedules represent LACERA's Pension Plan and OPEB Trust exposure to foreign currency risk in U.S. dollars. Most of the exposure is from separately managed accounts with the remaining exposure from non-U.S. commingled funds that are denominated in foreign currency. For the commingled funds, LACERA owns units, and the fund holds actual securities and/or currencies. The values shown include LACERA's separately managed account holdings and the pro rata portion of non-U.S. commingled fund holdings.

Non-U.S. Investment Securities at Fair Value — Pension Plan

As of June 30, 2025
(Dollars in Thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Estate	Real Assets	Private Equity	Forwards Contracts	Total
AFRICA								
South African Rand	$99,000	$–	$573	$–	$–	$–	$–	**$99,573**
AMERICAS								
Brazilian Real	98,005	–	2,593	–	–	–	–	**100,598**
Canadian Dollar	941,148	1,357	(6,221)	–	158,903	2,300	(5,440)	**1,092,047**
Chilean Peso	10,502	–	426	–	–	–	–	**10,928**
Colombian Peso	2,811	–	424	–	–	–	–	**3,235**
Mexican Peso	28,964	–	552	–	–	–	–	**29,516**
ASIA								
Australian Dollar	411,837	–	1,747	–	–	16,217	(4,223)	**425,578**
Chinese Renminbi	74,579	–	3,314	–	–	–	–	**77,893**
Hong Kong Dollar	626,845	–	2,008	–	–	–	385	**629,238**
Indonesian Rupiah	32,767	–	3,193	–	–	–	–	**35,960**
Japanese Yen	1,296,489	–	16,737	–	–	9,307	(563)	**1,321,970**
Malaysian Ringgit	42,192	–	3,185	–	–	–	–	**45,377**
New Zealand Dollar	9,639	–	148	–	–	–	(253)	**9,534**
Pakistani Rupee	–	–	28	–	–	–	–	**28**
Philippine Peso	12,256	–	458	–	–	–	–	**12,714**
Singapore Dollar	102,138	–	1,910	–	–	–	(970)	**103,078**
South Korean Won	283,492	–	4,610	–	–	–	–	**288,102**
Taiwan Dollar	403,358	–	4,803	–	–	–	–	**408,161**
Thai Baht	25,550	–	1,448	–	–	–	–	**26,998**
EUROPE								**–**
British Pound Sterling	1,558,268	11,936	3,725	–	–	392,316	(20,897)	**1,945,348**
Czech Republic Koruna	4,982	–	354	–	–	–	–	**5,336**
Danish Krone	151,522	–	1,673	–	–	–	(2,163)	**151,032**
Euro	2,628,017	45,469	13,917	337,350	507,597	950,082	(51,358)	**4,431,074**
Hungarian Forint	10,156	–	676	–	–	–	–	**10,832**
Norwegian Krone	55,443	–	408	–	–	–	(619)	**55,232**
Polish Zloty	34,754	–	487	–	–	–	–	**35,241**
Russian Ruble	–	–	2,182	–	–	–	–	**2,182**
Swedish Krona	189,197	–	1,497	–	–	–	(1,769)	**188,925**
Swiss Franc	577,048	–	1,408	–	–	–	(11,222)	**567,234**
MIDDLE EAST								
Egyptian Pound	3,400	–	215	–	–	–	–	**3,615**
Israeli New Shekel	47,472	–	875	–	–	–	(1,920)	**46,427**
Kuwaiti Dinar	32,045	–	1,213	–	–	–	–	**33,258**
Qatari Rial	35,747	–	1,496	–	–	–	–	**37,243**
Saudi Riyal	14,038	–	9	–	–	–	–	**14,047**
Turkish Lira	15,539	–	312	–	–	–	–	**15,851**
UAE Dirham	55,037	–	729	–	–	–	–	**55,766**
Total Investment Securities Subject to Foreign Currency Risk	**$9,914,237**	**$58,762**	**$73,112**	**$337,350**	**$666,500**	**$1,370,222**	**($101,012)**	**$12,319,171**

Non-U.S. Investment Securities at Fair Value — Pension Plan

As of June 30, 2024

(Dollars in Thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Estate	Real Assets	Private Equity	Forwards Contracts	Total
AFRICA								
South African Rand	$84,344	$—	$161	$—	$—	$—	$—	**$84,505**
AMERICAS								
Brazilian Real	106,481	—	1,124	—	—	—	—	**107,605**
Canadian Dollar	898,571	1,712	8,448	—	152,310	—	588	**1,061,629**
Chilean Peso	7,996	—	194	—	—	—	—	**8,190**
Colombian Peso	2,106	—	105	—	—	—	—	**2,211**
Mexican Peso	39,695	—	969	—	—	—	—	**40,664**
ASIA								
Australian Dollar	437,024	—	766	—	—	15,699	(5,222)	**448,267**
Chinese Renminbi	65,275	—	3,138	—	—	—	—	**68,413**
Hong Kong Dollar	557,649	—	2,548	—	—	—	(29)	**560,168**
Indonesian Rupiah	47,328	—	1,680	—	—	—	—	**49,008**
Japanese Yen	1,343,462	—	10,973	—	—	—	46,401	**1,400,836**
Malaysian Ringgit	43,802	—	801	—	—	—	—	**44,603**
New Zealand Dollar	9,822	—	304	—	—	—	(33)	**10,093**
Pakistani Rupee	—	—	29	—	—	—	—	**29**
Philippine Peso	12,954	—	193	—	—	—	—	**13,147**
Singapore Dollar	86,614	—	464	—	—	—	347	**87,425**
South Korean Won	278,007	—	1,701	—	—	—	—	**279,708**
Taiwan Dollar	447,679	—	1,600	—	—	—	—	**449,279**
Thai Baht	37,123	—	603	—	—	—	—	**37,726**
EUROPE								
British Pound Sterling	1,320,543	12,885	6,712	54	—	249,139	1,240	**1,590,573**
Czech Republic Koruna	3,286	—	130	—	—	—	—	**3,416**
Danish Krone	295,161	—	430	—	—	—	1,347	**296,938**
Euro	2,466,836	34,770	14,508	290,417	355,378	867,790	11,638	**4,041,337**
Hungarian Forint	7,697	—	263	—	—	—	—	**7,960**
Norwegian Krone	75,500	—	774	—	—	—	(298)	**75,976**
Polish Zloty	38,938	—	1,222	—	—	—	—	**40,160**
Russian Ruble	—	—	1,978	—	—	—	—	**1,978**
Swedish Krona	223,745	—	689	—	—	—	(569)	**223,865**
Swiss Franc	614,346	—	1,045	—	—	—	(412)	**614,979**
MIDDLE EAST								
Egyptian Pound	3,320	—	128	—	—	—	—	**3,448**
Israeli New Shekel	38,411	—	1,020	—	—	—	421	**39,852**
Kuwaiti Dinar	25,521	—	484	—	—	—	—	**26,005**
Qatari Rial	30,699	—	407	—	—	—	—	**31,106**
Saudi Riyal	6,469	—	—	—	—	—	—	**6,469**
Turkish Lira	32,771	—	647	—	—	—	—	**33,418**
UAE Dirham	41,894	—	1,038	—	—	—	—	**42,932**
Total Investment Securities Subject to Foreign Currency Risk	**$9,731,069**	**$49,367**	**$67,276**	**$290,471**	**$507,688**	**$1,132,628**	**$55,419**	**$11,833,918**

Non-U.S. Investment Securities at Fair Value — OPEB Trust

As of June 30, 2025

(Dollars in Thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Assets	Total
AMERICAS					
Canadian Dollar	$63,359	$—	$152	$—	**$63,511**
ASIA					
Australian Dollar	37,648	—	65	—	**37,713**
Hong Kong Dollar	9,333	—	70	—	**9,403**
Japanese Yen	122,478	—	1,056	—	**123,534**
New Zealand Dollar	1,055	—	15	—	**1,070**
Singapore Dollar	7,382	—	141	—	**7,523**
EUROPE					
British Pound Sterling	74,740	—	342	—	**75,082**
Danish Krone	11,540	—	90	—	**11,630**
Euro	170,236	24	661	13,978	**184,899**
Norwegian Krone	4,217	—	15	—	**4,232**
Swedish Krona	17,999	—	166	—	**18,165**
Swiss Franc	45,896	—	14	—	**45,910**
MIDDLE EAST					
Israeli New Shekel	5,240	—	37	—	**5,277**
Total Investment Securities Subject to Foreign Currency Risk	**$571,123**	**$24**	**$2,824**	**$13,978**	**$587,949**

Non-U.S. Investment Securities at Fair Value — OPEB Trust

As of June 30, 2024

(Dollars in Thousands)

Currency	Equity	Fixed Income	Foreign Currency	Real Assets	Grand Total
AMERICAS					
Canadian Dollar	$47,141	$—	$145	$—	**$47,286**
ASIA					
Australian Dollar	31,856	—	106	—	**31,962**
Hong Kong Dollar	7,270	—	184	—	**7,454**
Japanese Yen	99,563	—	535	—	**100,098**
New Zealand Dollar	1,147	—	10	—	**1,157**
Singapore Dollar	5,545	—	27	—	**5,572**
EUROPE					
British Pound Sterling	60,236	—	274	—	**60,510**
Danish Krone	15,623	—	69	—	**15,692**
Euro	126,606	479	528	8,715	**136,328**
Norwegian Krone	3,440	—	254	—	**3,694**
Swedish Krona	14,769	—	64	—	**14,833**
Swiss Franc	36,679	—	142	—	**36,821**
MIDDLE EAST					
Israeli New Shekel	2,582	—	6	—	**2,588**
Total Investment Securities Subject to Foreign Currency Risk	**$452,457**	**$479**	**$2,344**	**$8,715**	**$463,995**

NOTE H — Securities Lending Program

The Board of Investments authorizes LACERA to participate in a securities lending program to generate incremental income consistent with LACERA's Investment Policy Statement. Under the program, LACERA lends its securities to qualified market participants such as brokers and dealers ("borrowers"). In return for lending securities, LACERA receives collateral, either in the form of cash or other securities. When cash collateral is received, LACERA pays the borrower interest on the cash and invests it with the goal of earning a higher yield than the interest rate paid to the borrower. When non-cash collateral is received, the borrower pays a fee for borrowing the securities. At the end of the loan, the borrower returns the securities and LACERA returns the collateral. In addition, either party to the transaction can terminate a loan on demand.

State Street Bank and Trust is LACERA's custodian and the lending agent for LACERA's securities lending program. The amount of collateral LACERA receives is based on the market value of the security loaned and depends on the type of security: 105 percent of market value for non-U.S. securities and 102 percent on U.S. securities are the minimum amounts of collateral received.

State Street Global Advisors (SSGA) invests the cash collateral received from the lending program. The collateral is invested in short-term highly liquid instruments. Loans are marked to market daily, so that if the fair value of a security on loan rises, LACERA receives additional collateral. Conversely, if the fair value of a security on loan declines, LACERA returns a portion of the collateral. Earnings generated in excess of the interest paid to borrowers represent net investment income to LACERA.

Under the terms of the lending agreement, the lending agent provides indemnification against borrower default. In the event a borrower does not return securities on loan, the terms of the lending agreement entitle LACERA to terminate the loan and use the collateral to purchase a like amount of "replacement securities." In the event the purchase price of replacement securities exceeds the amount of collateral, the lending agent is liable to LACERA for the difference, plus interest.

At fiscal year-end, LACERA had no credit risk exposure to borrowers, because the amount of collateral received exceeded the value of securities on loan. LACERA had no losses on securities lending transactions resulting from the default of a borrower for the fiscal years ended June 30, 2025 and 2024.

As of June 30, 2025, the fair value of securities on loan was $7.4 billion, with a value of cash collateral received of $2.5 billion and non-cash collateral of $5.1 billion. As of June 30, 2024, the fair value of securities on loan was $8.0 billion, with a value of cash collateral received of $2.4 billion and non-cash collateral of $6.1 billion. LACERA's investment income from securities lending, was $18.0 million and $18.1 million, net of expenses, for the fiscal years ended June 30, 2025 and 2024, respectively.

The following table shows the fair value of securities on loan, cash and non-cash collateral received, calculated mark, and collateral percent.

Securities Lending

As of June 30, 2025 and 2024

(Dollars in Thousands)

	2025				
Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Calculated Mark[1]	Collateral Percent[2]
U.S. Equity	$2,265,592	$1,002,955	$1,338,584	$7,187	103.7%
U.S. Fixed Income	4,481,836	1,415,768	3,278,228	19,847	105.2%
Non-U.S. Equity	611,634	130,162	522,799	496	106.8%
Total	**$7,359,062**	**$2,548,885**	**$5,139,611**	**$27,530**	

	2024				
Securities on Loan	Fair Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Calculated Mark[1]	Collateral Percent[2]
U.S. Equity	$2,042,727	$1,058,414	$1,060,711	$1,650	103.8%
U.S. Fixed Income	5,460,388	1,139,561	4,685,295	(55,248)	105.7%
Non-U.S. Equity	469,192	161,178	340,324	(781)	106.7%
Total	**$7,972,307**	**$2,359,153**	**$6,086,330**	**($54,379)**	

[1]Calculated mark is performed daily. It is the amount LACERA will collect from the borrower (if the amount is positive) or payment to the borrower (if the amount is negative) to bring the collateralization to appropriate levels based on fair value.

[2]Collateral percent is the total collateral received divided by the fair value of securities on loan. U.S. loans are collateralized at 102 percent minimum of the fair value of the securities on loan, while non-U.S. loans are collateralized at 105 percent minimum.

NOTE I — Derivative Financial Instruments

In accordance with LACERA's Investment Policy Statement, LACERA may utilize derivative instruments to manage risk and enhance portfolio efficiency. Derivatives are financial instruments that derive their value from an underlying asset or a direct obligation of an issuer and may be exchange-traded or traded over the counter (OTC). LACERA's portfolio management strategies incorporate derivative financial instruments for cash overlays and currency hedging. Cash overlays are used to maintain alignment with Board-approved investment guidelines and asset allocation policy targets. Currency hedging is used to minimize return volatility associated with non-U.S. dollar-denominated investments. LACERA expects that any use of derivatives by external managers must adhere to LACERA's investment policies, guidelines, and risk controls, including adherence to counterparty credit standards, collateral requirements, and exposure limits.

Futures

Futures are financial agreements to buy or sell an underlying asset at a specified future date and predetermined price. Futures are standardized instruments traded on regulated exchanges, and are subject to daily marked-to-market valuation. The futures exchange reduces counterparty credit risk by acting as a central counterparty to all transactions. It does this by collecting a daily margin payment from one trade participant and crediting it to the other, based on fluctuations in the contract's value.

Currency Forwards

Similar to futures, forwards contracts represent an agreement to buy or sell an underlying asset at a specified future date and price. However, forwards are customized, non-standardized agreements negotiated privately between parties. Payment for the transaction is generally delayed until contract maturity or expiration date. Forwards contracts are not traded on a centralized exchange; therefore, they are considered over-the-counter instruments and have higher counterparty risk than futures. Currency forwards contracts are used to manage foreign exchange exposure, implement LACERA's passive currency hedge, and facilitate the settlement of international security transactions.

Currency Forwards Analysis — Pension Plan

As of June 30, 2025

(Dollars in Thousands)

		Currency Forwards Contracts			
Currency Name	Options	Net Receivables	Net Payables	Swaps	Total Exposure
Australian Dollar	$—	$137	($4,360)	$—	($4,223)
Canadian Dollar	—	715	(6,155)	—	(5,440)
Swiss Franc	—	1,803	(13,025)	—	(11,222)
Danish Krone	—	399	(2,562)	—	(2,163)
Euro	—	6,239	(57,597)	—	(51,358)
Pound Sterling	—	3,216	(24,113)	—	(20,897)
Hong Kong Dollar	—	(31)	416	—	385
Israeli New Shekel	—	118	(2,038)	—	(1,920)
Japanese Yen	—	1,439	(2,002)	—	(563)
South Korean Won	94	—	—	—	94
Malaysian Ringgit	186	—	—	—	186
Norwegian Krone	—	17	(636)	—	(619)
New Zealand Dollar	—	46	(299)	—	(253)
Swedish Krona	—	633	(2,402)	—	(1,769)
Singapore Dollar	—	152	(1,122)	—	(970)
Thailand Baht	—	—	—	—	—
Total	**$280**	**$14,883**	**($115,895)**	**$—**	**($100,732)**

Note: This Currency Forwards Analysis table does not include holdings within commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

Options

An option contract is a type of derivative in which a buyer (purchaser) has the right, but not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option typically before its expiration date. The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option.

The following Investment Derivatives schedule reports the fair value balances, changes in fair value, and notional amounts of derivatives outstanding as of and for the year ended June 30, 2025 classified by type, not including holdings within commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

Investment Derivatives — Pension Plan

As of June 30, 2025

(Dollars in Thousands)

Derivative Type	Net Appreciation/ (Depreciation) in Fair Value	Fair Value	Notional Value (Dollars)	Notional Shares (Units)
Commodity Futures Long	$10,124	$–	$–	43,564
Commodity Futures Short	6,203	–	–	(10)
Fixed Income Futures Long	88,060	–	–	637,000
Fixed Income Futures Short	49,741	–	–	–
Foreign Currency Futures Long	(555)	–	–	–
Foreign Currency Futures Short	100	–	–	(61,400)
FX Forwards	(194,139)	(101,012)	6,157,139	–
Index Futures Long	137,448	–	–	589
Index Futures Short	(173,874)	–	–	(471)
Rights	172	95	1	–
Warrants	(223)	3,004	854	–
Total	**($76,943)**	**($97,913)**	**$6,157,994**	**619,272**

Investment Derivatives — OPEB Trust

As of June 30, 2025

(Dollars in Thousands)

Derivative Type	Net Appreciation/ (Depreciation) in Fair Value	Fair Value	Notional Value (Dollars)	Notional Shares (Units)
FX Forwards	($8)	$–	$–	–
Index Futures Long	695	–	–	8
Rights	1	–	–	–
Total	**$688**	**$–**	**$–**	**8**

All investment derivative positions are included as part of Investments at Fair Value in the Statement of Fiduciary Net Position. All changes in fair value are reported as part of Net Appreciation/(Depreciation) in Fair Value of Investments within the Statement of Changes in Fiduciary Net Position.

Investment information was provided by LACERA's investment managers and custodian bank, State Street Bank and Trust Company.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate swaps are an example of an investment that has a fair value that is highly sensitive to interest rate changes.

Counterparty Credit Risk

LACERA is exposed to counterparty credit risk on investment derivatives that are traded OTC and are reported in asset positions. Derivatives exposed to counterparty credit risk include currency forwards contracts and certain swap agreements. To minimize counterparty credit risk exposure, LACERA's investment managers continually monitor credit ratings of counterparties. In addition, collateral provided by the counterparty reduces LACERA's counterparty credit risk exposure. Should there be a counterparty failure, LACERA would be exposed to the loss of the fair value of derivatives that have unrealized gains and any collateral provided to the counterparty, net of applicable netting arrangements.

The following schedule displays the fair value of investments with each counterparty's S&P, Fitch, and Moody's credit rating by counterparty's name alphabetically, not including holdings within commingled investment structures or structures that are not directly held in custody by LACERA's global custodian, State Street Bank and Trust Company.

Counterparty Credit Risk Analysis — Pension Plan

As of June 30, 2025

(Dollars in Thousands)

Counterparty Name	Total Fair Value	S&P Rating	Fitch Rating	Moody's Rating
Bank of America N.A.	$—	A+	AA	Aa2
Barclays Bank PLC Wholesale	—	A+	A+	A1
BNP Paribas	—	A+	A+	A1
Deutsche Bank AG	5,100	A	A-	A1
Goldman Sachs International	5,672	A+	A+	A1
Natwest Markets Plc	4,764	A	A+	A1
State Street Bank And Trust Company	—	AA-	AA	Aa2
The Bank of New York Mellon	4,443	A	AA-	Aa3
UBS AG	1,312	A+	A+	Aa2
Westpac Banking Corporation	2,999	AA-	AA-	Aa2
Total	**$24,290**			

NOTE J — Special Purpose Entities

Real Estate Investments

LACERA maintains several different types of special purpose entities (SPEs) within its investment portfolio. Each SPE is a separate legal structure created to hold one or more real estate assets. Only two SPEs held more than one real estate asset as of June 30, 2025.

The SPEs are structured as either title holding companies (THCs) or limited liability companies (LLCs). The LACERA real estate portfolio held 26 THCs and 32 LLCs as of June 30, 2025, compared to 28 THCs and 36 LLCs held as of June 30, 2024. Of the 58 SPEs held as of June 30, 2025, 11 were joint ventures between LACERA and one or more third parties.

The total fair values of assets invested in THCs and LLCs as of June 30, 2025 and June 30, 2024 were $1.6 billion and $2.1 billion, respectively. The Investment Policy Statement adopted by the Board of Investments allows investment managers to leverage the properties with debt included in property liabilities. The investment managers responsible for managing real estate investments held in SPEs can be found in the Investment Section, List of Investment Managers under Real Assets and Inflation Hedges — Core Real Estate.

Debt Program

The investment manager for the legacy Real Estate Debt Program is Quadrant Real Estate Advisors, LLC. The total fair values of assets invested in this Debt Program account as of June 30, 2025 and June 30, 2024 were $24.6 million and $63.9 million, respectively. The legacy Real Estate Debt Program is reported in LACERA's Real Assets and Inflation Hedges functional asset class; the one remaining asset is expected to be liquidated at maturity. Per LACERA's Board-approved 2021 Credit Structure Review, all other debt assets other than the legacy Debt Program with Quadrant Real Estate Advisors, LLC, will be included in LACERA's Credit functional asset class.

Real Estate and the legacy Real Estate Debt Program assets are also disclosed in Note P — Fair Value of Investments.

As presented in the Investment Section, Real Estate and the legacy Real Estate Debt Program assets are included in the following functional category portfolios: Growth, and Real Assets and Inflation Hedges. For additional information regarding LACERA's investment portfolio and functional categories, see the Investment Section.

NOTE K — Related Party Transactions

Office Space Lease

In 1990, LACERA, as the sole shareholder, formed a title holding company (THC) to acquire Gateway Plaza, a 273,546 square foot 13-story office building located in Pasadena, California, which serves as the LACERA headquarters. Shortly thereafter in 1991, LACERA, the lessee, entered into its original lease agreement with the THC (LACERA Gateway Property, Inc.), as lessor, to occupy approximately 85,000 square feet of office and storage space. LACERA's offices include facilities to conduct in-person services with members, work stations for LACERA staff, and meeting space to host in-person Board of Retirement and Board of Investment meetings. Under the terms of the original lease and the subsequent 16 amendments, which expired on December 31, 2020, LACERA did not pay rent to the THC for the office space it occupied. Instead LACERA was credited with the entire payment of base rent due each month. However, LACERA was required to pay its proportionate share of the building's operating costs and property taxes as defined in the lease agreement.

LACERA entered into the 17th Amendment to Office Lease with the THC to occupy 125,559 square feet of office space in December 2020. The latest amendment extended the term of the lease for an additional 60-month period, commencing on January 1, 2021 and ending on December 31, 2025. Under this lease agreement, LACERA is required to pay monthly rent for the new term, with an initial three-month rent abatement period allowed from January 1, 2021 to March 31, 2021. The rent amounts are based on the current market rate for comparable space. In addition to rent, as defined in the lease agreement, LACERA is required to pay its proportionate share of the increase in the building's operating costs and property taxes over its base year.

Total rent expenses paid by LACERA were approximately $6.7 million and $6.5 million for the fiscal years ended June 30, 2025 and June 30, 2024, respectively.

NOTE L — Administrative Expenses

The LACERA Board of Retirement and Board of Investments annually adopt the operating budget for the administration of LACERA. The administrative expenses, subject to statutory limitations, are charged against the investment earnings of the Pension Plan. CERL sets the annual budget for administrative expenses to a maximum of 0.21 percent of the Pension Plan's actuarial accrued liability.

Expenses for computer software, hardware, and computer technology consulting services relating to such expenditures are included in the cost of administration, although they need not be included under CERL. Pursuant to the CERL, the cost of internal legal representation secured by the Board of Retirement and Board of Investments from LACERA's Legal Office, other than representation concerning investment of monies, is not to exceed 0.01 percent of retirement benefits plan assets in any budget year. LACERA's costs for such legal representation are within the statutory limit and included in administrative expenses.

Under applicable sections of the CERL, both LACERA boards approved the operating budgets for fiscal years ended June 30, 2025 and June 30, 2024, which were prepared based upon the 0.21 percent CERL limit. For these years, LACERA's approved operating budgets were well below the statutory limit, and the actual administrative expenditures were less than the approved budgets.

Beginning with the operating budget for the fiscal year ended June 30, 2021, LACERA implemented a staggered budget development approach of 1) obtaining Board approval of an operating budget before the start of the new fiscal year, 2) completing a mid-year budget review, and 3) recommending budget amendments during the mid-year budget review, if deemed necessary, for the boards' approval. Board-approved adjustments made during the mid-year budget review are included in the final budgeted amounts for the fiscal year. This staggered approach enables executive leadership the opportunity to realign resources with the strategic direction of the organization and support the management team in implementing new or urgent initiatives that might occur during the year.

LACERA also pays Los Angeles County departments for services they provide to LACERA, primarily related to administering employee payroll and benefits, recruitment exams, fingerprinting, background checks, and cloud customer service software. For the fiscal years ended June 30, 2025 and 2024, LACERA paid Los Angeles County $618,866 and $373,591, respectively, for the use of these County services and systems. The $245,275 increase is primarily attributable to the delay in billing for prior-year services by the County. This consisted of Auditor-Controller Payroll System maintenance charges for fiscal year 2024, which were processed and recorded in the current fiscal year. The increase also reflects higher electronic data processing (EDP) charges, including services commonly utilized by the Member Services Call Center.

The following budget-to-actual analysis of administrative expenses schedule is based upon the mid-year budget review for the fiscal years ended June 30, 2025 and June 30, 2024, as approved by the LACERA governing boards, in comparison to actual administrative expenses.

Budget-to-Actual Analysis of Administrative Expenses

As of June 30, 2025 and 2024

(Dollars in Thousands)

	2025	2024
Basis for Budget Calculation, Actuarial Accrued Liability[1]	**$90,651,092**	**$86,320,151**
Maximum Allowable for Administrative Expenses	$190,367	$181,272
Total Statutory Budget Appropriation	**$190,367**	**$181,272**
Operating Budget Request	$140,016	$135,748
Actual Administrative Expenses	(127,185)	(118,628)
Underexpended Operating Budget	**$12,831**	**$17,120**
Actual Administrative Expenses	$127,185	$118,628
Basis for Budget Calculation, Actuarial Accrued Liability[1]	$90,651,092	$86,320,151
Administrative Expenses as a Percentage of the Basis for Budget Calculation	**0.14%**	**0.14%**
Limit per CERL	0.21%	0.21%
Actual Administrative Expenses	$127,185	$118,628
Net Position Restricted for Benefits	$86,187,618	$79,202,225
Administrative Expenses as a Percentage of Fiduciary Net Position	**0.15%**	**0.15%**

[1]The 2025 and 2024 budget calculations are based on the most recent Pension Plan actuarial reports available at the time the budget is prepared, which are the Actuarial Accrued Liabilities as of June 30, 2023 and June 30, 2022, respectively.

NOTE M — Commitments and Contingencies

Litigation

LACERA is a defendant in various lawsuits and other claims arising in the ordinary course of its operations. The management and legal counsel of LACERA estimate the ultimate outcome of such litigation will not have a material effect on LACERA's financial statements.

In October 2021, the Los Angeles County Employees Retirement Association (LACERA) filed a lawsuit with the Los Angeles Superior Court against the County of Los Angeles and the County Board of Supervisors regarding LACERA's ability, as an independent fiduciary, to set classifications and salaries for its personnel. LACERA is a separate public agency from the County and provides independent administration of the County retirement system, including its assets and the payment of benefits. LACERA seeks a court order confirming LACERA's authority and implementing critical personnel actions approved by LACERA's Board of Retirement and Board of Investments that the County has blocked from becoming effective. In December 2022, the Superior Court denied LACERA's petition. LACERA filed an appeal with the Second District Court of Appeal, which was decided in LACERA's favor in June 2024. In August 2024, the County filed a petition for review in the California Supreme Court, which was granted and remains pending for a final decision on the merits by the Supreme Court.

The litigation will not affect contributions from the County, LACERA's assets, investments, or the timely delivery of benefits and services to its members and beneficiaries. The case does not have a material monetary impact to the County or LACERA and is posted on LACERA's website.

Securities Litigation

In 2001, the LACERA Board of Investments adopted a Securities Litigation Policy in response to incidents of corporate corruption, fraud, and misconduct at publicly traded companies whose securities are held within LACERA's investment portfolio. The Policy requires LACERA's Legal Office to monitor securities fraud class actions and to actively pursue recovery of LACERA's losses in accordance with the Policy. Litigation is initiated when appropriate with the approval of the Board of Investments.

In 2010, the U.S. Supreme Court held that certain fraud provisions of the U.S. securities laws could not be applied to securities purchased outside the U.S. Therefore, the LACERA Board of Investments adopted a global policy to ensure that LACERA continues to meet its fiduciary duty by identifying, monitoring, and evaluating securities actions in which the fund has an interest, both foreign and domestic, and pursuing such claims when and in a manner the LACERA Board of Investments determines is in the best interest of the fund.

Compliance with the Securities Litigation Policy is part of the efforts of the LACERA Board of Investments, with the assistance of the LACERA Legal Office and outside counsel, to protect the financial interests of LACERA and its members. The Policy was most recently reviewed and revised by the Board of Investments on November 2, 2017.

LEASES

Equipment

LACERA leases equipment under lease agreements that expire over the next five years. The annual commitments and operating expenses for such equipment leases were approximately $148,000 and $208,000 for the fiscal years ended 2025 and 2024, respectively.

Office Space Lease

The LACERA office space lease agreement was originally entered in January 1991. Subsequent amendments were made, with the latest one dated December 23, 2020. LACERA entered into the 17th Amendment and extended the lease terms with an expiration date of December 31, 2025.

The lease agreement for LACERA's office space is also discussed in Note K — Related Party Transactions. The total rent expenses for leasing the building premises were $6.7 million and $6.5 million in fiscal years ended 2025 and 2024, respectively.

Capital Commitments

LACERA private equity, real estate, infrastructure, natural resources, and hedge fund investment managers identify and acquire fund investments on a discretionary basis. Investment policies and guidelines are approved by the LACERA Board of Investments and controlled by investment management agreements that identify limitations on each investment manager's discretion. Such investment activities are further restricted by the amount of capital allocated or committed to each manager.

As of June 30, 2025, capital commitments approved by LACERA's Board of Investments, that are outstanding to the various investment managers but not yet funded, totaled $12.5 billion.

NOTE N — Other Post-Employment Benefits (OPEB) Program

Program Description

In April 1982, the County adopted an ordinance pursuant to the County Employees Retirement Law of 1937 (CERL) to establish a retiree healthcare insurance program and death/burial benefits for retired employees and their eligible dependents. That same year, the County and LACERA entered into an agreement (the "1982 Agreement") whereby LACERA's Board of Retirement would administer the program subject to the terms and conditions of the agreement. The County is responsible for making changes to OPEB Program benefits. The County subsidizes a portion of the insurance premiums for certain retired members and their eligible dependents based on a member's length of service.

In 1994, the County amended the Agreement to ensure that the retiree OPEB Program will continue even if there are changes to or termination of the active employee health insurance programs. In June 2014, the LACERA Board of Retirement approved the County's request to modify the agreement to create a new retiree healthcare benefits program to lower its costs. This restructuring created two benefit tiers:

- Tier 1: For employees hired before July 1, 2014
- Tier 2: For employees hired on or after July 1, 2014

On June 17, 2014, the Los Angeles County Board of Supervisors adopted changes to Los Angeles County Code Title 5 — Personnel, establishing the benefit provisions for the Tier 2 program.

For the Tier 1 program, LACERA maintains its agreed-upon role as Program Administrator for retiree healthcare benefits as governed by the 1982 Agreement. In addition, the County retiree medical and dental/vision insurance subsidy applies to the retiree and eligible dependents. Under Tier 2, LACERA is responsible for administering this program pursuant to the 2014 Agreement. The County provides a premium subsidy for retiree-only coverage, which excludes dependents of Tier 2 members.

Membership

Employees are eligible for the OPEB Program if they are members of LACERA and retire from the County of Los Angeles, Superior Court, LACERA, or a participating outside district. Eligibility to receive a pension benefit is a prerequisite for retiree healthcare and death benefits. Healthcare benefits are also offered to qualifying survivors of deceased retired members and qualifying survivors of deceased active employees who were eligible to retire at the time of death. Tier 1 members and eligible dependents are covered under the program, whereas in Tier 2, only the retiree receives a premium subsidy for medical and dental/vision benefits. However, Tier 2 dependents can still enroll in healthcare without a subsidy. The Summary of Major OPEB Program Provisions is available by contacting LACERA or visiting lacera.gov for additional information.

LACERA Membership — OPEB Medical and Dental/Vision Benefits

As of June 30, 2025 and 2024

	2025		2024	
	Medical	**Dental/Vision**	**Medical**	**Dental/Vision**
Retired Participants				
Retired Members and Survivors	57,453	59,779	56,365	58,524
Spouses and Dependents	29,184	34,093	28,706	33,396
Total Retired	**86,637**	**93,872**	**85,071**	**91,920**
Inactive Members — Vested	9,682	9,682	9,719	9,719
Active Members — Vested[1]	75,430	75,430	75,427	75,427
Total Membership Eligible for Benefits	**171,749**	**178,984**	**170,217**	**177,066**

[1]Active members include terminated members who are vested (deferred) and eligible to receive OPEB benefits. Active members exclude non-vested members who are ineligible for OPEB benefits.

LACERA Membership — OPEB Death/Burial Benefits

As of June 30, 2025 and 2024

	2025	2024
Retired with Eligibility for Death/Burial Benefits[2]	66,398	64,651
Total Retired	**66,398**	**64,651**
Inactive Members — Vested	9,682	9,719
Active Members — Vested[1]	75,430	75,427
Total Membership Eligible for Benefits	**151,510**	**149,797**

[1]Active members include terminated members who are vested (deferred) and eligible to receive OPEB benefits. Active members exclude non-vested members who are ineligible for OPEB benefits.

[2]Survivors, spouses, and dependents are not eligible for death benefits.

Benefit Provisions

Both Tier 1 and Tier 2 participants have the same selection of medical plans as well as two dental/vision plans. The medical plans include HMOs and indemnity plans, some of which are designed to work with Medicare benefits. Coverage is available regardless of preexisting medical conditions. Under the Tier 2 benefits structure, retirees/survivors and their eligible dependents who qualify for Medicare must enroll in Medicare Parts A and B and a LACERA-administered Medicare HMO plan or a Medicare Supplement plan. However, the healthcare benefits subsidy and the Medicare Part B premium reimbursement (annually reviewed and approved by the Board of Supervisors) only apply to retirees/survivors, not eligible dependents, under the Tier 2 program.

Medical and Dental/Vision

Benefits are provided through third-party insurance carriers. Participants' cost for medical and dental/vision insurance vary based on the years of retirement service credit with LACERA, the plan selected, and the number of eligible dependents. The County subsidy starts at 40 percent of the lesser of the benchmark plan rate or the actual premium of the retiree's selected plan, provided the retiree has at least 10 years of eligible service credit. For each year of eligible retirement service credit earned beyond 10 years, the County contributes an additional 4 percent, up to a maximum of 100 percent for a member with 25 years of service credit.

- Tier 1: Subsidy applies to retiree and eligible dependents (per coverage selected by retiree)
- Tier 2: Subsidy applies to retiree/qualifying survivor only (per retiree/survivor-only coverage)

The County contribution can never exceed the premium of the benchmark plans. Retirees are responsible for premium amounts above the benchmark plans, including those with 25 or more years of service credit.

Benchmark Plans

- Medical Tier 1: Anthem Blue Cross Plans I and II (chosen tier)
- Medical Tier 2: Anthem Blue Cross Plan III (retiree-only tier) if Medicare-eligible; Anthem Blue Cross Plans I and II (retiree-only tier) if not Medicare-eligible
- Dental/Vision: Cigna Indemnity (chosen tier for Tier 1 participants, retiree-only tier for Tier 2 participants)

Medicare Part B

The County reimburses eligible retirees and dependents for the standard Medicare Part B premium rate paid by the member to Social Security, subject to annual approval by the County Board of Supervisors. Eligible retirees and their dependents must be currently enrolled in both Medicare Part A and Medicare Part B, enrolled in a LACERA-administered Medicare HMO Plan or Medicare Supplement Plan, and meet all of the qualifications. Under the Tier 2 benefits structure, the County reimburses for Medicare Part B (at the standard rate) for eligible members or eligible survivors only.

Disability

If a member with less than 13 years of service is granted a service-connected disability retirement, the County contributes 50 percent of the lesser of the benchmark plan rate or the premium of the retiree's selected plan. Under the Tier 2 program, the benchmark plan rate is based on retiree-only premiums. A member with 13 years of service credit receives a 52 percent subsidy, which increases by 4 percent for each additional year of service, up to a maximum of 100 percent for a member with 25 years or more of service credit. Members are responsible for any premium difference each month on premiums exceeding the benchmark amounts (including those with 25 or more years of service).

Death/Burial Benefit

A one-time lump-sum $5,000 death/burial benefit is payable to the designated beneficiary upon the death of a retired member, paid by LACERA and then reimbursed to LACERA by the employer. Active and vested terminated (deferred) members are eligible for this benefit once they retire. Spouses and dependents are not eligible for this benefit upon their death.

Eligible dependent child age limit increased to age 26: The plan sponsor, the County of Los Angeles, approved an extension of the dependent children age limit up to age 26 under the Retiree Healthcare Benefits Program, regardless of a dependent child's marital or student status. This is a result of Senate Bill (SB) 1088. Until July 1, 2014, SB 1088 exempted retiree-only plans, such as LACERA's from this provision. It required health plan carriers to offer coverage to dependents up to age 26 but did not obligate the plan sponsor, the County of Los Angeles, to pay for coverage up to age 26. However, effective March 9, 2015, the County decided to pay for dependent coverage up to age 26 within the existing OPEB Program provisions.

Benefit Payments

LACERA collects premiums from both employers and members, which are then paid directly to insurance carriers. In addition to regular premium payments, other employer subsidies include Medicare Part B reimbursements and death/burial benefits. Death benefits are paid to the designated beneficiary upon the death of a retired member and reimbursed to LACERA by the employer.

Healthcare Premium Payments
As of June 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Premiums Funded by:		
Employer Subsidies	$753,854	$686,863
Member Payments	54,315	50,255
Total Premium Payments Made to Insurance Carriers	**$808,169**	**$737,118**
Other Employer Subsidies:		
Medicare Part B Reimbursements	$110,263	$101,481
Death/Burial Benefit	8,867	9,392
Total Other Employer Subsidies	**$119,130**	**$110,873**

A premium holiday is a temporary period in which the monthly premium costs for both the Program sponsors (i.e., County and participating employers) and affected members are waived. Affected members are those retirees/survivors enrolled in certain medical and dental/vision benefit plans who also pay their share of the monthly premiums. The Board of Retirement approved the most recent premium holiday for the January 2015 insurance coverage period. There were no premium holidays during the fiscal years ended June 30, 2025 and 2024.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — OPEB PROGRAM

Basis of Presentation

LACERA reports OPEB activity in the basic financial statements under two distinct funds: the OPEB Custodial Fund as per GASB Statement Number 84 (GASB 84) and the OPEB Trust Fund as per GASB Statement Number 74 (GASB 74).

OPEB Custodial Fund

The OPEB Custodial Fund is primarily used to accept pay-as-you-go contributions, including healthcare premiums and the RHC Administrative Fee, from members and employers. These funds are used to pay healthcare premiums to insurance carriers, refunds due to members, investment management fees, and administrative expenses.

Assets and liabilities are recorded using the economic resources measurement focus and accrual basis of accounting. Receivables include contributions due as of the reporting date. Payables include premium payments, refunds due to members, and accrued investment and administrative expenses.

The fund accounts for assets held in a fiduciary capacity that are not held in a trust. LACERA administers these funds as part of its administrative responsibilities under the 1982 Agreement, including all amendments. The funds held within the OPEB Custodial Fund do not meet the definition of a qualifying trust under GASB 74 and are not used to reduce the employers' total OPEB liability. However, ownership of the OPEB Custodial Fund belongs to the County, Superior Court, LACERA, and the participating outside district employers.

OPEB Trust — Agent Plan

The County, Superior Court, and LACERA have established separate accounts within the LACERA OPEB Trust to prefund their own OPEB Program liabilities. Under an agent plan structure, program liabilities and costs are directly determined by employer (agent) and shared expenses are allocated to each agent. This structure provides information for agents regarding their active, vested-terminated, and retiree population, helping them make informed decisions to manage OPEB costs. In addition, while assets in the OPEB Trust are commingled for investment purposes, they are separately tracked for each participating agent.

The OPEB actuarial valuation groups the agents using the following structure. There are seven employer-agents who participate in the OPEB Program, while three agents out of the seven contribute to the OPEB Trust. The most recent OPEB Program valuation report, prepared as of July 1, 2024, includes the population of all participating agents. Separate liabilities are calculated for the agents participating in the OPEB Program and the OPEB Trust.

Agent and Agent Grouping

OPEB Program[1]

County, Superior Court, LACERA, SCAQMD, LACOE, LAFCO, and LLCD

OPEB Trust

County, Superior Court, and LACERA

[1]South Coast Air Quality Management District (SCAQMD), Los Angeles County Office of Education (LACOE), Local Agency Formation Commission for the County of Los Angeles (LAFCO), and Little Lake Cemetery District (LLCD)

For additional information pertaining to the OPEB Trust, see Note Q — Other Post-Employment Benefits (OPEB) Trust.

Financial Reporting Standards

GASB Statement Numbers 74 and 75 govern accounting and financial reporting standards for public sector post-retirement benefit programs:

- GASB 74 applies to OPEB program administrators such as LACERA, and was effective beginning the plan fiscal year July 1, 2016.
- GASB 75 applies to OPEB plan sponsors such as the County, and was effective beginning the employer fiscal year July 1, 2017.

The data, assumptions, methods, program provisions, and funding goals described in the OPEB valuation report serve as a basis for preparing a separate GASB 75 disclosure report. GASB sets forth specific financial reporting requirements for LACERA and the plan sponsors, which result in some different computations—including discount rates—compared to the OPEB valuation report.

Under an agent plan, LACERA, as the plan administrator, provides minimal GASB 74 disclosures and is not required to report the OPEB Program's Net OPEB Liability (NOL). LACERA's June 30, 2025 and 2024 financial statements include basic disclosures in the Required Supplementary Information (RSI) Section to support GASB 74 compliance under an agent plan model. In accordance with GASB 75, when applying an agent structure reporting model, the program administrator (LACERA) provides agent-specific information, as each individual employer is required to report their portion of the NOL within their annual financial statements.

Investment Valuation

Investments are carried at fair value, derived by various methods. Additional details on fair value methodology are provided in Note B — Summary of Significant Accounting Policies and Note P — Fair Value of Investments.

NOTE O — Hedge Fund Investments

LACERA's Investment Policy Statement establishes the portfolio framework and role of the hedge funds program. Diversified hedge funds comprise a variety of hedged investments, such as relative value, arbitrage, and long/short strategies within a diversified portfolio.

The status of LACERA's hedge fund investment program as of June 30, 2025 is as follows:

- In the core hedge funds portfolio, LACERA is invested in 10 direct hedge fund managers and one hedge fund-of-funds manager.
- For the hedge funds emerging manager program, LACERA is invested in a total of nine hedge fund emerging managers. Stable Asset Management, LACERA's discretionary separate account manager for the hedge funds emerging manager program, selected one new emerging manager during fiscal year 2025.
- LACERA continues to maintain one hedge fund-of-funds manager, Grosvenor Capital Management (GCM). In 2019, LACERA initiated the full redemption of the GCM hedge fund-of-funds' portfolio. This portfolio began returning cash during fiscal year 2020 and will continue to distribute cash in alignment with the liquidity terms of the portfolio or underlying managers. The fair values of assets remaining in this portfolio is approximately $10 million. GCM is managing the redemption process of the GCM portfolio.

The investment performance for this strategy is measured separately from other asset classes. The fair values of assets invested in hedge funds as of June 30, 2025 and June 30, 2024 were $6.5 billion and $4.9 billion, respectively.

Hedge fund assets are also disclosed in Note P — Fair Value of Investments.

The core portfolio, emerging manager portfolio, and GCM hedge fund-of-funds portfolio reside within Diversified Hedge Funds under the Risk Reduction and Mitigation functional asset category of LACERA's Total Fund. For additional information regarding LACERA's investment portfolio and functional categories, see the Investment Section.

NOTE P — Fair Value of Investments

For the fiscal year ended June 30, 2016, LACERA adopted GASB Statement Number 72 (GASB 72), Fair Value Measurement and Application. GASB 72 addresses accounting and financial reporting issues related to fair value measurements and disclosures. LACERA categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles in the United States of America (U.S. GAAP). The hierarchy is based on valuation inputs used to measure the fair value of the investment securities and holdings. The fair value hierarchy includes three levels and one additional category.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Certain other investments held by LACERA are valued at net asset value (NAV) per share when an investment does not have a readily determined fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with the requirements of GAAP. The table below illustrates investments classified by their fair value hierarchy (Levels 1, 2, and 3) as well as investments measured at NAV.

Equity and Fixed Income Securities

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for these securities.

Fixed income and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by matrix pricing techniques maintained by the various pricing vendors for these securities. Equity securities classified in Level 2 are not traded in the active market. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These matrix pricing techniques incorporate inputs such as yield, prepayment speeds, and credit spreads for fixed income securities. Derivative securities classified as Level 2 are securities whose value are either derived daily from associated securities that are traded, or are determined by using a market approach that considers benchmark interest rates.

Fixed income and equity securities classified in Level 3 are securities whose stated market price is unobservable by the marketplace; many of these securities are priced by the issuers or industry groups for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources obtained by LACERA's custodian bank, State Street Bank and Trust.

Hedge Funds, Private Equity, Real Assets, Real Estate, Equity, and Fixed Income Funds

Investments in hedge funds, private equity, real assets, real estate, equity, and fixed income funds are valued at the estimated NAV based upon the fair value of the underlying investments, as determined in good faith by the general partner (GP), in accordance with GAAP fair value principles in instances where no observable public market values are available. Investments that are estimated at fair value are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. These assets are reported by LACERA based on the practical expedient allowed under GAAP. In instances where observable public market values are available for the underlying securities held, fair value is determined by the fund's administrator using independent pricing sources.

Real Estate Separate Account Investments

Real estate investments are valued at NAV, which reflects the estimated fair value, as determined in good faith by the investment manager. These investments are initially recorded at cost, with subsequent adjustments that reflect third-party transactions, financial operating results, market conditions, and other factors deemed relevant by the investment manager. Properties are subject to independent third-party appraisals annually by a qualified appraisal management service provider.

LACERA has the following recurring fair value measurements as of June 30, 2025 and 2024.

Investments and Derivative Instruments Measured at Fair Value — Pension Plan

As of June 30, 2025

(Dollars in Thousands)

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Asset-Backed Securities	$141,713	$—	$141,713	$—
Corporate and Other Credit	1,448,792	—	1,403,408	45,384
Municipal/Revenue Bonds	7,517	—	7,517	—
Non-U.S. Fixed Income	214,386	—	189,171	25,215
Private Placement Fixed Income	930,046	—	924,726	5,320
U.S. Government Agencies	1,148,527	—	1,148,527	—
U.S. Treasuries	4,791,960	—	4,791,960	—
Pooled Investments	5,950	5,950	—	—
Whole Loan Mortgages	7,461	—	—	7,461
Subtotal Fixed Income Securities	**$8,696,352**	**$5,950**	**$8,607,022**	**$83,380**
Equity Securities				
Non-U.S. Equity	$10,894,670	$10,888,926	$692	$5,052
Pooled Investments	431,300	431,300	—	—
U.S. Equity	16,553,097	16,516,791	4,219	32,087
Subtotal Equity Securities	**$27,879,067**	**$27,837,017**	**$4,911**	**$37,139**
Collateral from Securities Lending	**$2,548,885**	**$—**	**$2,548,885**	**$—**
Total Investments by Fair Value Level	**$39,124,304**	**$27,842,967**	**$11,160,818**	**$120,519**
Investments Measured at Net Asset Value (NAV)				
Fixed Income	$16,970,977			
Hedge Funds	6,497,104			
Private Equity	13,803,331			
Real Estate	4,534,296			
Real Assets	4,010,516			
Total Investments Measured at NAV	**$45,816,224**			
Total Investments	**$84,940,528**			
Derivative Instruments				
Foreign Exchange Contracts	($101,012)	$—	($101,012)	$—
Foreign Equity Derivatives	280	280	—	—
U.S. Fixed Income Derivatives	44	44	—	—
U.S. Equity Derivatives	2,775	2,775	—	—
Total Derivative Instruments	**($97,913)**	**$3,099**	**($101,012)**	**$—**

Investments Measured at Net Asset Value — Pension Plan

As of June 30, 2025

(Dollars in Thousands)

	NAV	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed Income Funds[1]	$16,970,977	$1,976,034	Daily, Monthly, or Not Eligible	1-60 days or N/A
Hedge Funds[2]	6,497,104	—	Monthly, Quarterly, Semi-Annual, Annual; Self-Liquidating	5-180 days
Private Equity[3]	13,803,331	6,425,642	Not Eligible	N/A
Real Estate[3]	4,534,296	1,027,341	Quarterly or Not Eligible	30 days+ or N/A
Real Assets[3]	4,010,516	2,650,374	Not Eligible	N/A
Total Investments Measured at NAV	**$45,816,224**			

[1]**Fixed Income Funds**: Twenty-seven fixed income funds are valued at the net asset value (NAV) of units held at the end of the period based upon the fair value of the underlying investments. Approximately 78 percent of assets are available for redemption within 12 months; these funds provide daily, monthly, or quarterly liquidity. Approximately 22 percent of the fund assets have liquidity beyond 12 months.

[2]**Hedge Funds**: This portfolio consists of 20 current funds and one fund of funds. Hedge Fund investments are valued at NAV per share. When considering liquidity terms of the current funds, 70 percent of the fund assets are available for redemption within 12 months; these funds provide monthly, quarterly, semiannual, or annual liquidity. Some of these funds are subject to redemption notices and audit holdbacks that extend the time frame to receive redemptions beyond the next 12 months. Approximately 30 percent of fund assets are in funds that offer periodic liquidity that extends beyond the next 12 months.

LACERA's Hedge Funds portfolio invests in the following strategies:

(a) Macro and Tactical Trading: This strategy makes investments based on analyses and forecasts of macroeconomic trends, including governmental and central bank policies, fiscal trends, trade imbalances, interest rate trends, intercountry relations, and economic and technical analysis.

(b) Equity Long/Short: This strategy purchases and/or sells equities based on fundamental and/or quantitative analysis and other factors.

(c) Credit: This strategy includes long-biased credit, long/short credit, structured credit, and mortgage credit.

(d) Relative Value: This strategy's focus is to benefit from valuation discrepancies that may be present in related financial instruments by purchasing and/or shorting these instruments.

(e) Multi-Strategy: This strategy aims to pursue varying strategies to diversify risks and reduce volatility.

(f) Event Driven: This strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event.

[3]**Private Equity, Real Assets, and Real Estate Funds**: LACERA's Private Equity portfolio consists of 291 funds, investing primarily in buyout funds, with some exposure to venture capital, special situations, fund of funds, and co-investments. Due to contractual limitations, none of the funds are eligible for redemption. The Real Assets portfolio consists of 41 funds, investing primarily in infrastructure and natural resources. Four of the funds are eligible for redemption after an initial lockup period, and the other 37 of the funds are not eligible for redemption as the lockup period is typically from 10 to 15 years. The Real Estate portfolio, composed of 30 commingled funds, invests in both U.S. and Non-U.S. commercial real estate. The fair values of these funds have been determined using net assets valued at the end of the period and net assets valued one quarter in arrears plus current quarter cash flows. Ten out of 30 Real Estate funds are eligible for redemption depending upon the availability of cash for redemptions in the fund. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to 10 years. For Real Estate investments held in separate accounts and debt program investments, see Note J — Special Purpose Entities.

Investments and Derivative Instruments Measured at Fair Value — Pension Plan

As of June 30, 2024
(Dollars in Thousands)

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Asset-Backed Securities	$178,877	$—	$178,877	$—
Corporate and Other Credit	1,425,484	—	1,365,945	59,539
Municipal/Revenue Bonds	3,871	—	3,871	—
Non-U.S. Fixed Income	178,144	—	147,184	30,960
Private Placement Fixed Income	885,157	—	876,344	8,813
U.S. Government Agencies	824,171	—	824,171	—
U.S. Treasuries	6,052,414	—	6,052,414	—
Whole Loan Mortgages	8,661	—	—	8,661
Subtotal Fixed Income Securities	**$9,556,779**	**$—**	**$9,448,806**	**$107,973**
Equity Securities				
Non-U.S. Equity	$10,463,610	$10,457,776	$1,091	$4,743
Pooled Investments	473,278	473,278	—	—
U.S. Equity	17,962,579	17,925,521	7,247	29,811
Subtotal Equity Securities	**$28,899,467**	**$28,856,575**	**$8,338**	**$34,554**
Collateral from Securities Lending	$2,359,152	$—	$2,359,152	$—
Total Investments by Fair Value Level	**$40,815,398**	**$28,856,575**	**$11,816,296**	**$142,527**
Investments Measured at Net Asset Value (NAV)				
Fixed Income	$10,298,479			
Equity	559,458			
Hedge Funds	4,875,300			
Private Equity	13,057,192			
Real Estate	4,406,609			
Real Assets	3,359,137			
Total Investments Measured at NAV	**$36,556,175**			
Total Investments	**$77,371,573**			
Derivative Instruments				
Foreign Exchange Contracts	$55,419	$—	$55,419	$—
Foreign Equity Derivatives	543	543	—	—
U.S. Fixed Income Derivatives	46	46	—	—
U.S. Equity Derivatives	2,728	2,728	—	—
Total Derivative Instruments	**$58,736**	**$3,317**	**$55,419**	**$—**

Investments Measured at Net Asset Value — Pension Plan

As of June 30, 2024
(Dollars in Thousands)

	NAV	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed Income Funds[1]	$10,298,479	$617,178	Daily, Monthly or Not Eligible	1-60 days or N/A
Commingled Equity Funds[2]	559,458	—	Annual or Not Eligible	1-90 days or N/A
Hedge Funds[3]	4,875,300	—	Monthly, Quarterly, Semi-Annual, Annual; Self-Liquidating	5-180 days
Private Equity[4]	13,057,192	5,273,126	Not Eligible	N/A
Real Estate[4]	4,406,609	1,514,021	Quarterly or Not Eligible	30 days+ or N/A
Real Assets[4]	3,359,137	1,896,738	Not Eligible	N/A
Total Investments Measured at NAV	**$36,556,175**			

[1]**Fixed Income Funds**: Twenty-two fixed income funds are valued at the net asset value (NAV) of units held at the end the period based upon the fair value of the underlying investments. Approximately 65 percent of assets are available for redemption within 12 months; these funds provide daily, monthly, or quarterly liquidity. Approximately 35 percent of the fund assets have liquidity beyond 12 months.

[2]**Commingled Equity Funds**: One equity fund is considered commingled in nature. The fund is valued at NAV of units held at the end of the period based upon the fair value of the underlying investments. The fund represents 2 percent of the equity assets and is subject to a lockup period that limits redemption for the next year.

[3]**Hedge Funds**: The portfolio consists of 18 current funds and one fund of funds. Hedge fund investments are valued at NAV per share. When considering liquidity terms of the current funds, 75 percent of the fund assets are available for redemption within 12 months; these funds provide monthly, quarterly, semiannual, or annual liquidity. Some of these funds are subject to redemption notices that extend the time frame to receive redemptions beyond the next 12 months. Approximately 25 percent of fund assets are in funds that offer periodic liquidity that extends beyond the next 12 months.

LACERA's Hedge Funds portfolio invests in the following strategies:

(a) Macro and Tactical Trading: This strategy makes investments based on analyses and forecasts of macroeconomic trends, including governmental and central bank policies, fiscal trends, trade imbalances, interest rate trends, intercountry relations, and economic and technical analysis.

(b) Equity Long/Short: This strategy purchases and/or sells equities based on fundamental and/or quantitative analysis and other factors.

(c) Credit: This strategy includes long-biased credit, long/short credit, structured credit, and mortgage credit.

(d) Relative Value: This strategy's focus is to benefit from valuation discrepancies that may be present in related financial instruments by purchasing and/or shorting these instruments.

(e) Multi-Strategy: This strategy aims to pursue varying strategies that diversify risks and reduce volatility.

(f) Event Driven: This strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event.

[4]**Private Equity, Real Assets, and Real Estate Funds**: LACERA's Private Equity portfolio consists of 278 funds, investing primarily in buyout funds, with some exposure to venture capital, special situations, fund of funds, and co-investments. Due to contractual limitations, none of these funds are eligible for redemption. The Real Assets consists of 29 funds, investing primarily in infrastructure and natural resources. Four of the funds are eligible for redemption after an initial lockup period, and the other 25 of the funds are not eligible for redemption as the lockup period is typically from 10 to 15 years. The Real Estate portfolio, composed of 28 funds, invests in both U.S. and non-U.S. commercial real estate. The fair values of these funds have been determined using net assets valued one quarter in arrears plus current quarter cash flows. Six out of 28 funds are eligible for redemption depending upon the availability of cash for redemptions in the fund. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to 10 years. For Real Estate investments held in separate accounts and debt program investments, see Note J — Special Purpose Entities.

Investments Measured at Fair Value — OPEB Trust

As of June 30, 2025

(Dollars in Thousands)

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Asset-Backed Securities	$10,944	$—	$10,944	$—
Corporate and Other Credit	553,756	—	553,331	425
Municipal/Revenue Bonds	3,723	—	3,723	—
Non-U.S. Fixed Income	101,437	—	101,436	1
Private Placement Fixed Income	327,408	—	327,408	—
U.S. Government Agencies	238,557	—	238,557	—
U.S. Treasuries	962,879	—	962,879	—
Pooled Investments	17,734	17,734	—	—
Subtotal Fixed Income Securities	**$2,216,438**	**$17,734**	**$2,198,278**	**$426**
Equity Securities				
Non-U.S. Equity	$612,423	$612,411	$12	$—
Pooled Investments	242,960	242,960	—	—
U.S. Equity	1,660,047	1,659,887	1	159
Subtotal Equity Securities	**$2,515,430**	**$2,515,258**	**$13**	**$159**
Total Investment by Fair Value Level	**$4,731,868**	**$2,532,992**	**$2,198,291**	**$585**
Investments Measured at Net Asset Value (NAV)				
Fixed Income	$41,361			
Private Equity	42,542			
Real Estate	44,367			
Real Assets	46,400			
Total Investments Measured at NAV	**$174,670**			
Total Investments	**$4,906,538**			

Investments Measured at Net Asset Value — OPEB Trust

As of June 30, 2025

(Dollars in Thousands)

	NAV	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed Income Funds[1]	$41,361	$116,190	Daily, Monthly, or Not Eligible	1-60 days or N/A
Private Equity[2]	42,542	137,417	Not Eligible	N/A
Real Estate[3]	44,367	73,265	Not Eligible	N/A
Real Assets[4]	46,400	72,997	Not Eligible	N/A
Total Investments Measured at NAV	**$174,670**			

[1]Fixed Income Funds: The portfolio consists of eight fixed income funds value at the net asset value (NAV) of units held at the end of the period based on the fair value of underlying investments. Approximately 95 percent of assets are available for redemption within 12 months. Approximately 5 percent of the fund assets are not eligible for redemption due to contractual limitations.

[2]Private Equity: Eleven private equity funds are valued at NAV. Due to contractual limitations, none of the funds are eligible for redemption.

[3]Real Estate: The Real Estate Portfolio is composed of one fund. Due to contractual limitations, the fund is not eligible for redemption.

[4]Real Assets: The Real Assets portfolio consists of eight funds. Due to contractual limitations, none of the funds are eligible for redemption.

Investments Measured at Fair Value — OPEB Trust

As of June 30, 2024
(Dollars in Thousands)

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Asset-Backed Securities	$5,513	$—	$5,513	$—
Corporate and Other Credit	398,371	—	398,065	306
Municipal/Revenue Bonds	1,974	—	1,974	—
Non-U.S. Fixed Income	62,435	—	62,435	—
Private Placement Fixed Income	226,213	—	226,213	—
U.S. Government Agencies	113,376	—	113,376	—
U.S. Treasuries	633,286	—	633,286	—
Pooled Investments	20,365	20,365	—	—
Subtotal Fixed Income Securities	**$1,461,533**	**$20,365**	**$1,440,861**	**$306**
Equity Securities				
Non-U.S. Equity	$479,762	$479,762	$—	$—
Pooled Investments	188,244	188,244	—	—
U.S. Equity	1,439,129	1,439,129	1	—
Subtotal Equity Securities	**$2,107,135**	**$2,107,135**	**$1**	**$—**
Total Investment by Fair Value Level	**$3,568,668**	**$2,127,500**	**$1,440,862**	**$306**
Investments Measured at Net Asset Value (NAV)				
Fixed Income Funds	$274,152			
Private Equity	18,175			
Real Estate	2,431			
Real Assets	16,894			
Total Investments Measured at NAV	**$311,652**			
Total Investments	**$3,880,320**			
Derivative Instruments				
U.S. Fixed Income Derivatives	$5	$5	$—	$—
Foreign Equity Derivatives	2	2	—	—
Total Derivative Instruments	**$7**	**$7**	**$—**	**$—**

Investments Measured at Net Asset Value — OPEB Trust

As of June 30, 2024
(Dollars in Thousands)

	NAV	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed Income Funds[1]	$274,152	$95,856	Daily, Monthly, or Not Eligible	1-60 days or N/A
Private Equity[2]	18,175	117,098	Not Eligible	N/A
Real Estate[3]	2,431	67,395	Not Eligible	N/A
Real Assets[4]	16,894	96,508	Not Eligible	N/A
Total Investments Measured at NAV[1]	**$311,652**			

[1]Fixed Income Funds: The portfolio consists of nine fixed income funds value at the net asset value (NAV) of units held at the end of the period based on the fair value of underlying investments. Approximately 95 percent of assets are available for redemption within 12 months. Approximately 5 percent of the fund assets are not eligible for redemption due to contractual limitations.

[2]Private Equity: Seven private equity funds are valued at NAV. Due to contractual limitations, none of the funds are eligible for redemption.

[3]Real Estate: The Real Estate Portfolio is composed of one fund. Due to contractual limitations, the fund is not eligible for redemption.

[4]Real Assets: The Real Assets portfolio consists of five funds. Due to contractual limitations, none of the funds are eligible for redemption.

Investments Measured at Fair Value — OPEB Custodial Fund

As of June 30, 2025

(Dollars in Thousands)

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Corporate and Other Credit	$1,847	—	$1,847	$—
U.S. Treasuries	194,545	—	194,545	—
Total Fixed Income Securities	**$196,392**	**$—**	**$196,392**	**$—**
Total Investments by Fair Value Level	**$196,392**	**$—**	**$196,392**	**$—**

Investments Measured at Fair Value — OPEB Custodial Fund

As of June 30, 2024

(Dollars in Thousands)

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Securities				
Asset-Backed Securities	$787	$—	$787	$—
Corporate and Other Credit	6,517	—	6,517	—
U.S. Treasuries	180,471	—	180,471	—
Total Fixed Income Securities	**$187,775**	**$—**	**$187,775**	**$—**
Total Investments by Fair Value Level	**$187,775**	**$—**	**$187,775**	**$—**

NOTE Q — Other Post-Employment Benefits (OPEB) Trust

Los Angeles County (County) OPEB Trust

Pursuant to the California Government Code, the County established an irrevocable, tax-exempt OPEB Trust, which LACERA administers, for the purpose of holding and investing assets to prefund the Retiree Healthcare Benefits Program. In May 2012, the County Board of Supervisors approved entering into a trust and investment services agreement with the LACERA Board of Investments to serve as trustee and investment manager.

The County began funding the OPEB Trust in an effort to reduce its unfunded OPEB liability. It provides a framework whereby the County contributes to the Trust with regular frequency and over time, may transition to a prefunding model which will use OPEB Trust assets to pay retiree healthcare benefits. Under the existing pay-as-you-go model, the County uses current budgeted assets to pay monthly benefits. The County OPEB Trust does not modify the participating employers' existing benefit programs.

The County OPEB Trust serves as a funding tool for the participating employers to hold and invest assets which can be used to pay expenses and future administrative costs associated with future OPEB benefits, such as medical, dental, and vision provided by the Retiree Healthcare Benefits Program, including the retiree death/burial benefit. Participating employers will be responsible for and have full discretion over the timing of payments into the Trust. Assets held in the OPEB Trust are restricted for OPEB purposes as defined in the Trust Agreement. There are two participating employers in the County OPEB Trust: Los Angeles County and LACERA.

Los Angeles Superior Court (Court) OPEB Trust

Similar to the OPEB Trust established by the County, the Court established a separate tax-exempt trust fund, the Court OPEB Trust, to prefund the Court's OPEB liabilities. Pursuant to the California Government Code, the Court established an irrevocable OPEB Trust for the purpose of holding and investing assets to prefund the Retiree Healthcare Benefits Program, which LACERA administers. In April 2016, the Judicial Council of California approved the Court's request to establish a qualified irrevocable trust, as well as LACERA's Board of Investments as trustee and investment services provider.

In May 2016, to conform the language of the County OPEB trust agreement to the language of the Court's OPEB trust agreement, the Board of Supervisors approved the First Amendment to the *Trust and Investment Services Agreement for the County of Los Angeles OPEB Program* between the County and LACERA. This amendment permits the pooling of County and Court OPEB Trust assets solely for investment purposes.

In June 2016, the Court entered into a trust and investment services agreement with the LACERA Board of Investments, similar to the County arrangement. The Court is the only employer participating in the Court OPEB Trust.

OPEB Master Trust

In July 2016, LACERA's Board of Investments adopted the OPEB Master Trust Declaration, approving the use of a tax-exempt unitized fund structure for the County and Court OPEB Trusts. As trustee, the Board of Investments has sole and exclusive authority, control over, and responsibility for directing the investment and management of the Master OPEB Trust assets.

The OPEB Master Trust is administered via a unitized fund structure, which enables participants to pool assets and resources while maintaining individual sub-participant reporting. This approach offers administrative efficiencies and potential cost savings.

Funding Policy

In June 2015, the Board of Supervisors approved the County-wide budget, with a dedicated funding policy for the OPEB liability using a multi-year approach to enhance the County's OPEB Trust funding commitment in a consistent manner.

Under the County OPEB Trust, LACERA is defined as a "Contributing Employer." Separate accounts are maintained for the contributions and expense obligations of the County and LACERA. LACERA's annual budget includes provisions for its share of OPEB Trust contributions.

The Superior Court continues to pay its OPEB liability on a pay-as-you-go basis and makes prefunding contributions on a discretionary basis without a formal OPEB funding policy. When budgeted surplus funds are available at fiscal year-end, the Court may earmark such excess funds as OPEB Trust contributions.

LACERA OPEB Liability Funding

In December 2015, the LACERA boards adopted the LACERA OPEB Funding Policy, allowing LACERA to prefund its portion of retiree healthcare benefits in sync with the County, while also allowing LACERA to separately prefund its employer portion of the liability.

In June of 2023 and 2022, LACERA's Board of Retirement and Board of Investments approved revisions to the administrative budget policy to authorize additional prefunding contributions to the OPEB Trust at the discretion of LACERA's Chief Executive

Officer. The policy states that based upon a projected budget surplus, an extra OPEB contribution may be up to, but not exceed, the OPEB contribution amount originally budgeted for that year; as such, an administrative budget surplus can be used to increase LACERA's total OPEB prefunding contribution for the year. For the fiscal years ended June 30, 2025 and 2024, the Chief Executive Officer approved and authorized the transfer of an additional OPEB Trust contribution for LACERA.

INVESTMENT POLICIES — OPEB MASTER TRUST

Investment Policy Statement

LACERA's Board of Investments approves the allocation of investment assets within the OPEB Master Trust. As outlined in the OPEB Master Trust Investment Policy Statement, assets are managed on a total return basis with the overall goal to provide retiree healthcare program participants with post-employment healthcare benefits as promised, via a long-term investment program. One of the core investment beliefs in the Investment Policy Statement is that long-term strategic asset allocation is the primary driver of long-term risk and return outcomes. In June 2021, the LACERA Board of Investments adopted a revised asset allocation model that included private market asset categories such as private equity, infrastructure, natural resources, illiquid credit, and real estate within the functional asset category structure. During the fiscal year 2023, LACERA selected an investment manager for this private market asset investment mandate.

Target Allocation

The Board's revised asset allocation policy, adopted in December 2017, divided the Trust into four broad functional categories and contains asset classes that align with the purpose of each function. The Board approved target weights at both the functional category and asset class level to provide for diversification of assets in an effort to meet the OPEB Program's actuarial assumed rate of return, consistent with market conditions and risk management practices.

In 2024, the Board adopted a new strategic asset allocation for the OPEB Master Trust. The primary difference between the newly adopted strategic asset allocation and the former 2021 version was the reduction of the Real Assets and Inflation Hedges functional category, changed to strengthen the weight of the Risk Reduction and Mitigation functional category through an increase of investment grade bonds. Additionally, Overlays and Hedges was added as a fifth functional asset category with no target allocation.

Schedule of Target Allocation

As of June 30, 2025 and 2024

Asset Class	2025 Target Allocation		2024 Target Allocation	
Growth	**45.0%**		**45.0%**	
Global Equity		40.0%		40.0%
Private Equity		5.0%		5.0%
Credit	**16.0%**		**18.0%**	
Real Assets & Inflation Hedges	**13.0%**		**20.0%**	
Real Estate		5.0%		8.0%
Natural Resources		2.0%		2.0%
Commodities		0.0%		2.0%
Infrastructure		2.0%		2.0%
Treasury Inflation-Protected Securities		4.0%		6.0%
Risk Reduction & Mitigation	**26.0%**		**17.0%**	
Investment Grade Bonds		19.0%		10.0%
Long-Term Government Bonds		5.0%		5.0%
Cash and Cash Equivalents		2.0%		2.0%
Overlays and Hedges	**0.0%**		**N/A**	

Investment Concentrations

On June 30, 2025, the OPEB Master Trust held approximately 45.0 percent in Growth, 16.0 percent in Credit, 26.0 percent in Risk Reduction and Mitigation, and 13.0 percent in Real Assets and Inflation Hedges. In addition, the OPEB Master Trust did not hold investments in any one issuer that would represent 5 percent or more of the OPEB Master Trust Fiduciary Net Position.

Money-Weighted Rate of Return

For the fiscal years ended June 30, 2025 and 2024, the annual money-weighted rate of return on OPEB Trust investments, net of OPEB Trust investment expenses, were 11.0 percent and 11.1 percent, respectively. Historical returns will be presented as they become available in the Schedule of Investment Returns — OPEB Program presented in the Required Supplementary Information (RSI) section.

Contributions

The participating employers historically discharged their current healthcare premium subsidy obligations on a pay-as-you-go basis. LACERA bills the participating employers and members for healthcare premiums on a monthly basis and receives payment. The County, Superior Court, and LACERA use the OPEB Trust as a mechanism to prefund these obligations, depositing monies into the irrevocable OPEB Trust, earning interest and investment income, and dispersing funds in accordance with the terms of the trust agreements. Retiree healthcare program participants are required to pay the difference between the employer-paid subsidy and the actual premium cost.

For the fiscal years ended June 30, 2025 and 2024, LACERA contributed a total of $5.2 million and $4.3 million, respectively, to prefund LACERA's portion of OPEB benefits. These amounts include the contributions originally funded through LACERA's administrative budget, plus additional contributions based on a projected budget surplus, as allowed within LACERA's budget policy. The County, Superior Court, and LACERA made total prefunding contributions to the OPEB Trust of $587.4 million and $518.7 million respectively, in excess of the pay-as-you-go amounts, both of which are recorded as revenue within the OPEB Trust.

Contributions

For the Fiscal Years Ended June 30, 2025 and 2024

(Dollars in Thousands)

	2025	2024
Los Angeles County	$571,230	$503,390
LACERA	5,155	4,307
Superior Court	11,000	11,000
Total Contributions[1]	**$587,385**	**$518,697**

[1] Contributions presented here are limited to OPEB Trust prefunding from plan sponsors. OPEB Trust employer contributions presented in the Statement of Changes in Fiduciary Net Position include pay-as-you-go contributions per GASB reporting requirements. Please see Note B — Summary of Significant Accounting Policies for additional information.

Administration

The OPEB Trust administration costs are allocated among the three participating employers, expensed to the Trust, and include payments for investment management fees, custodial fees, consultant fees, and overhead charged by LACERA for administering the OPEB Trust Fund. Expenses totaled $10.5 million and $4.7 million for fiscal years ended June 30, 2025 and 2024, respectively. The increase in investment management fees was primarily driven by the onboarding of new private asset partnership investments, along with operational searches, including private market risk and governance-related implementation projects.

Expenses

For the Fiscal Years Ended June 30, 2025 and 2024

	2025			
	Los Angeles County	**LACERA**	**Superior Court**	**Total**
Management Fees	$2,262,277	$12,535	$47,534	$2,322,346
Custodial Fees	258,937	1,407	5,466	265,810
Consultant Fees	89,159	491	1,879	91,529
Investment Expenses	5,129,395	28,573	109,787	5,267,755
Investment Expense-Legal Fees	109,498	610	2,356	112,464
Partnership Expenses-Real Assets	255,642	1,410	5,247	262,299
Partnership Expenses-Private Equity	(141,715)	(776)	(2,801)	(145,292)
Foreign Income Taxes	1,434,358	7,920	29,873	1,472,151
Administrative Expenses	685,388	172,103	43,026	900,517
Total Expenses	**$10,082,939**	**$224,273**	**$242,367**	**$10,549,579**

	2024			
	Los Angeles County	**LACERA**	**Superior Court**	**Total**
Management Fees	$1,718,488	$8,813	$36,884	$1,764,185
Custodial Fees	135,697	705	2,927	139,329
Consultant Fees	86,555	441	1,868	88,864
Investment Expenses	53,471	266	1,088	54,825
Investment Expense-Legal Fees	302,386	1,568	6,414	310,368
Partnership Expenses-Real Assets	11,751	49	406	12,206
Partnership Expenses-Private Equity	308,493	1,610	6,627	316,730
Foreign Income Taxes	875,830	4,465	18,855	899,150
Administrative Expenses	815,325	52,276	209,103	1,076,704
Total Expenses	**$4,307,996**	**$70,193**	**$284,172**	**$4,662,361**

Fund Values

OPEB Trust Fund additions include contributions from participating employers and investment income. Deductions include investment expenses, administrative expenses, and redemptions. There were no redemptions made by OPEB Trust participating during the fiscal years ended June 30, 2025 and 2024.

Fund Values

As of June 30, 2025 and 2024

(Dollars in Thousands)

	2025		
	Book Value	**Unrealized Investment Appreciation**	**Fair Value**
Los Angeles County	$4,010,915	$889,662	$4,900,577
LACERA	25,180	4,207	29,387
Superior Court	83,354	22,689	106,043
Total Balance	**$4,119,449**	**$916,558**	**$5,036,007**

	2024		
	Book Value	**Unrealized Investment Appreciation**	**Fair Value**
Los Angeles County	$3,171,467	$699,366	$3,870,833
LACERA	18,562	3,146	21,708
Superior Court	66,812	18,518	85,330
Total Balance	**$3,256,841**	**$721,030**	**$3,977,871**

NOTE R — Subsequent Events

Subsequent events have been evaluated by management through October 15, 2025, which is the date the financial statements were issued.

Schedule of Net Pension Liability and Related Ratios

For the Fiscal Years Ended June 30

(Dollars in Thousands)

	2025	2024	2023	2022	2021
Total Pension Liability	**$96,927,319**	$92,713,809	$88,469,442	$83,931,424	$80,303,904
Less: Fiduciary Net Position	**(86,187,618)**	(79,202,225)	(73,851,886)	(70,289,612)	(73,012,026)
Net Pension Liability	**$10,739,701**	$13,511,584	$14,617,556	$13,641,812	$7,291,878
Fiduciary Net Position as a Percentage of Total Pension Liability	**88.92%**	85.43%	83.48%	83.75%	90.92%
Covered Payroll[1]	**$10,380,999**	$9,860,647	$9,425,690	$9,100,791	$9,062,051
Net Pension Liability as a Percentage of Covered Payroll	**103.46%**	137.03%	155.08%	149.90%	80.47%

	2020	2019	2018	2017	2016
Total Pension Liability	$76,579,594	$70,309,252	$67,057,218	$64,031,677	$58,528,457
Less: Fiduciary Net Position	(58,510,408)	(58,294,837)	(56,299,982)	(52,743,651)	(47,846,694)
Net Pension Liability	$18,069,186	$12,014,415	$10,757,236	$11,288,026	$10,681,763
Fiduciary Net Position as a Percentage of Total Pension Liability	76.40%	82.91%	83.96%	82.37%	81.75%
Covered Payroll[1]	$8,724,151	$8,370,050	$7,957,981	$7,637,032	$7,279,777
Net Pension Liability as a Percentage of Covered Payroll	207.12%	143.54%	135.18%	147.81%	146.73%

[1]In accordance with GASB Statement Number 82, Covered Payroll is the payroll on which contributions are based.

For other actuarial methods and assumptions, see Notes to the Required Supplementary Information.

Schedule of Changes in Net Pension Liability and Related Ratios

For the Fiscal Years Ended June 30

(Dollars in Thousands)

	2025	2024	2023	2022
Total Pension Liability				
Service Cost	**$1,764,476**	$1,676,917	$1,635,318	$1,583,222
Interest on Total Pension Liability	**6,587,399**	6,269,137	5,950,906	5,696,846
Effect of Plan Changes	**—**	—	—	—
Effect of Assumption Changes or Inputs	**—**	(222,966)	855,336	—
Effect of Economic/Demographic (Gains) or Losses	**637,744**	1,039,417	377,821	392,019
Benefit Payments and Refund of Contributions	**(4,776,109)**	(4,518,138)	(4,281,363)	(4,044,567)
Net Change in Total Pension Liability	**4,213,510**	4,244,367	4,538,018	3,627,520
Total Pension Liability - Beginning	**92,713,809**	88,469,442	83,931,424	80,303,904
Total Pension Liability - Ending (a)	**$96,927,319**	$92,713,809	$88,469,442	$83,931,424
Fiduciary Net Position				
Contributions: Employer[1]	**$2,670,874**	$2,509,071	$2,301,706	$2,199,889
Contributions: Metropolitan Transportation Authority	**—**	—	—	—
Contributions: Member[1]	**919,148**	861,042	793,244	758,632
Net Investment Income[2]	**8,274,292**	6,595,188	4,841,151	(1,554,155)
Net Miscellaneous Income	**6,425**	5,008	4,551	3,898
Benefit Payments and Refund of Contributions	**(4,776,109)**	(4,518,138)	(4,281,363)	(4,044,567)
Administrative Expenses[2]	**(109,237)**	(101,832)	(97,015)	(86,111)
Net Change in Fiduciary Net Position	**6,985,393**	5,350,339	3,562,274	(2,722,414)
Fiduciary Net Position — Beginning	**79,202,225**	73,851,886	70,289,612	73,012,026
Fiduciary Net Position — Ending (b)	**$86,187,618**	$79,202,225	$73,851,886	$70,289,612
Net Pension Liability — Ending (a) - (b)	**$10,739,701**	$13,511,584	$14,617,556	$13,641,812
Fiduciary Net Position as a Percentage of Total Pension Liability	**88.92%**	85.43%	83.48%	83.75%
Covered Payroll[3]	**$10,380,999**	$9,860,647	$9,425,690	$9,100,791
Net Pension Liability as a Percentage of Covered Payroll	**103.46%**	137.03%	155.08%	149.90%

[1]In accordance with GASB Statement Number 82, employer pickup contributions are classified as Member Contributions.

[2]In accordance with GASB Statement Number 67, investment related costs are reported as Investment Expense.

[3]In accordance with GASB Statement Number 82, Covered Payroll is the payroll on which contributions are based.

Schedule of Changes in Net Pension Liability and Related Ratios continued

For the Fiscal Years Ended June 30

(Dollars in Thousands)

	2021	2020	2019
Total Pension Liability			
Service Cost	$1,499,597	$1,301,460	$1,239,396
Interest on Total Pension Liability	5,433,409	5,154,164	4,916,804
Effect of Plan Changes	—	—	—
Effect of Assumption Changes or Inputs	—	2,626,103	—
Effect of Economic/Demographic (Gains) or Losses	605,566	794,955	502,989
Benefit Payments and Refund of Contributions	(3,814,262)	(3,606,340)	(3,407,155)
Net Change in Total Pension Liability	3,724,310	$6,270,342	$3,252,034
Total Pension Liability - Beginning	76,579,594	70,309,252	67,057,218
Total Pension Liability - Ending (a)	$80,303,904	$76,579,594	$70,309,252
Fiduciary Net Position			
Contributions: Employer[1]	$2,012,877	$1,800,137	$1,668,151
Contributions: Metropolitan Transportation Authority	—	—	—
Contributions: Member[1]	760,994	659,296	635,415
Net Investment Income[2]	15,615,699	1,432,547	3,163,618
Net Miscellaneous Income	2,680	1,985	5,626
Benefit Payments and Refund of Contributions	(3,814,262)	(3,606,340)	(3,407,155)
Administrative Expenses[2]	(76,370)	(72,054)	(70,800)
Net Change in Fiduciary Net Position	14,501,618	$215,571	$1,994,855
Fiduciary Net Position — Beginning	58,510,408	58,294,837	56,299,982
Fiduciary Net Position — Ending (b)	$73,012,026	$58,510,408	$58,294,837
Net Pension Liability — Ending (a) - (b)	$7,291,878	$18,069,186	$12,014,415
Fiduciary Net Position as a Percentage of Total Pension Liability	90.92%	76.40%	82.91%
Covered Payroll[3]	$9,062,051	$8,724,151	$8,370,050
Net Pension Liability as a Percentage of Covered Payroll	80.47%	207.12%	143.54%

[1] In accordance with GASB Statement Number 82, employer pickup contributions are classified as Member Contributions.

[2] In accordance with GASB Statement Number 67, investment related costs are reported as Investment Expense.

[3] In accordance with GASB Statement Number 82, Covered Payroll is the payroll on which contributions are based.

Schedule of Changes in Net Pension Liability and Related Ratios continued

For the Fiscal Years Ended June 30

(Dollars in Thousands)

	2018	2017	2016
Total Pension Liability			
Service Cost	$1,220,274	$1,106,755	$1,069,328
Interest on Total Pension Liability	4,699,493	4,393,712	4,214,834
Effect of Plan Changes	—	—	—
Effect of Assumption Changes or Inputs	—	3,079,892	—
Effect of Economic/Demographic (Gains) or Losses	309,149	(47,506)	(437,039)
Benefit Payments and Refund of Contributions	(3,203,375)	(3,029,633)	(2,889,186)
Net Change in Total Pension Liability	$3,025,541	$5,503,220	$1,957,937
Total Pension Liability - Beginning	64,031,677	58,528,457	56,570,520
Total Pension Liability - Ending (a)	$67,057,218	$64,031,677	$58,528,457
Fiduciary Net Position			
Contributions: Employer[1]	$1,524,823	$1,331,357	$1,403,709
Contributions: Metropolitan Transportation Authority	—	2	3
Contributions: Member[1]	591,262	526,579	498,083
Net Investment Income[2]	4,705,949	6,129,300	80,588
Net Miscellaneous Income	5,163	6,182	2,792
Benefit Payments and Refund of Contributions	(3,203,375)	(3,029,633)	(2,889,186)
Administrative Expenses[2]	(67,491)	(66,830)	(67,645)
Net Change in Fiduciary Net Position	$3,556,331	$4,896,957	($971,656)
Fiduciary Net Position — Beginning	52,743,651	47,846,694	48,818,350
Fiduciary Net Position — Ending (b)	$56,299,982	$52,743,651	$47,846,694
Net Pension Liability — Ending (a) - (b)	$10,757,236	$11,288,026	$10,681,763
Fiduciary Net Position as a Percentage of Total Pension Liability	83.96%	82.37%	81.75%
Covered Payroll[3]	$7,957,981	$7,637,032	$7,279,777
Net Pension Liability as a Percentage of Covered Payroll	135.18%	147.81%	146.73%

[1]In accordance with GASB Statement Number 82, employer pickup contributions are classified as Member Contributions.

[2]In accordance with GASB Statement Number 67, investment related costs are reported as Investment Expense.

[3]In accordance with GASB Statement Number 82, Covered Payroll is the payroll on which contributions are based.

Schedule of Employer Contributions History — Pension Plan[1]

Last 10 Fiscal Years

(Dollars in Thousands)

	2025	2024	2023	2022	2021
Actuarially Determined Contributions	**$2,670,874**	$2,509,071	$2,301,706	$2,199,889	$2,012,877
Contributions in Relation to Actuarially Determined Contributions	**2,670,874**	2,509,071	2,301,706	2,199,889	2,012,877
Contribution Deficiency/(Excess)	**$—**	$—	$—	$—	$—
Covered Payroll[3]	**$10,380,999**	$9,860,647	$9,425,690	$9,100,791	$9,062,051
Contributions as a Percentage of Covered Payroll	**25.73%**	25.45%	24.42%	24.17%	22.21%

	2020	2019	2018	2017[2]	2016
Actuarially Determined Contributions	$1,800,137	$1,668,151	$1,524,823	$1,331,357	$1,403,709
Contributions in Relation to Actuarially Determined Contributions	1,800,137	1,668,151	1,524,823	1,331,357	1,403,709
Contribution Deficiency/(Excess)	$—	$—	$—	$—	$—
Covered Payroll[3]	$8,724,151	$8,370,050	$7,957,981	$7,637,032	$7,279,777
Contributions as a Percentage of Covered Payroll	20.63%	19.93%	19.16%	17.43%	19.28%

[1] In accordance with GASB Statement Number 82, employer pickup contributions are classified as Member Contributions.

[2] Portion of contributions fulfilled by transfers from County Contribution Credit Reserve: $21,891 (FYE 2017, Superior Court).

[3] In accordance with GASB Statement Number 82, Covered Payroll is the payroll on which contributions are based.

See Notes to Required Supplementary Information for actuarial funding valuation assumptions used to calculate the actuarially determined contributions.

Schedule of Investment Returns — Pension Plan

For the Fiscal Years Ended June 30

	2025	2024	2023	2022	2021
Annual Money-Weighted Rate of Return (Net of Investment Expense)[1]	**9.7%**	9.1%	6.4%	0.6%	25.2%

	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return (Net of Investment Expense)[1]	1.4%	5.5%	9.0%	12.7%	0.7%

[1]Money-Weighted Rate of Return is the internal rate of return on Pension Plan investments, net of investment expenses.

Notes to Required Supplementary Information — Pension Plan

Actuarial Methods and Significant Assumptions

The actuarial assumptions used to determine Pension Plan liabilities and employer and employee contributions are based on the results of the 2022 triennial investigation of experience (experience study). The June 30, 2024 actuarial valuation prepared by the consulting actuary was based on all assumptions adopted and reaffirmed by the LACERA Board of Investments in December 2022.

Key Methods and Significant Assumptions[1]

Method/Assumption	Description
Valuation Timing	*Contribution Rates: Effective Two Years After Valuation* Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported. Contributions calculated for the June 30, 2023 valuation are applied for the fiscal year July 1, 2024 to June 30, 2025.
Actuarial Cost Method	Individual entry age.
Investment Rate of Return	*Annual Rate of 7.0 Percent* Future investment earnings are assumed to accrue at an annual rate of 7.0 percent, compounded annually, net of both investment and administrative expenses. This rate was adopted beginning with the June 30, 2019 valuation and reaffirmed in the 2022 triennial experience study.
Consumer Price Index	*Annual Rate of 2.75 Percent* This rate was adopted beginning with the June 30, 2016 valuation and reaffirmed in the 2022 triennial experience study.
Salary Increases and Wage Growth	*Projected Salary Increases: 3.66 percent to 12.54 percent* These rates are updated each year. In addition to increases in salary due to promotions and longevity, the increases include an assumed 3.25 percent per annum rate of increase in the general wage growth. The general wage growth rate assumption was adopted June 30, 2022.
Asset Valuation Method	*Five-Year Asset Smoothing* Assets are valued using a five-year smoothed method based on the difference between expected market value and actual market value. The recognition method has no minimum or maximum corridor applied. This method was adopted with the 2016 triennial experience study. The asset valuation method was modified to include an offsetting of gains and losses prior to applying asset smoothing. Offsetting was adopted with the 2022 triennial experience study.
Amortization Method	*20-Year Amortization* Effective June 30, 2009, the Unfunded Actuarial Accrued Liability (UAAL) was amortized using a layered 30-year period under a level percentage of pay. Effective with the June 30, 2019 valuation, existing UAAL layers as of June 30, 2018 are amortized over their remaining periods, not to exceed 22 years. Each new layer created on or after June 30, 2019 is amortized over a 20-year period. The UAAL contribution rate calculated in the June 30, 2024 funding valuation reflects 16 distinct amortization layers.
Rates of Separation From Employment	*Various Rates and Probabilities* A schedule of the probabilities of employment termination based on age and/or service due to a particular cause is used. For additional information, see the Retirement Probability of Occurrence tables in the Actuarial Section.

Key Methods and Significant Assumptions[1] continued

Method/Assumption	Description
Cost-of-Living Adjustments (COLAs)	*Annual COLAs of 2.75 Percent or 2.0 Percent* Post-retirement benefit increases of either 2.75 percent or 2 percent (adjusted to 3 percent where appropriate to reflect COLA accumulation banks) per year are assumed for the valuation in accordance with the benefits provided. This assumption was adopted beginning with the June 30, 2016 valuation and reaffirmed with the 2022 experience study.
Mortality	*Mortality Tables for Public Employees* Various rates based on Pub-2010 mortality tables and using MP-2021 Ultimate Projection Scale. See the June 30, 2022 actuarial funding valuation report for details.
Recognition of Inflows/Outflows	*Straight-Line Amortization*
Gains or Losses	
Investment	Straight-line amortization over five years.
Economic/Demographic	Straight-line amortization over expected working life.
Assumption Changes or Inputs	Straight-line amortization over expected working life.

[1]Assumptions applied to funding valuation calculations may differ from those applied to GASB 67 disclosures.

Changes in Pension Plan Assumptions

In addition to conducting annual actuarial valuations, LACERA requires its consulting actuary to review the reasonableness of the economic and demographic actuarial assumptions every three years. LACERA's independent actuarial consulting firm most recently completed an investigation of experience for the period ended June 30, 2022. This review, known as the experience study, involves comparing actual experience to expectations based on existing actuarial assumptions. Based upon the experience study results, the actuary determines whether changing the assumptions or methodology will better project benefit liabilities and asset growth. At the December 2022 Board of Investments meeting, the Board approved the 2022 experience study, reaffirming some existing assumptions and adopting some new valuation assumptions.

Assumption changes from the June 30, 2016 and June 30, 2019 experience study reports are also presented to meet GASB 67 requirements to disclose significant assumptions and other inputs to measure and report the Total Pension Liability over a 10-year period.

2022 Assumption Changes

Actuarial method and assumption changes derived from the 2022 experience study were applied in preparing the June 30, 2022 valuation report. Actuarial information provided for the fiscal year ended June 30, 2023 financial statements is based on these reports unless otherwise noted.

The Board adopted changes to the following actuarial assumptions for the 2022 valuation report:

- Modified the five-year actuarial asset smoothing method to include gain and loss offsetting.
- Updated the rates of assumed merit salary increases and assumed service retirement to reflect a member's length of service in addition to their age.
- Updated the mortality improvement scale to reflect the most recently published Society of Actuaries mortality projection scale.
- Designated the Supplemental Targeted Adjustment for Retirees (STAR) Reserve as a non-valuation reserve, which was previously included as a valuation reserve.

The 2022 valuation report contained some actuarial assumptions the Board reaffirmed that did not change:

- Investment return assumption of 7.0 percent.
- CPI assumption of 2.75 percent.
- General wage growth assumption of 3.25 percent.

2019 Assumption Changes

Actuarial method and assumption changes derived from the 2019 experience study were applied in preparing the June 30, 2019 to June 30, 2021 valuation reports. Actuarial information provided for the fiscal year ended June 30, 2022 financial statements is based on these reports unless otherwise noted.

The following actuarial assumptions were applied to the 2019–2021 valuation reports, as adopted by the Board:

- Investment return assumption of 7.0 percent.
- CPI assumption of 2.75 percent.
- General wage growth assumption of 3.25 percent.

- New mortality tables based on published tables that are specific to public plans' general and safety members, with adjustments to match LACERA experience.
- MP-2014 Ultimate Projection Scale to reflect the gradual year-to-year improvement in mortality that is expected to occur in the future. This is sometimes referred to as "generational mortality." Mortality rates are based on the Pub-2010 mortality tables and include projections for expected future mortality improvement using the MP-2014 Ultimate Projection Scale.

2016 Assumption Changes

The Board adopted a decrease in the investment return assumption to 7.25 percent, a decrease in the CPI assumption to 2.75 percent, and a corresponding decrease in the general wage growth assumption to 3.25 percent.

An increase in life expectancies was adopted. Various rates are based on the RP-2014 Healthy and Disabled Annuitant mortality tables and include a projection for expected future mortality improvement using 100 percent of the MP-2014 Ultimate Projection Scale.

Schedule of Investment Returns — OPEB Trust[1]

For the Fiscal Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return (Net of Investment Expense)[2]	11.0%	11.1%	9.7%	(11.8)%	28.2%	0.5 %	6.0%	10.0%	16.0%

[1]Trend Information: Schedule will ultimately show information for 10 years. Additional years will be displayed as they become available prospectively.

[2]Money-Weighted Rate of Return is calculated as the internal rate of return on OPEB Trust investments, net of investment expenses.

Administrative Expenses — Pension Plan

For the Fiscal Years Ended June 30, 2025 and 2024

(Dollars in Thousands)

	2025	2024
Personnel Services		
Salaries and Wages	$56,434	$51,228
Employee Benefits	37,145	33,253
Total Personnel Services	**$93,579**	**$84,481**
Consultant & Professional Services		
County Services	$619	$374
External Audit Fees	266	237
Legal Consultants	2,453	2,446
Professional Services	1,001	969
Temporary Personnel Services	5,006	5,857
Total Consultant & Professional Services	**$9,345**	**$9,883**
Operating Expenses & Equipment		
Administrative Support	$193	$196
General Expenses	1,257	1,825
Computer Software	6,095	4,773
Disability Medical Service Fees	2,631	2,802
Educational Expenses	1,088	911
Equipment	1,648	1,129
Facilities Operations	7,060	7,870
Insurance	1,232	1,381
Printing	841	861
Postage	1,375	1,386
Telecommunications	326	628
Transportation and Travel	515	502
Total Operating Expenses & Equipment	**$24,261**	**$24,264**
Total Administrative Expenses	**$127,185**	**$118,628**

Schedule of Investment Expenses

For the Fiscal Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	Pension Plan		OPEB Trust		OPEB Custodial Fund	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Investment Management Fees						
Cash and Short-Term	$353	$352	$40	$31	$7	$7
Commodities	613	2,082	20	210	—	—
Global Equity	33,762	29,557	334	510	—	—
Fixed Income	152,134	89,870	1,722	1,444	117	113
Hedge Funds	168,429	116,197	—	—	—	—
Private Equity	202,464	178,052	1,353	168	—	—
Real Assets	51,736	39,251	645	373	—	—
Real Estate	43,967	47,712	3	6	—	—
Subtotal Investment Management Fees[1]	**$653,458**	**$503,073**	**$4,117**	**$2,742**	**$124**	**$120**
Other Investment Expenses						
Fund Expenses[2]	$36,565	$42,491	$765	$1,481	$—	$—
Consultants	2,989	4,547	92	89	—	—
Custodian	2,867	3,589	266	139	30	30
Legal Counsel	1,818	1,681	112	310	—	—
Other	199	1,854	6,740	954	—	—
Subtotal Other Investment Expenses	**$44,438**	**$54,162**	**$7,975**	**$2,973**	**$30**	**$30**
Total Fees & Other Investment Expenses	**$697,896**	**$557,235**	**$12,092**	**$5,715**	**$154**	**$150**

[1]Difference in management fees expense from the Statement of Changes in Fiduciary Net Position is due to the inclusion of incentive fees and carry allocations in the schedule above. These incentive fees and carry allocations are deducted from investment income in the Statement of Changes in Fiduciary Net Position.

[2]Includes audit, legal, tax reporting, and fund administration expenses that are charged to the investment earnings by the investment manager.

Schedule of Payments to Consultants — Pension Plan

For the Fiscal Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	2025	**2024**
Actuarial		
Actuarial Valuations and Consulting Services	$345	$326
Audit		
External Audit Services	$266	$237
Legal		
Investment Counsel	$1,818	$1,681
Legislative Consulting	267	325
Other Legal Services	2,186	2,121
Subtotal	**$4,271**	**$4,127**
Management		
Management and Human Resources Consulting	$140	$164
Information Technology Consulting	—	126
Subtotal	**$140**	**$290**
Total Payments to Consultants	**$5,022**	**$4,980**

Note: For fees paid to investment professionals, refer to Schedule of Investment Management Fees in the Investment Section.

Investment Section

Dear LACERA Members:
I am pleased to present the Investment Section of LACERA's Annual Comprehensive Financial Report for Fiscal Year 2025. LACERA oversees two funds (the Funds) for the County of Los Angeles: the defined benefit retirement plan (the Pension Plan) and the LACERA Other Post-Employment Benefit Master Trust (the OPEB Trust).[1] This section provides an overview of the investment performance of the Pension Plan and the OPEB Trust, along with a summary of the investment portfolio.

In fiscal year 2025, capital markets exhibited continued strength on resilient corporate earnings and investor optimism, despite tariff uncertainties and varying expectations around interest rate cuts. Inflation in the U.S. and Europe eased but stayed above its 20-year averages, while geopolitical tensions and trade disputes reinforced deglobalization and supply chain realignment. Emerging megatrends—particularly the rise of artificial intelligence, expansion of data center infrastructure, and acceleration of onshoring—reshaped investment priorities. Surging demand for computer power and semiconductors drove significant capital investment, while energy and regulatory pressures around digital infrastructure intensified. In this evolving landscape, LACERA's Board of Investments (the Board) maintained its long-term focus, leveraging a well-diversified portfolio designed to be resilient across market cycles and responsive to structural shifts. This approach ensures LACERA remains well-positioned to meet future benefit obligations while adapting to global transformation.

Performance Summary

The Pension Plan returned 9.7 percent during the fiscal year, ending with a market value of $85.2 billion. The OPEB Trust delivered 11.1 percent, ending the period with a market value of $5.0 billion.[2] Both funds completed the fiscal year with asset values at record highs. The OPEB Trust's higher return during the fiscal year is primarily attributable to its larger allocation to public market investments. However, that also means that the OPEB Trust's portfolio is more sensitive to public market movements compared to the Pension Plan. The OPEB Trust began investing in private assets three years ago, after the Board approved an 18 percent allocation to private assets for the Trust in June 2021. As the OPEB Trust increases its allocation in private assets, it is expected that the Trust's performance return profile will closer align with the Pension Plan's.

LACERA's objective is to meet or exceed the Funds' respective benchmarks over a full market cycle and their respective actuarial expected return assumptions over the long term. As detailed below, the Pension Plan met its policy benchmark for the one-year period, underperformed over the three-year period, and exceeded its benchmark across five- and ten-year periods. The OPEB Trust outperformed its policy benchmark for all periods. Both funds' returns are above their actuarial expected returns for every period.[3]

Annualized Total Returns (Net of Fees)

Fiscal Year Ended June 30, 2025

	1 Year	3 Years	5 Years	10 Years
Pension Plan	9.7%	8.4%	9.8%	7.9%
Policy Benchmark	*9.7%*	*8.6%*	*8.5%*	*7.4%*
OPEB Trust[4]	11.1%	10.5%	9.0%	7.8%
Policy Benchmark	*10.3%*	*9.6%*	*8.5%*	*6.7%*

[1]LACERA is responsible for the administration and investment of two separate funds: the County of Los Angeles (the County) defined benefit retirement plan, whose assets provide retirement benefits for employees of the County and outside districts, and the LACERA Other Post-Employment Benefit Master Trust, whose assets are held in trust to provide post-employment healthcare benefits for retirees of the County, LACERA, and the Superior Court of California, County of Los Angeles. LACERA also oversees two custodial fund accounts used to fund the OPEB Program's operations and related healthcare premiums.
[2]The Pension Plan and OPEB Trust returns are calculated based on a time-weighted rate of return. All returns are net of fees unless otherwise noted.
[3]The Pension Plan's and the OPEB Trust's actuarial expected returns for the period ending June 30, 2025 are 7.0 percent and 6.25 percent, respectively.
[4]Performance inception for the OPEB Trust is February 1, 2013.

Asset Allocation

The Board adopts separate investment policy statements for the Pension Plan and the OPEB Trust to guide their respective investment strategies. Each Investment Policy Statement defines a strategic asset allocation designed to optimize long-term growth while ensuring that LACERA can meet both current and future obligations. The Funds' strategic asset allocations are expected to serve as the primary drivers of long-term risk-adjusted returns.

The strategic asset allocations for the Pension Plan and the OPEB Trust guide the apportionment of investment dollars across functional categories and sub-asset classes, aligning long-term risk and return objectives while balancing short-term liquidity needs. The table below outlines the functional categories, sub-asset classes, and the role each is expected to fulfill in LACERA's investment portfolios.[5]

Functional Category	Sub-Asset Classes	Role in Portfolio
Growth	Global Equity Private Equity Non-Core Real Estate	Primary driver of long-term total returns
Credit	Credit	Produce current income and moderate long-term total returns with lower risk than growth assets
Real Assets and Inflation Hedges	Core Real Estate Natural Resources Infrastructure Treasury Inflation Protected Securities	Provide income and hedge against inflation
Risk Reduction and Mitigation	Investment Grade Bonds Diversified Hedge Funds Long-term Government Bonds Cash	Provide current income and a modest level of return while reducing total portfolio risk
Overlay and Hedges	Cash Overlay Currency Hedge	Assist the Pension Plan's adherence to policy allocation targets and manage risks

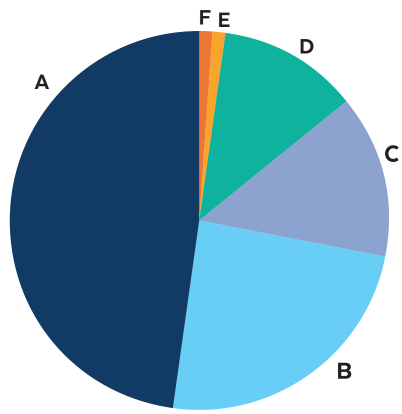
The Board reviews the strategic asset allocation for each Fund every three to five years to ensure that both portfolios are aligned with anticipated risks and opportunities. The current allocations were established by the Board in the prior fiscal year and are now in the process of being implemented. The allocations reflect the Board's evaluation of a number of factors including, but not limited to: the Funds' current and projected funded status, liabilities, and liquidity needs; long-term expectations for risk, return, and correlation across asset categories; and an assessment of future economic conditions.

[5] Certain asset classes in the OPEB Master Trust do not apply .

The Pension Plan's June 30, 2025 actual and target asset allocation are shown below.[6]

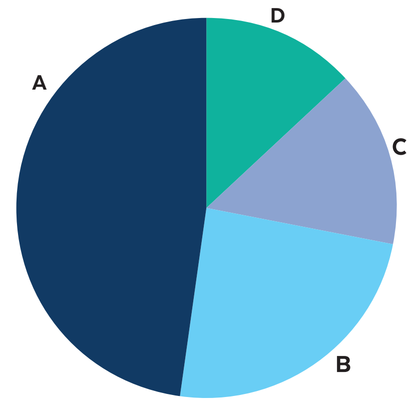
Pension Plan Asset Allocation

- A Growth **48%**
- B Risk Reduction and Mitigation **24%**
- C Real Assets and Inflation Hedges **14%**
- D Credit **12%**
- E Overlays & Hedges **1%**
- F Other Assets **1%**



Pension Plan Target Asset Allocation

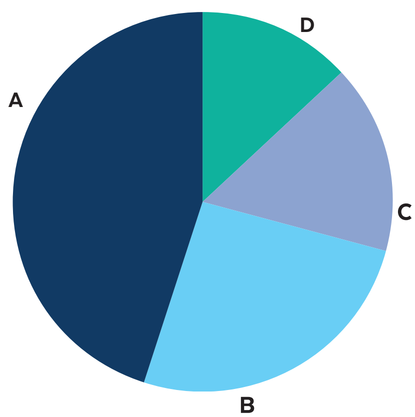
- A Growth **48%**
- B Risk Reduction and Mitigation **24%**
- C Real Assets and Inflation Hedges **15%**
- D Credit **13%**



Based on its own liquidity needs and funding status, the OPEB Trust's strategic asset allocation differs from that of the Pension Plan. The OPEB Trust's fiscal year-end and target allocations are illustrated below.

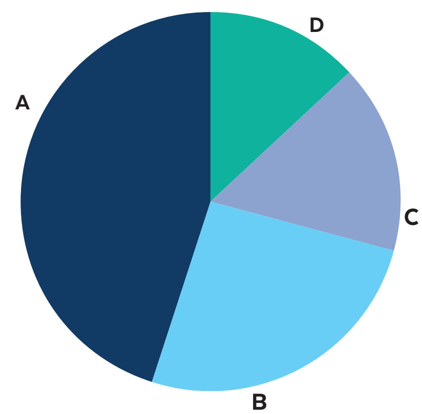
OPEB Trust Actual Asset Allocation

- A Growth **45%**
- B Risk Reduction and Mitigation **26%**
- C Credit **16%**
- D Real Assets and Inflation Hedges **13%**



OPEB Trust Target Asset Allocation

- A Growth **45%**
- B Risk Reduction and Mitigation **26%**
- C Credit **16%**
- D Real Assets and Inflation Hedges **13%**



Both portfolios were in compliance with their functional policy target allocation ranges as of fiscal year-end.

LACERA's strategic plan complements the strategic asset allocations established by the Board, further advancing LACERA's evolution from a capital allocator to a best-in-class investor. The five strategic initiatives outlined in the strategic plan include: 1) enhance operational effectiveness, 2) optimize investment model, 3) maximize stewardship and ownership rights, 4) strengthen influence on fees and cost of capital, and 5) execute LACERA's T.I.D.E. (Towards Inclusion, Diversity, and Equity) initiative. These initiatives are implemented through a principles-based investment approach supported by a dynamic investment program that

[6] The Pension Plan's actual asset allocation has a 1 percent allocation to "Other Assets," which include receivables due to deferred sales and rebalancing activity pending settlement. The Pension Plan has an overlay and hedges composite that invests LACERA 's excess cash (cash in excess of the target allocation of 1 percent of the Pension Plan's total assets) in synthetic securities that provide similar investment exposure to the Pension Plan, and hedges 50 percent of the non-US developed market currency exposure in the Pension Plan's global equities' portfolio. The Pension Plan's overlay and hedges composite has a 0 percent policy target weight.

provides a resilient and flexible framework. This framework enables LACERA to adapt to evolving macroeconomic conditions, technological innovations, and workforce composition. Together, the strategic initiatives and dynamic investment program are designed to maximize long-term investment returns while mitigating risks, ultimately benefiting our members.

Core Performance Drivers

LACERA continues to realize the benefits of implementing a resilient and diversified portfolio consistent with the Board-adopted strategic asset allocations. During the fiscal year, the Pension Plan saw positive contributions from its allocations to credit, real assets and inflation hedges, and risk reduction and mitigation. However, the Pension Plan's investments in the growth functional category did not meet their benchmark. The underperformance in growth is largely attributable to the Pension Plan's private equity investments, which are compared to a benchmark based on public equity market returns. In periods of strong global equity market performance, private equity performance may underperform relative to its benchmark, due to less frequent valuation updates that do not immediately reflect the most recent market conditions. The cash overlay and hedges composite continued to add value, contributing $47 million in gains during the fiscal year after contributing $357 million in gains during the prior fiscal year. Three functional asset classes of the Pension Plan and the OPEB Trust outperformed their individual benchmarks.

Looking Forward

LACERA's ongoing implementation of its strategic asset allocation, along with the execution of its strategic initiatives, has allowed the Funds to perform across varied macroeconomic conditions and deliver returns that have surpassed their actuarial benchmarks, despite global economic and geopolitical uncertainties that persist. LACERA remains committed to generating sustainable long-term returns to fulfill its mission of producing, protecting, and providing the promised benefits to its members.

Respectfully submitted,

Jonathan Grabel

Jonathan Grabel
Chief Investment Officer

Investment Summary — Pension Plan[1]

As of June 30, 2025

(Dollars in Thousands)

Type of Investment	Fair Value		Percent of Total Fair Value
Growth	**$40,624,803**		
Global Equity		25,961,259	30.5%
Private Equity		13,433,339	15.8%
Non-Core Private Real Estate		1,230,205	1.4%
Credit	**$10,602,475**		12.4%
Real Assets and Inflation Hedges	**$12,186,000**		
Core Private Real Estate		3,350,819	3.9%
Natural Resources		2,533,582	3.0%
Infrastructure		3,758,761	4.4%
Treasury Inflation Protected Securities (TIPS)		2,542,838	3.0%
Risk Reduction and Mitigation	**$20,177,523**		
Investment Grade Bonds		10,669,995	12.5%
Diversified Hedge Funds		6,434,944	7.6%
Long-Term Government Bonds		1,615,234	1.9%
Cash		1,457,350	1.7%
Overlay and Hedges	**$387,389**		
Cash Overlay		484,141	0.6%
Currency Hedges		(96,752)	(0.1)%
Other Assets	**$1,206,596**		1.4%
Total Investments — Pension Plan	**$85,184,786**		**100.0%**

[1] Fair values presented in this schedule are based on the Investment Book of Record and may differ from information presented in the Statement of Fiduciary Net Position, which is based on the Accounting Book of Record.

Investment Summary — OPEB Master Trust[1]

As of June 30, 2025

(Dollars in Thousands)

Type of Investment	Fair Value		Percent of Total Fair Value
Growth	**$2,272,621**		
Global Equity		2,236,968	44.6%
Private Equity		35,653	0.7%
Credit	**$799,331**		15.9%
Real Assets and Inflation Hedges	**$642,457**		
Real Estate		315,807	6.3%
Natural Resources		16,216	0.3%
Infrastructure		25,238	0.5%
Treasury Inflation Protected Securities (TIPS)		285,196	5.7%
Risk Reduction and Mitigation	**$1,302,185**		
Investment Grade Bonds		940,955	18.8%
Long-Term Government Bonds		257,708	5.1%
Cash		103,522	2.1%
Operational Cash[2]	**$9,374**		N/A
Total Investments — OPEB Master Trust	**$5,025,968**		**100.0%**

[1]Fair values presented in this schedule are based on the Investment Book of Record and may differ from information presented in the Statement of Fiduciary Net Position, which is based on the Accounting Book of Record.

[2]Represents cash balances held in the Sub-Trust ownership funds.

Investment Summary — OPEB Custodial Fund[1]

As of June 30, 2025

(Dollars in Thousands)

Type of Investment	Fair Value	Percent of Total Fair Value
Cash and Cash Equivalents	**$16,842**	7.9%
Fixed Income	**197,236**	92.1%
Total Investments — OPEB Custodial Fund	**$214,078**	100.0%

[1]Fair values presented in this schedule are based on the Investment Book of Record and may differ from information presented in the Statement of Fiduciary Net Position, which is based on the Accounting Book of Record.

Investment Results Based on Fair Value[1,2] — Pension Plan*

As of June 30, 2025

		Annualized (Net-of-Fees)			
	Quarter-End June 30, 2025	**One-Year**	**Three-year**	**Five-year**	**Ten-year**
Growth	**7.7%**	11.5%	11.5%	14.1%	—%
Growth Policy Benchmark	*6.6%*	*12.8%*	*13.0%*	*13.8%*	—%
Global Equity	11.8%	16.5%	17.3%	14.1%	—%
Global Equity Policy Benchmark	*11.6%*	*15.9%*	*16.8%*	*13.4%*	*—%*
Private Equity - Growth	1.0%	3.2%	2.5%	16.1%	—%
Private Equity - Growth Custom Benchmark	*(1.1)%*	*8.4%*	*8.4%*	*17.3%*	*—%*
Non-Core Private Real Estate	1.6%	(0.9)%	(3.9)%	4.1%	8.2%
Opportunistic Real Estate Custom Benchmark	*1.4%*	*3.4%*	*(2.9)%*	*4.5%*	*7.5%*
Credit	**7.7%**	16.6%	13.1%	10.3%	—%
Credit Policy Benchmark	*1.3%*	*8.7%*	*8.9%*	*5.5%*	—%
Real Assets & Inflation Hedges	**2.3%**	6.4%	1.8%	6.8%	—%
Real Assets & Inflation Hedges Policy Benchmark	*3.3%*	*6.0%*	*1.2%*	*6.1%*	—%
Core Private Real Estate	1.0%	(1.6)%	(6.5)%	1.0%	3.8%
Core Private Real Estate Custom Benchmark	*0.9%*	*1.2%*	*(5.1)%*	*2.1%*	*5.0%*
Natural Resources & Commodities	3.3%	1.0%	2.9%	13.9%	2.9%
Natural Resources & Commodities Policy Benchmark	*4.5%*	*(3.4)%*	*1.6%*	*11.6%*	*1.8%*
Infrastructure	3.7%	15.7%	8.0%	9.9%	—%
Dow Jones Brookfield Global Infrastructure Company	*7.3%*	*18.6%*	*7.4%*	*8.8%*	*—%*
Treasury Inflation Protected Securities (TIPS)	1.0%	7.6%	2.8%	1.9%	—%
Bloomberg U.S. Treasury: U.S. TIPS	*1.0%*	*6.5%*	*2.5%*	*1.7%*	*—%*
Risk Reduction & Mitigation	**1.1%**	5.9%	2.8%	0.7%	—%
Risk Reduction & Mitigation Policy Benchmark	*1.1%*	*5.7%*	*2.7%*	*0.0%*	—%
Investment Grade Bonds	1.2%	6.1%	2.7%	(0.5)%	2.1%
Bloomberg Barclays Aggregate Bond Index	*1.2%*	*6.1%*	*2.5%*	*(0.7)%*	*1.8%*
Diversified Hedge Funds	1.4%	7.2%	6.3%	7.8%	—%
Diversified Hedge Funds Custom Benchmark	*1.6%*	*7.1%*	*7.1%*	*5.3%*	*—%*
Long-Term Government Bonds	(1.5)%	1.6%	(3.9)%		—%
Bloomberg U.S. Treasury: Long	*(1.5)%*	*1.6%*	*(3.7)%*		*—%*
Cash	1.5%	6.8%	6.1%	4.1%	2.8%
Cash Policy Benchmark	*1.1%*	*4.9%*	*4.8%*	*2.9%*	*2.0%*
Total Fund	**4.9%**	**9.7%**	**8.4%**	**9.8%**	**7.9%**
Total Fund Policy Benchmark	***4.1%***	***9.7%***	***8.6%***	***8.5%***	***7.4%***

[1]Functional asset category returns are calculated based on time-weighted rates of return, net of manager fees; Total Fund performance is calculated based on the weighted average returns of the functional asset categories, net of manager fees.

[2]Some asset categories and their benchmarks are reported with a one- or three-month delay.

*A complete list of custom benchmark definitions is available upon request.

Investment Results Based on Fair Value[1, 2,3] — OPEB Master Trust*

As of June 30, 2025

		Annualized (Net-of-Fees)			
	Quarter-End June 30, 2025	One-Year	Three-year	Five-year	Ten-year
Growth	**11.5%**	16.2%	17.1%	13.6%	—%
Growth Policy Benchmark	*10.2%*	*15.2%*	*16.5%*	*13.2%*	*—%*
Global Equity	11.7%	16.4%	17.0%	13.6%	10.0%
MSCI ACWI IMI Net	*11.6%*	*15.9%*	*16.8%*	*13.4%*	*9.7%*
Private Equity[2]	0.0%	6.8%	—%	—%	—%
Private Equity Policy Benchmark	*(1.1)%*	*8.4%*	*—%*	*—%*	*—%*
Credit	**2.9%**	8.2%	9.0%	5.3%	—%
Credit Policy Benchmark	*1.3%*	*8.7%*	*9.6%*	*5.8%*	*—%*
Real Assets & Inflation Hedges	**(0.2)%**	7.1%	3.1%	7.5%	—%
Real Asset & Inflation Hedges Policy Benchmark	*2.2%*	*5.3%*	*0.8%*	*6.0%*	*—%*
Treasury Inflation Protected Securities (TIPS)	1.0%	7.5%	2.9%	1.9%	—%
Bloomberg U.S. Treasury: U.S. TIPS	*1.0%*	*6.5%*	*2.5%*	*1.7%*	*—%*
Infrastructure	2.0%	24.3%	—%	—%	—%
Infrastructure Policy Benchmark	*7.3%*	*18.6%*	*—%*	*—%*	*—%*
Natural Resources	4.0%	4.6%	—%	—%	—%
Natural Resources Policy Benchmark	*3.3%*	*0.6%*	*—%*	*—%*	*—%*
Real Estate	(1.6)%	8.1%	4.8%	8.5%	—%
Real Estate Custom Benchmark	*0.9%*	*1.2%*	*(2.9)%*	*3.7%*	*—%*
Risk Reduction & Mitigation	**0.7%**	5.2%	2.1%	(0.5)%	—%
Risk Reduction & Mitigation Policy Benchmark	*0.7%*	*5.0%*	*1.4%*	*(0.9)%*	*—%*
Investment Grade Bonds	1.2%	6.2%	2.6%	(0.7)%	—%
Bloomberg Barclays Aggregate Bond Index	*1.2%*	*6.1%*	*2.5%*	*(0.7)%*	*—%*
Long-Term Government Bonds	(1.5)%	1.6%	—%	—%	—%
Bloomberg U.S. Treasury: Long	*(1.5)%*	*1.6%*	*—%*	*—%*	*—%*
Cash	1.4%	8.7%	6.9%	4.1%	2.9%
Cash Policy Benchmark	*1.1%*	*4.9%*	*4.8%*	*2.9%*	*2.1%*
Total OPEB Master Trust	**5.7%**	**11.1%**	**10.5%**	**9.0%**	**7.8%**
Total OPEB Master Trust Policy Benchmark	***5.2%***	***10.3%***	***9.6%***	***8.5%***	***6.7%***

[1]Functional asset category returns are calculated based on time-weighted rates of return, net of manager fees; Total OPEB Master Trust performance is calculated based on the weighted average returns of the asset classes, net of manager fees.

[2]Some asset categories and their benchmarks are reported with a one- or three-month delay.

[3]Newly funded accounts: Time-weighted performance is not available.

*A complete list of custom benchmark definitions is available upon request.

Total Investment Rates of Return — Pension Plan

For the Last 10 Fiscal Years Ended June 30

(Dollars in Thousands)

Fiscal Year-End	Total Investment Portfolio Fair Value	Total Fund Time-Weighted Return (net of fees)[1]	Total Fund Money-Weighted Return (net of fees)[2]	Return on Smoothed Valuation Assets (net of fees)[3]	Actuarial Assumed Rate of Return[4]	Actuarial Funded Ratio[5]
2016	$47,898,667	0.8%	0.7%	6.5%	7.25%	79.4%
2017	52,225,457	12.7%	12.7%	8.2%	7.25%	79.9%
2018	55,443,060	9.0%	9.0%	8.1%	7.25%	80.6%
2019	57,976,437	6.4%	5.5%	6.5%	7.00%	77.2%
2020	56,574,410	1.8%	1.4%	5.8%	7.00%	76.3%
2021	70,297,718	25.2%	25.2%	10.4%	7.00%	79.3%
2022	67,467,013	0.1%	0.6%	8.5%	7.00%	79.6%
2023	71,460,616	6.4%	6.4%	7.2%	7.00%	79.9%
2024	75,015,737	9.1%	9.1%	7.5%	7.00%	80.9%
2025[6]	**$82,394,742**	**9.7%**	**9.7%**	**N/A**	**N/A**	**N/A**

[1]**Total Fund — Time-Weighted Rate of Return** is the aggregate increase or decrease in the value of the portfolio resulting from the net appreciation or depreciation of the principal of the fund, plus or minus the net income or loss experienced by the fund during the period. The returns are presented net of investment management fees.

[2]**Total Fund — Money-Weighted Rate of Return** is a measurement of investment performance, net of investment expenses, adjusted for the changing amounts actually invested. The returns are presented net of investment management fees.

[3]**Return on Smoothed Valuation Assets** consists of annual investment income in excess or short of the expected rate of return on a valuation (actuarial) basis, smoothed over a specified period with a portion of the year's asset gains or losses being recognized each year beginning with the current year.

[4]**Actuarial Assumed Rate of Return** is the future investment earnings of the assets, which are assumed to accrue at an annual rate, compounded annually, net of both investment and administrative expenses. The actuarial assumed rate of return is 7.0 percent, based upon the June 30, 2024 actuarial valuation report as adopted by the Board of Investments in December 2024. For fiscal year 2024-2025, interest crediting and operating tables applied the 7.0 percent actuarial assumed rate of return.

[5]**Actuarial Funded Ratio** is a measurement of the funded status of the fund calculated by dividing the valuation assets by the actuarial accrued liability.

[6]**Actuarial Valuation** report for June 30, 2025 is not yet available at financial statement publication.

Total Investment Rates of Return — OPEB Master Trust

For the Fiscal Years Ended June 30

(Dollars in Thousands)

Fiscal Year-End*	Total Investment Portfolio Fair Value	Total Fund Time-Weighted Return (net of fees)[1]	Total Fund Money-Weighted Return (net of fees)[2]	Return on Smoothed Valuation Assets (net of fees)[3]	Actuarial Assumed Rate of Return[4]	Actuarial Funded Ratio[5]
2018	$926,859	10.1%	10.0%	—%	6.00%	4.5%
2019	1,224,059	5.5%	6.0%	—%	6.00%	6.0%
2020	1,468,155	(0.1)%	0.5%	—%	6.00%	7.0%
2021	2,258,608	28.4%	28.2%	28.0%	6.00%	10.9%
2022	2,344,794	(11.2)%	(11.8)%	(12.0)%	6.00%	10.4%
2023	3,021,951	9.3%	9.7%	9.0%	6.00%	13.2%
2024	3,880,327	11.0%	11.1%	11.0%	6.25%	16.1%
2025[6]	**$4,906,538**	**11.1%**	**11.0%**	**N/A**	**N/A**	**N/A**

[1]**Total Fund — Time-Weighted Rate of Return** is the aggregate increase or decrease in the value of the portfolio resulting from the net appreciation or depreciation of the principal of the fund, plus or minus the net income or loss experienced by the fund during the period. The returns are presented net of investment management fees.

[2]**Total Fund — Money-Weighted Rate of Return** is a measurement of investment performance, net of investment expenses, adjusted for the changing amounts actually invested. The returns are presented net of investment management fees.

[3]**Return on Smoothed Valuation Assets** consists of annual investment income in excess or short of the expected rate of return on a valuation (actuarial) basis, smoothed over a specified period with a portion of the year's asset gains or losses being recognized each year beginning with the current year. The reporting methodology for OPEB changes from cost-sharing to agent plan structure began with the July 1, 2018 OPEB Valuation.

[4]**Actuarial Assumed Rate of Return** for the OPEB Trust is different from the Pension Trust investment return assumption due to a different asset allocation for the OPEB Trust. For agents that are prefunding through the OPEB Trust for fiscal year 2024, continue with an expected return of 6.25 percent. See Actuarial Section for the Summary of Actuarial Methods and Assumptions — OPEB Program for detailed information about actuarial rate.

[5]**Actuarial Funded Ratio** is a measurement of the funded status of the fund calculated by dividing the valuation assets by the actuarial accrued liability.

[6]**Actuarial Valuation** report for June 30, 2025 is not yet available at financial statement publication.

*Schedule will ultimately show information for 10 years. Additional years will be displayed as they become available prospectively.

Largest Equity Holdings — Pension Plan[1]

As of June 30, 2025

(Dollars in Thousands)

Shares	Description	Fair Value
6,744,278	NVIDIA Corporation	$1,065,528
1,946,237	Microsoft Corporation	968,078
4,143,788	Apple Inc.	850,181
2,634,980	Amazon.com Inc.	578,088
3,004,264	Alphabet Inc.	531,086
611,858	Meta Platforms Inc.	451,607
1,246,529	Broadcom Inc.	343,606
2,480,127	Exxon Mobil Corporation	267,358
776,301	Tesla Inc.	246,600
5,856,273	Taiwan Semiconductor Manufacturing Company. Ltd.	224,501

[1]Reflects the global equity exposure of assets held in custody.

Note: A complete list of portfolio holdings is available upon request by contacting LACERA.

Largest Equity Holdings — OPEB Master Trust[1]

As of June 30, 2025

(Dollars in Thousands)

Shares	Description	Fair Value
586,834	NVIDIA Corporation	$92,714
170,029	Microsoft Corporation	84,574
360,901	Apple Inc.	74,046
230,292	Amazon.com Inc.	50,524
259,033	Alphabet Inc.	45,786
52,440	Meta Platforms Inc.	38,706
107,821	Broadcom Inc.	29,721
282,576	Prologis Inc.	29,704
189,842	Welltower Inc.	29,184
29,834	Equinix Inc.	23,732

[1]Reflects the global equity exposure of assets held in custody.

Note: A complete list of portfolio holdings is available upon request by contacting LACERA.

Largest Fixed Income Holdings — Pension Plan[1]

As of June 30, 2025

(Dollars in Thousands)

Par	Description	Fair Value
1,754,645,897	United States Treasury 0.000% 20250925	$1,737,083
181,129,696	JP Morgan Sec LLC TPR D Tri Party Repo D	181,130
132,481,545	United States Treasury 1.625% 20291015	134,563
128,401,857	United States Treasury 2.125% 20290415	132,441
130,495,100	United States Treasury 1.625% 20300415	131,876
124,316,623	United States Treasury 2.375% 20281015	129,593
122,234,887	United States Treasury 1.625% 20271015	124,203
154,696,724	Federal National Mortgage Association 2.000% 20510701	123,305
121,197,349	United States Treasury 0.375% 20250715	121,422
120,620,443	United States Treasury 1.250% 20280415	120,728

[1]Reflects fixed income exposure of assets held in custody.

Note: A complete list of portfolio holdings is available upon request by contacting LACERA.

Largest Fixed Income Holdings — OPEB Master Trust[1]

As of June 30, 2025

(Dollars in Thousands)

Par	Description	Fair Value
102,747,181	United States Treasury 0.000% 20250925	$101,719
16,122,515	United States Treasury 1.625% 20300415	16,293
14,859,532	United States Treasury 1.625% 20291015	15,093
14,402,065	United States Treasury 2.125% 20290415	14,855
13,972,800	United States Treasury 2.375% 20281015	14,566
14,215,774	JP Morgan Sec LLC TPR D Tri Party Repo D	14,216
14,144,108	United States Treasury 0.375% 20250715	14,170
14,103,919	United States Treasury 1.250% 20280415	14,117
13,750,515	United States Treasury 1.625% 20271015	13,972
13,712,471	United States Treasury 0.125% 20270415	13,429

[1]Reflects fixed income exposure of assets held in custody.

Note: A complete list of portfolio holdings is available upon request by contacting LACERA.

Schedule of Investment Management Fees

For the Fiscal Years Ended June 30, 2025 and 2024

(Dollars in Thousands)

	Pension Plan		OPEB Trust		OPEB Custodial Fund	
Investment Managers	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Cash and Short-Term	$353	$352	$40	$31	$7	$7
Commodities	613	2,082	20	210	—	—
Global Equity	33,762	29,557	334	510	—	—
Fixed Income	152,134	89,870	1,722	1,444	117	113
Hedge Funds	168,429	116,197	—	—	—	—
Private Equity	202,464	178,052	1,353	168	—	—
Real Assets	51,736	39,251	645	373	—	—
Real Estate	43,967	47,712	3	6	—	—
Total Investment Management Fees[1]	**$653,458**	**$503,073**	**$4,117**	**$2,742**	**$124**	**$120**

[1]Differences in expenses from investing activities reported in the Statement of Changes in Fiduciary Net Position are due to incentive fees, carry allocations, and operating expenses included in the above schedule. In the Statement of Changes in Fiduciary Net Position, these incentive fees, carry allocations, and operating expenses are deducted from investment income.

PENSION PLAN

GROWTH

Global Equity
Acadian Asset Management, LLC
BlackRock Institutional Trust Company, N.A.
Capital International, Inc.
CornerCap Investment Counsel
Frontier Capital Management Company, LLC
Global Alpha Capital Management, LTD
J.P. Morgan Investment Management, Inc.
Lazard Asset Management, LLC
Leading Edge Investment Advisors, LLC
New Alpha Asset Management, SAS
Parametric Portfolio Associates, LLC
State Street Global Advisors (SSGA)
Systematic Financial Management, LP

Non-Core Private Real Estate
Aermont Capital Management, S.a.r.l
AEW Capital Management, LP
Angelo, Gordon & Company, LP
Bain Capital, LP
Blackstone, Inc.
Brookfield Asset Management, Inc.
CapMan, PLC
CB Richard Ellis Global Investors, LLC
CityView Management Services, LLC
Europa Capital, LLP
Heitman Capital Management, LLC
Hunt Investment Management, LLC
RREEF America, LLC
Starwood Capital Group
Stockbridge Capital Group
The Carlyle Group
TPG Capital
Whitman/Peterson, LLC

Private Equity[1]
Hamilton Lane Advisors, LLC
J.P. Morgan Investment Management, Inc.
Morgan Stanley Alternative Investments, LLC
Pathway Capital Management, LP

CREDIT

Bain Capital Credit, LP
Beach Point Capital Management, LP
Brigade Capital Management, LLC
Centerbridge Partners, LP
Crescent Capital Group, LP
Grosvenor Capital Management, LP
Magnetar Capital, LLC
Napier Park Global Capital
Onex Credit Management, LLC
Pacific Investment Management Company, LLC (PIMCO)
PineBridge Investment, LLC
Quadrant Real Estate Advisors, LLC
Siguler Guff Advisors, LLC
Silver Rock Capital Management
Stable Asset Management
Tennenbaum Capital Partners, LLC
UBS Asset Management
Värde Partners
Waterfall Asset Management

REAL ASSETS AND INFLATION HEDGES

Core Real Estate
CB Richard Ellis Global Investor, LLC
CityView Management Services, LLC
Clarion Partners, LLC
Heitman Capital Management, LLC
IDR Investment Management, LLC
Invesco Advisers, Inc.
Prologis Management II, S.a.r.l
RREEF America, LLC
Stockbridge Capital Group

Infrastructure
RREEF America, LLC

Infrastructure (Private)
Antin Mid Cap Fund I
Ardian Infrastructure Fund VI
Axium Infrastructure Canada
Axium Infrastructure US
DIF CIF III

[1]A complete list of Private Equity Investment Managers by functional category is available upon request.

DIF Infrastructure VI
DWS Pan-European Infrastructure Fund III
Grain GCOF III
Grain Spectrum Holdings III
Infravia Fund VI
KKR DCIF
Macquarie Global Infrastructure Fund
Partners Group Direct Infrastructure 2020
Partners Group Direct Infrastructure IV

Natural Resources
RREEF America, LLC

Natural Resources (Private)
Altor Carbon Transition Fund
Appian Natural Resources Fund III, LP
Ara Fund III
Cibus Enterprise II
Cibus Fund II
Energy and Minerals Group III
Hitec Vision New Energy Fund I
Hitec Vision New Energy Fund II
Orion Mine Finance Fund III
Orion Mine Finance Fund IV
Orion Mineral Royalty Fund I
Sprott Private Resource Streaming and Royalty Annex Fund
Sustainable Assets Fund IV
TIAA CREF Global Agriculture
TIAA CREF Global Agriculture II

Treasury Inflation-Protected Securities
BlackRock Institutional Trust Company, N.A.

RISK REDUCTION AND MITIGATION

Investment Grade Bonds
Allspring Global Investments
BlackRock Institutional Trust Company, N.A.
Pugh Capital Management, Inc.
Western Asset Management Company

Diversified Hedge Funds
AM Squared General Partner, LTD
Brevan Howard Capital Management
Capula Investment Management
Caxton Associates, LP
Davidson Kempner Institutional Partners, LP
Grosvenor Capital Management, LP
HBK Capital Management
Hudson Bay Capital Management
Man AHL Alpha
Mariner Investment Group, LLC
Polar Asset Management Partners
Stable Asset Management

Cash
State Street Global Advisors (SSGA)

Mortgage Loan Servicer
Onity Group, Inc.

Securities Lending Program
State Street Bank & Trust Company
State Street Global Advisors (SSGA)

OVERLAYS AND HEDGES
BlackRock Institutional Trust Company, N.A.
Parametric Portfolio Associates, LLC

OTHER POST-EMPLOYMENT BENEFITS PROGRAM

Other Post-Employment Benefits Trust

BlackRock Institutional Trust Company, N.A.
Hamilton Lane Advisors, LLC
State Street Global Advisors (SSGA)

OPEB Custodial Fund

Insight Investment
Western Asset Management Company

Health Reserve Program

Standish Mellon Asset Management Company, LLC

Actuarial Section

INTRODUCTION

The actuarial process at the Los Angeles County Employees Retirement Association (LACERA) is governed by provisions in the California Constitution, County Employees Retirement Law of 1937 (CERL), California Public Employees' Pension Reform Act of 2013 (PEPRA), and other applicable law. CERL requires LACERA to obtain an investigation of experience and actuarial valuation of the Pension Plan at least once every three years. It further requires the LACERA Board of Investments to transmit its recommendations for contribution rates to the Los Angeles County Board of Supervisors, the primary plan sponsor. The County Board of Supervisors adopts contribution rates in accordance with LACERA's recommendations but may make minor adjustments to comply with Memoranda of Understanding (MOUs) established between the County and employee labor unions.

LACERA engages an independent actuarial consulting firm to perform the Pension Plan valuation annually, exceeding the regulatory frequency requirements. Every three years, in compliance with CERL, the consulting actuary performs an experience study and during the same year, a separate independent actuarial consulting firm reviews both the triennial experience study and annual valuation.

Actuarial Funding Policy

In 2009, the LACERA Board of Investments approved the Retirement Benefit Funding Policy (Funding Policy), which was amended in 2013 to comply with the PEPRA-mandated standards. The Board also in December 2022 adopted a recommendation from the 2022 Experience study to exclude the Supplemental Targeted Adjustment for Retirees (STAR) Reserve balance from the valuation assets. The Board of Investments established the Funding Policy to adopt actuarial funding methodologies designed to ensure that the retirement system is funded sufficiently to pay for the promised retirement benefits.

In October 2024, the Board of Investments adopted to supersede the Funding Policy by renaming it to the Actuarial Funding Policy and separating the interest crediting process into a new standalone Interest Crediting Policy. The Actuarial Funding Policy clarifies the Board's funding objectives by defining key principles, actuarial processes and procedures, policy terminology, and discretionary benefits. The Interest Crediting Policy provides guidance on allocating realized earnings to the various reserve accounts. The Board of Investments will review and consider updates to these policies on a periodic basis to coincide with the Experience Study. For additional information about the Interest Crediting Policy, please reference Note D in the Financial Section.

Valuation and Experience Study

The Actuarial Funding Policy requires annual adjustments of the employer contribution rates based on the actuary's valuation report. Milliman, the Pension Plan consulting actuary, reviews the adequacy of the plan sponsor funding policies in accordance with actuarial standards of practice (ASOP). Milliman performed the latest actuarial valuation as of June 30, 2024, and recommended changes to the employer and employee (member) contribution rates. At its February 2025 meeting, the LACERA Board of Investments accepted Milliman's June 30, 2024 valuation report.

Milliman reviews the reasonableness of the economic and demographic actuarial assumptions and actuarial methods every three years. The review, commonly referred to as the experience study, is accomplished by comparing relevant forecasts to actual experience to determine whether changes should be made to the actuarial assumptions to improve benefit liabilities and asset growth projections. The LACERA Board of Investments adopts, possibly with modification, the recommended actuarial methods and assumptions to be used in future valuations. At its December 2022 meeting, the LACERA Board of Investments adopted Milliman's recommendations based on the 2022 Experience Study. Some assumptions and methods remained unchanged, while others were updated, including demographic assumptions, projected salary increases, and actuarial methods.

LACERA discloses actuarial data based on the latest completed valuation at the time the financial statements are prepared. For this Actuarial Section, LACERA utilized the most recent valuation report as of June 30, 2024 since the valuation as of June 30, 2025 was not yet completed during the preparation of the 2025 financial statements.

Triennial Reviews

The LACERA Board of Investments Actuarial Audit Policy Directive requires actuarial reviews of retirement benefit valuations and experience studies to be aligned with the same cycle as LACERA's triennial experience study and valuation. Cavanaugh MacDonald Consulting (CavMac), LACERA's reviewing actuary, performed the most recent review of Milliman's experience study and valuation reports as of June 30, 2022.

In the most recent triennial review of the experience study, CavMac concluded, “We find the proposed actuarial assumptions and methods to be reasonable. The Investigation of Experience was performed by qualified actuaries and was performed in accordance with the principles and practices prescribed by the Actuarial Standards Board.” According to CavMac’s most recent triennial review of Milliman’s valuation report, “We find the June 30, 2022 actuarial valuation results to be reasonable and accurate, based on the assumption and methods used.”

Employee (Member) Contributions

Member contribution rates for contributory legacy plans (General Plans A, B, C, and D, and Safety Plans A and B) vary based on the age a member joins LACERA and the underlying actuarial assumptions and methodologies. These rates may change due to changes in actuarial assumptions, which typically occur based on the triennial experience study. There were no new assumptions adopted for the June 30, 2024 valuation, and therefore there were no changes recommended to member contribution rates for the legacy plans.

PEPRA plans (General Plan G and Safety Plan C) use single-rate member contribution rates equal to one-half of the respective plan’s normal cost rate, as required by PEPRA. These rates may change annually. Based on the actuary’s recommendation in the June 30, 2024 valuation, the Board of Investments adopted an increase to new member contribution rates for all Plan G and Safety C active members, effective July 1, 2025.

Employer Contributions

The consulting actuary reviews employer contribution rates annually and recommends changes if necessary. The members and employers are responsible for contributing a portion of the present value of pension plan benefits and expenses, which is allocated to a valuation year by the actuarial cost method, known as normal cost contributions. The portion not funded by expected member contributions is the responsibility of the employers and is their normal cost. The employers are also responsible for contributions to eliminate funding shortfalls related to liabilities accrued in prior years, including changes in the economic and demographic assumptions impacting past service credit. This portion of the employer’s contribution rate is known as the Unfunded Actuarial Accrued Liability (UAAL).

For the June 30, 2024 valuation, the actuary recommended new employer normal cost contribution rates for all plans and a new UAAL contribution rate, effective July 1, 2025. Based on the 2024 valuation, the aggregate employer normal cost rate decreased from 11.01 percent to 10.88 percent, and the employers’ required contribution rate to finance the UAAL decreased from 14.87 percent to 14.73 percent. The decrease in the calculated employer contribution rate from 25.88 percent to 25.61 percent of payroll was primarily due to recognized investment gains in valuation assets and a continued rise in active employees accruing retirement benefits through PEPRA plans, which have a lower employer normal cost compared to legacy plans.

Cost Method

LACERA uses the entry age actuarial cost method for both funding requirements and financial reporting purposes. This method was adopted by LACERA in 1999, as recommended by the consulting actuary. The entry age normal method allocates costs to each future year as a level percentage of payroll, which is ideal for employers to budget for future costs.

Amortization Method

LACERA employs a layered amortization method to fund the UAAL. Under this method, the initial UAAL amount as of June 30, 2009 was 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, the amortization period was decreased so that all new UAAL layers are amortized over a 20-year period. All existing layers at that time with more than 22 years remaining were re-amortized over closed 22-year periods.

Other Information

Actuarially Determined Contributions: The Schedule of Employer Contributions History — Pension Plan in the Required Supplementary Information of the Financial Section provides a 10-year history of actuarially determined contributions in relation to actual contributions provided to the Pension Plan.

Actuarial Methods and Assumptions: A detailed description of the actuarial methods and assumptions for the Pension Plan valuation used by the consulting actuary to prepare the Pension Plan (Retirement Benefits) funding valuation report is included in this Actuarial Section. The Financial Section includes significant actuarial assumptions and methods used for financial reporting as required Governmental Accounting Standards Board (GASB) Statement Number 67 disclosures. Differences between assumptions applied for financial reporting purposes and those used for actuarial funding are noted.

The following additional information is included in this section:

- Actuary's Certification Letter — Pension Plan
- Summary of Actuarial Methods and Assumptions — Pension Plan
- Schedule of Funding Progress — Pension Plan
- Active Member Valuation Data — Pension Plan
- Retirees and Beneficiaries Added to and Removed from Retiree Payroll — Pension Plan
- Funded Liabilities by Type — Pension Plan
- Actuarial Analysis of Financial Experience — Pension Plan
- Retirement Probability of Occurrence

A Summary of Major Pension Plan Provisions is available upon request by contacting LACERA.

See Note A — Benefit Plan Descriptions in the Financial Section for pension plan information.

Milliman

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September 15, 2025

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

Dear Trustees of the Board:

The basic financial goal of LACERA is to establish contributions which fully fund the System's liabilities and which, as a percentage of payroll, remain level for each generation of active members.[1] Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

The Funded Ratio, which is the ratio of the Valuation Reserves to the actuarial accrued liabilities, measures LACERA's funded status. The funding status based on the past three actuarial valuations is shown below:

Valuation Date	Funded Ratio
June 30, 2022	79.6%
June 30, 2023	79.9%
June 30, 2024	80.9%

It is our opinion that LACERA continues in sound financial condition as of June 30, 2024. Using the fair value of assets as of June 30, 2024, the Funded Ratio would be 82.1%. As of June 30, 2024 a net asset gain is being deferred.

LACERA's funding policy provides that employer contributions are equal to the normal cost rate, net of member contributions, plus the amortization payment of any Unfunded Actuarial Accrued Liability (UAAL) or minus the amortization of any Surplus Funding. A UAAL occurs when the Funded Ratio is less than 100%. The amortization of the UAAL uses a layered 20-year approach, under which increases or decreases in the UAAL each year are amortized over closed 20-year periods. Surplus Funding occurs when the Funded Ratio is greater than 120%. If the Funded Ratio exceeds 120% and all conditions in California Government Code Section 7522.52(b) are satisfied, then the Surplus Funding is amortized over an open 30-year period.

Based on the current funding policy, Valuation Reserves are the actuarial value of assets minus the 1% Contingency Reserve, the County Contribution Credit Reserve, the Advanced Employer Contribution Reserve, and the STAR Reserve.

In preparing the June 30, 2024 funding valuation report, we relied, without audit, on information (some oral and some in writing) supplied by LACERA. This information includes, but is not

[1] Further goals of LACERA are to minimize employer contributions, consistent with the requirements of Article XVI, Section 17 of the California Constitution and Section 31595 of the California Government Code, and to defray reasonable expenses of administering the retirement system, as established by the California Constitution.

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, although we have not audited the data at the source. 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.

The valuation is also based on our understanding of LACERA's current benefit provisions and the actuarial assumptions which were reviewed and adopted by the Board of Investments. The funding assumptions were based on the triennial investigation of experience study report as of June 30, 2022, which was adopted at the December 14, 2022 Board of Investments meeting. The assumptions and methods used for financial reporting under GASB 67 are the same as the funding assumptions and methods with the following exceptions:

1. The discount rate is gross of administrative expenses,
2. The STAR COLA is treated as substantively automatic and is valued to the extent it is projected to be paid from the STAR Reserve in the future, and
3. The Fiduciary Net Position is equal to the fair value of assets.

Actuarial computations presented in the funding valuation report are for the purpose of determining the recommended funding amounts for LACERA consistent with our understanding of its funding requirements and goals. The liabilities are determined by using the entry age actuarial cost method. The actuarial assets are determined by using a five-year smoothed recognition method of asset gains and losses, determined as the difference of the actual fair value of assets to the expected fair value. In our opinion, the actuarial assumptions and methods are internally consistent, individually reasonable and, in combination, represent a reasonable estimate of the anticipated experience of LACERA. The actuarial assumptions and methods used for funding purposes meet the parameters set by actuarial standards of practice.

We have incorporated other sources of economic data in assessing the reasonableness of the assumptions. In particular, we have considered LACERA's investment policy statement and Meketa's capital market assumptions in our assessment of the investment return assumption.

The valuation results were developed using models employing standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. Reliance on other experts is reflected in Milliman's capital market assumptions, and in Milliman's expected return model maintained by Milliman investment consultants.

Future actuarial measurements may differ significantly from the current measurements as presented in the funding valuation report and the GASB 67 disclosure report due to factors such as: experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in the program provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

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Milliman's work is 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. Milliman does not intend to benefit or create a legal duty to any third-party recipient of our work product. No third-party recipient of Milliman's work product who desires professional guidance should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their specific needs.

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

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

Milliman prepared the following information for the actuarial section:

1. Retirees and Beneficiaries added to and removed from Retiree Payroll – Pension
2. Actuarial Analysis of Financial Experience – Pension
3. Funded Liabilities by Type – Pension
4. Schedule of Funding Progress – Pension

In addition, for Note E – Pension Plan Liabilities of the financial section, Milliman prepared the Schedule of Net Pension Liability, and Sensitivity Analysis.

Except as noted above, LACERA staff prepared the information in Note E and the Required Supplementary Information, based on information supplied in prior funding valuation reports, our June 30, 2024 funding valuation report, and our June 30, 2025 GASB 67 disclosure report. Milliman has reviewed the information in Note E for accuracy.

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.

Sincerely,

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

Craig Glyde, ASA, EA, MAAA
Principal and Consulting Actuary

NC/CG/wb

Summary of Actuarial Methods and Assumptions — Pension Plan

Overview and Recent Changes

The actuarial methods and assumptions used to determine Pension Plan liabilities are based on the results of the 2022 Experience Study as recommended by Milliman, the consulting actuary, and adopted by the LACERA Board of Investments.

STAR Reserve

The STAR Reserve was excluded from valuation assets effective with the 2022 valuation for consistency with the treatment of STAR benefits, as there is no corresponding liability for future potential STAR benefits included in the valuation. The exclusion of the STAR Reserve in the valuation assets was adopted by the Board of Investments in December 2022 and reaffirmed in October 2024 when the Board of Investments adopted a revised Actuarial Funding Policy.

2022 Assumption Changes

At the December 2022 LACERA Board of Investments meeting, the Board adopted new demographic assumptions based on the 2022 Experience Study, including merit salary increase rates, service retirement rates to reflect a member's length of service and age, and the most recent mortality improvement scale published by the Society of Actuaries' Retirement Plans Experience Committee (RPEC). The economic and investment return assumptions remained unchanged. The update to the service retirement assumption had the greatest impact on the valuation results.

The table below includes a summary of actuarial methods and both economic and demographic assumptions used by LACERA's consulting actuary when performing the actuarial valuation of the Pension Plan.

Method/Assumption	Application
Actuarial Cost	*Entry Age Normal* Under this application, the actuarial present value of each individual's projected benefits is allocated as a level percentage of their projected compensation from entry age through assumed exit (until maximum retirement age). For members who transferred between plans, entry age is based on their original entry into the retirement system. This method was reaffirmed in the 2022 triennial experience study.
Actuarial Asset Valuation	*Five-Year Asset Smoothing With Offsetting* The valuation assets are valued using a five-year smoothing method based on the difference between expected and actual fair value of assets as of the valuation date. The difference in fair value is recognized over a five-year period to spread out the impact of investment market performance, rather than recognizing the entire effect of market changes each year. The expected fair value is the prior year's fair value increased with the net 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. The five-year asset smoothing method was adopted effective June 30, 2009, and the offsetting methodology was adopted effective June 30, 2022. *STAR Reserve Assets* Valuation assets exclude the statutory Contingency Reserve and the STAR Reserve. This treatment of the STAR Reserve as a non-valuation reserve was adopted effective June 30, 2022.
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	*20-Year Amortization* As of the June 30, 2019 valuation, all existing amortization layers were set to be amortized over a maximum 22-year period and now have a period of 20 years or less. Future actuarial gains and losses are amortized over new closed 20-year periods, beginning with the date the contribution is first expected to be made. This approach is referred to as layered amortization. For the June 30, 2024 valuation, 16 amortization layers were used to calculate the total amortization payment beginning July 1, 2025.

Method/Assumption	Application
General Wage Growth and Projected Salary Increases	*General wage growth: 3.25 percent* The General Wage Growth rate was adopted beginning with the June 30, 2016 valuation. The rate was reaffirmed in the 2022 triennial experience study. *Projected salary increases: 3.66 percent to 12.54 percent* Projected salary increases include both general wage growth and merit and longevity increases. Merit and longevity increases vary based on class of membership (general or safety) and length of service. Current merit and longevity increase assumptions were adopted beginning with the June 30, 2022 valuation.
Investment Rate of Return	*Annual Rate of 7.0 Percent* Future investment earnings are assumed to accrue at an annual rate of 7 percent, compounded annually, net of both investment and administrative expenses. This rate is also used to discount the actuarial accrued liability and has been in effect since the June 30, 2019 valuation.
Consumer Price Index (CPI)	*Annual Rate of 2.75 Percent* This rate was adopted beginning with the June 30, 2016 valuation and reaffirmed in the 2022 triennial experience study.
Post-Retirement Benefit Increases	*Post-Retirement Benefit Increases of 2.75 Percent or 2.0 Percent* Annual cost-of-living adjustments (COLAs) up to 3.0 percent or 2.0 percent per year may be provided in accordance with the plan benefits provisions. These adjustments are assumed payable each year in the future but are limited to not exceed the expected increase in the Consumer Price Index (CPI) of 2.75 percent per year, with the exception of any adjustments from the COLA accumulation bank for Plan A members. Plan E members receive a prorated post-retirement benefit increase of 2.0 percent for service credit earned on and after June 4, 2002. The portion payable is based on a ratio of the member's years of service earned on and after June 4, 2002 to the member's total years of service. The portion of the full 2.0 percent increase not provided for may be purchased by the member. COLA adjustments for members with service credit earned prior to June 4, 2002 are based on a ratio of months of service earned on and after June 4, 2002 divided by the total months of service. These rates were adopted beginning with the June 30, 2016 valuation and reaffirmed in the 2022 triennial experience study.
Rates of Separation From Employment	*Various Rates and Probabilities* Rates used in actuarial valuations depend on a member's age, gender, years of service, and retirement plan. Each rate reflects the probability of separation from service—such as retirement or withdrawal—or service duration at any given age. These rates of separation from active service were adopted starting with the June 30, 2022 valuation. The Retirement Probability of Occurrence schedule in this Actuarial Section includes a summary of probability of retirement and withdrawal for sample ages.

Method/Assumption	Application
Expectation of Life After Retirement[1,2]	*Mortality Tables for Public Employees* The same post-retirement mortality probabilities are used in the valuation for both members retired from service and their beneficiaries. Current beneficiary mortality is assumed to be the same as for healthy general members of the same sex. Future beneficiaries are assumed to be of the opposite sex and have the same mortality as general members. **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 percent, with MP-2021 Ultimate Projection Scale. **Females**: **General Members**: PubG-2010 Healthy Retiree Mortality Table for Females multiplied by 110 percent, with MP-2021 Ultimate Projection Scale. **Safety Members**: PubS-2010 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale. The amount-weighted Pub-2010 mortality table probabilities were adopted June 30, 2019. The MP-2021 Ultimate Projection Scale for expected future mortality improvement was adopted June 30, 2022.
Expectation of Life After Disability[1,2]	*Mortality Tables for Public Employees* **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 The amount-weighted Pub-2010 mortality table probabilities were adopted June 30, 2019. The MP-2021 Ultimate Projection Scale for expected future mortality improvement was adopted June 30, 2022.

[1]The Pub-2010 mortality tables were published by the Society of Actuaries' (SOA) Retirement Plans Experience Committee (RPEC) in January 2019. The data studied includes approximately 46 million life-years of exposure and 580,000 deaths from public pension plans from 2008 to 2013. The Pub-2010 mortality tables include separate tables for general and safety members, and for each of those classes of members includes separate mortality tables for healthy annuitants, disabled retirees, and employees.

[2]The ultimate improvement rates from the SOA's Mortality Improvement Scale MP-2021 (published in October 2021) are used to adjust the Pub-2010 mortality tables to account for anticipated changes in mortality rates in future years. In general, it is assumed that mortality rates will improve (implying longer lifetimes) in the future, partially due to improvements in healthcare.

Schedule of Funding Progress — Pension Plan

(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Valuation Assets (a)	Actuarial Accrued Liability (AAL)[1] (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll[2] (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2015	$47,328,270	$56,819,215	$9,490,945	83.3%	$6,948,738	136.6%
June 30, 2016	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	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	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]Calculated using the entry age normal actuarial cost method.

[2]Covered Payroll includes compensation paid to all active employees on which contributions are calculated.

See Schedule of Employer Contributions History — Pension Plan included in the Required Supplementary Information of the Financial Section, which provides a 10-year schedule of actuarially determined contributions in relation to the actual contributions provided to the Pension Plan.

Active Member Valuation Data — Pension Plan

Valuation Date	Plan Type	Member Count	Annual Salary[1]	Average Annual Salary	Percentage Increase in Average Salary
June 30, 2015	General	81,228	$5,706,302,532	$70,250	2.34%
	Safety	12,446	1,299,621,108	104,421	4.37%
	Total	93,674	$7,005,923,640	$74,790	2.60%
June 30, 2016	General	82,916	$5,949,587,940	$71,754	2.14%
	Safety	12,528	1,342,684,620	107,175	2.64%
	Total	95,444	$7,292,272,560	$76,404	2.16%
June 30, 2017	General	84,513	$6,290,061,336	$74,427	3.73%
	Safety	12,698	1,388,190,600	109,324	2.01%
	Total	97,211	$7,678,251,936	$78,985	3.38%
June 30, 2018	General	85,703	$6,610,313,328	$77,130	3.63%
	Safety	12,771	1,451,457,324	113,653	3.96%
	Total	98,474	$8,061,770,652	$81,867	3.65%
June 30, 2019	General	86,392	$6,815,591,124	$78,891	2.28%
	Safety	12,794	1,540,187,040	120,384	5.92%
	Total	99,186	$8,355,778,164	$84,244	2.90%
June 30, 2020	General	86,930	$7,186,102,392	$82,665	4.78%
	Safety	13,178	1,590,549,948	120,697	0.26%
	Total	100,108	$8,776,652,340	$87,672	4.07%
June 30, 2021	General	85,963	$7,437,522,936	$86,520	4.66%
	Safety	13,138	1,650,856,932	125,655	4.11%
	Total	99,101	$9,088,379,868	$91,708	4.60%
June 30, 2022	General	83,689	$7,334,839,584	$87,644	1.30%
	Safety	12,850	1,626,909,156	126,608	0.76%
	Total	96,539	$8,961,748,740	$92,830	1.22%
June 30, 2023	General	84,295	$7,842,601,440	$93,038	6.15%
	Safety	12,610	1,683,476,580	133,503	5.45%
	Total	96,905	$9,526,078,020	$98,303	5.90%
June 30, 2024	**General**	**86,273**	**$8,352,915,228**	**$96,820**	**4.07%**
	Safety	**12,410**	**1,691,144,328**	**136,273**	**2.07%**
	Total	**98,683**	**$10,044,059,556**	**$101,781**	**3.54%**

[1] Annual Salary is an annualized salary amount for only those members who were active as of the actuarial valuation date. Covered Payroll includes compensation paid to all active employees on which contributions are calculated.

Retirees and Beneficiaries Added to and Removed from Retiree Payroll — Pension Plan
(Dollars in Thousands)

	Added to Rolls		Removed from Rolls		Rolls at End of Year			
Valuation Date	Member Count	Annual Allowance[1,2]	Member Count	Annual Allowance[1]	Member Count[3]	Annual Allowance[1]	Percentage Increase in Retiree Allowance	Average Annual Allowance
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 retirement benefit allowance annualized for those members counted as of June 30.

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

[3]For the actuarial valuation year, Member Count includes retirees who, due to timing at fiscal year-end, are not yet included in the total retired members count disclosed in the Financial Section; see Note A — Plan Description.

Funded Liabilities by Type — Pension Plan
(Dollars in Millions)

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

[1] Inactive includes both vested (deferred) and non-vested members.

Actuarial Analysis of Financial Experience — Pension Plan
(Dollars in Millions)

	Valuation as of June 30				
	2024	**2023**	**2022**	**2021**	**2020**
Unfunded Actuarial Accrued Liability	**$18,236**	$17,608	$16,989	$18,512	$17,018
Expected Increase/(Decrease) From Prior Valuation	**(241)**	(108)	(76)	171	306
Salary Increases Greater/(Less) Than Expected	**488**	771	(21)	484	388
CPI Greater/(Less) Than Expected	**—**	—	355	(73)	43
Change in Assumptions	**—**	—	1,364	—	—
Asset Return Less/(Greater) Than Expected	**(364)**	(118)	(996)	(2,039)	701
All Other Experience	**20**	83	(7)	(66)	56
Ending Unfunded Actuarial Accrued Liability	**$18,139**	**$18,236**	**$17,608**	**$16,989**	**$18,512**

	Valuation as of June 30				
	2019	**2018**	**2017**	**2016**	**2015**
Unfunded Actuarial Accrued Liability	$13,294	$13,145	$12,841	$9,491	$11,288
Expected Increase/(Decrease) From Prior Valuation	25	146	320	(102)	(54)
Salary Increases Greater/(Less) Than Expected	486	223	277	162	79
CPI Greater/(Less) Than Expected	44	45	(139)	(191)	(570)
Change in Assumptions	2,528	—	—	2,922	—
Asset Return Less/(Greater) Than Expected	477	(411)	(421)	496	(1,263)
All Other Experience	164	146	267	63	11
Ending Unfunded Actuarial Accrued Liability	**$17,018**	**$13,294**	**$13,145**	**$12,841**	**$9,491**

Plans A, B, and C General Members

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Other Terminations
Male						
20	0.0000	0.0001	0.0001	N/A	0.0004	0.0050
30	0.0000	0.0001	0.0002	N/A	0.0004	0.0050
40	0.0300	0.0006	0.0002	N/A	0.0008	0.0050
50	0.0300	0.0011	0.0005	N/A	0.0018	0.0050
60	0.3000	0.0039	0.0009	N/A	0.0038	0.0050
70	0.2200	0.0045	0.0013	N/A	0.0084	0.0050
75	1.0000	0.0000	0.0000	N/A	0.0132	0.0000
Female						
20	0.0000	0.0002	0.0001	N/A	0.0002	0.0050
30	0.0000	0.0002	0.0001	N/A	0.0002	0.0050
40	0.0300	0.0005	0.0002	N/A	0.0005	0.0050
50	0.0300	0.0013	0.0005	N/A	0.0011	0.0050
60	0.3000	0.0022	0.0007	N/A	0.0024	0.0050
70	0.2200	0.0025	0.0011	N/A	0.0064	0.0050
75	1.0000	0.0000	0.0000	N/A	0.0105	0.0000

Plans D and G General Members

Age	Service Retirement Plan D	Service Retirement Plan G	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
Male								
20	0.0000	0.0000	0.0001	0.0001	N/A	0.0004	5	0.0310
30	0.0000	0.0000	0.0001	0.0002	N/A	0.0004	10	0.0170
40	0.0150	0.0000	0.0006	0.0002	N/A	0.0008	15	0.0100
50	0.0150	0.0120	0.0011	0.0005	N/A	0.0018	20	0.0075
60	0.0700	0.0560	0.0039	0.0009	N/A	0.0038	25	0.0050
70	0.2400	0.2400	0.0045	0.0013	N/A	0.0084	30 & up	0.0000
75	1.0000	1.0000	0.0000	0.0000	N/A	0.0132		
Female								
20	0.0000	0.0000	0.0002	0.0001	N/A	0.0002	5	0.0310
30	0.0000	0.0000	0.0002	0.0001	N/A	0.0002	10	0.0170
40	0.0150	0.0000	0.0005	0.0002	N/A	0.0005	15	0.0100
50	0.0150	0.0120	0.0013	0.0005	N/A	0.0011	20	0.0075
60	0.0700	0.0560	0.0022	0.0007	N/A	0.0024	25	0.0050
70	0.2400	0.2400	0.0025	0.0011	N/A	0.0064	30 & up	0.0000
75	1.0000	1.0000	0.0000	0.0000	N/A	0.0105		

Plan E General Members

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
Male							
20	0.0000	N/A	N/A	N/A	0.0004	5	0.0310
30	0.0000	N/A	N/A	N/A	0.0004	10	0.0230
40	0.0000	N/A	N/A	N/A	0.0008	15	0.0144
50	0.0000	N/A	N/A	N/A	0.0018	20	0.0108
60	0.0400	N/A	N/A	N/A	0.0038	25	0.0100
70	0.2000	N/A	N/A	N/A	0.0084	30 & up	0.0100
75	1.0000	N/A	N/A	N/A	0.0132		
Female							
20	0.0000	N/A	N/A	N/A	0.0002	5	0.0310
30	0.0000	N/A	N/A	N/A	0.0002	10	0.0230
40	0.0000	N/A	N/A	N/A	0.0005	15	0.0144
50	0.0000	N/A	N/A	N/A	0.0011	20	0.0108
60	0.0400	N/A	N/A	N/A	0.0024	25	0.0100
70	0.2000	N/A	N/A	N/A	0.0064	30 & up	0.0100
75	1.0000	N/A	N/A	N/A	0.0105		

Plans A, B, and C Safety Members

Age	Service Retirement Plans A-B	Service Retirement Plan C	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
Male								
20	0.0000	0.0000	0.0020	0.0000	0.0001	0.0004	5	0.0113
30	0.0000	0.0000	0.0020	0.0000	0.0001	0.0004	10	0.0076
40	0.0075	0.0000	0.0028	0.0000	0.0001	0.0006	15	0.0048
50	0.0200	0.0200	0.0075	0.0000	0.0001	0.0012	20	0.0028
60	0.2100	0.2100	0.1000	0.0000	0.0001	0.0026	25	0.0020
65	1.0000	1.0000	0.0000	0.0000	0.0000	0.0041	30 & up	0.0000
Female								
20	0.0000	0.0000	0.0030	0.0000	0.0001	0.0002	5	0.0113
30	0.0000	0.0000	0.0042	0.0000	0.0001	0.0003	10	0.0076
40	0.0075	0.0000	0.0092	0.0000	0.0001	0.0005	15	0.0048
50	0.0200	0.0200	0.0180	0.0000	0.0001	0.0009	20	0.0028
60	0.2100	0.2100	0.0600	0.0000	0.0001	0.0017	25	0.0020
65	1.0000	1.0000	0.0000	0.0000	0.0000	0.0023	30 & up	0.0000

INTRODUCTION

LACERA conducts an annual actuarial valuation of the retiree medical, dental/vision, and death benefits promised to retired Los Angeles County (County) employees who also participate in the retirement plan. This process is governed by provisions in the Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit Policy (OPEB Policy), which the LACERA Board of Retirement establishes and adopts. The OPEB Policy, which parallels the policy applicable to the retirement benefits actuarial valuation and related actuarial review process, is subject to periodic assessments to identify and incorporate necessary updates and revisions.

As required by the OPEB Policy, LACERA engages an independent actuarial consulting firm to perform the OPEB Program valuation annually. Every three years, the consulting actuary, Milliman, performs an investigation of experience (experience study). On a triennial basis, a separate consulting actuarial firm, CavMac, reviews both the annual valuation and experience study.

The OPEB actuarial valuations are performed to review program funding metrics and to satisfy financial statement reporting guidelines that apply to sponsoring employers, such as the County, and employers who fund OPEB benefit programs for their retirees, such as the Los Angeles Superior Court (Superior Court).

Contributions and Prefunding Commitment

The County satisfies its healthcare premium subsidy obligations on a pay-as-you-go basis. LACERA bills monthly premiums to the County, Superior Court, outside districts, and members. Program members pay the difference between the applicable employer-paid subsidy and the actual premium cost. A monthly administrative fee, included in the healthcare premium, is paid to LACERA to cover the costs of administering the OPEB Program. LACERA made no benefit payments or premium disbursements from the OPEB Trust during fiscal year 2024–25; all healthcare premium obligations continued to be satisfied by participating employers on a monthly pay-as-you-go basis.

In June 2015, the County Board of Supervisors approved a countywide budget with a dedicated, multiyear funding promise for the OPEB liability to enhance the County's OPEB Trust balances in a consistent manner. This funding commitment provides prefunding goals and reflects the County's prioritization on making long-term OPEB contributions. The County, LACERA, and Superior Court prefund these obligations by regularly contributing into an irrevocable OPEB trust. Each year, plan sponsors provide updated funding projections, including a five-year forecast. Milliman reviewed the adequacy of the plan sponsor funding policies and confirmed they comply with Actuarial Standards of Practice (ASOP) Number 6.

Actuarial Valuation and Experience Study

The OPEB Policy requires annual valuations and a review of the reasonableness of the economic and demographic assumptions by the consulting actuary every three years. Milliman performed the latest OPEB valuation as of July 1, 2024, incorporating results from the 2022 Pension Plan Experience Study and a separate 2023 OPEB Program Experience Study approved by the Board of Retirement in July 2024. Pension Plan assumptions were reviewed and updated as of June 30, 2022, following the 2022 Pension Plan triennial Experience Study approved by the Board of Investments in December 2022.

Where applicable, assumptions such as general wage growth and inflation assumptions used for the Pension Plan are carried over to the OPEB Program. OPEB actuarial methods and assumptions are then developed by the consulting actuary for the Board of Retirement's adoption to apply specifically to the OPEB Program.

The consulting actuary also recommended an OPEB-specific investment return assumption, as the investment earnings for the OPEB valuation depend on the expected investment return for either the County's general assets or the OPEB Trust. OPEB Trust assets are invested according to the OPEB Trust Investment Policy Statement adopted by the Board of

Investments. These OPEB-specific investment earnings assumptions were reviewed and updated in July 2024, as a result of the 2023 OPEB Experience Study.

For agents that prefund into LACERA's OPEB Trust, the expected return on the OPEB Trust assets is based on the asset allocation, last approved by the Board of Investments in April 2024. This allocation differs from that used for the Pension Plan Trust. The outside districts utilize an investment return assumption for OPEB funding based on the County's general assets. The OPEB-specific assumptions, including healthcare plan elections, benefit tier enrollment, and retirement of vested terminated members, were reviewed and updated as a result of the 2023 OPEB Investigation of Experience Study and were applied to the OPEB valuation conducted as of July 1, 2024.

LACERA discloses actuarial results based on the latest completed valuation at the time the financial statements are prepared. LACERA utilized the latest available valuation report as of July 1, 2024 since the valuation as of July 1, 2025 was not yet completed during the preparation of the 2025 financial statements.

Actuarial Review Results

In accordance with the OPEB Policy, actuarial reviews of both the OPEB experience study and valuation are conducted every three years. The reviewing actuary, CavMac, last performed reviews of Milliman's OPEB experience study and OPEB valuation as of July 1, 2023.

In the most recent triennial review of the experience study, CavMac concluded, "We generally find the Investigation of Experience results to be reasonable and accurate. The study was performed by qualified actuaries and conducted in accordance with the principles and practices prescribed by the Actuarial Standards Board." According to CavMac's latest triennial review of Milliman's valuation report, "We generally find the OPEB actuarial valuation results to be reasonable and accurate based on the assumptions and methods used. The valuation was performed by qualified actuaries and was performed in accordance with the principles and practices prescribed by the Actuarial Standards Board."

Actuarial Cost Method

Effective with the July 1, 2018 OPEB valuation, the actuarial cost method was changed to entry age normal. This method allocates the actuarial present value of the projected benefits of each individual included in the valuation as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred between retirement plans, entry age is based on original entry into the retirement system. The entry age normal actuarial cost method is also used for financial reporting purposes as required by GASB.

OPEB Agent Plan

Under an agent plan structure, each individual agency (agent) is responsible for its allocation of OPEB liabilities. This structure allows for more precise allocation by projecting each agent's unfunded actuarial accrued liability based on its share of assets and investment rate of return assumptions. Agents prefunding through the OPEB Trust use the Trust's expected return. Agents not prefunding through the OPEB Trust use the County's general fund's expected investment return. However, OPEB specific demographic assumptions such as initial enrollment, medical plan and tier selection, spouse age difference, and re-enrollment assumptions are combined across all agents.

The following agents and agent groupings were developed to determine the liability for the individual agents, the total OPEB Trust, and the total OPEB Program:

- Total OPEB Trust — Los Angeles County, Superior Court, and LACERA
- Total OPEB Program — Los Angeles County, Superior Court, LACERA, and outside districts[1]

The total OPEB Program agent grouping is used to disclose the aggregate amounts throughout the Actuarial Section.

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

Other Actuarial Information

Actuarial Methods and Assumptions: A description of the actuarial methods and assumptions for the OPEB valuation used by the OPEB consulting actuary are included in this Actuarial Section.

The following additional information is included in this section:

- Actuary's Certification Letter — OPEB Program
- Summary of Actuarial Methods and Assumptions — OPEB Program
- Schedule of Funding Progress — OPEB Program
- Active Member Valuation Data — OPEB Program
- Retirees and Beneficiaries Added to and Removed from Benefits — OPEB Program
- Funded Liabilities by Type — OPEB Program
- Actuarial Analysis of Financial Experience — OPEB Program

A Summary of Major OPEB Program Provisions is available upon request by contacting LACERA.

See Note N — OPEB Program for details regarding the program description and benefits.

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September 18, 2025

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

Dear Trustees of the Board:

Los Angeles County provides Other Postemployment Benefits (OPEB): retiree medical, dental/vision, and death/burial insurance benefits to the retired Los Angeles County (County) workers who also participate in the Los Angeles County Employees Retirement Association (LACERA) retirement benefits program. These healthcare related benefits are called the Los Angeles County OPEB Program, or the "Program". The Program currently provides these benefits on a "pay-as-you-go" basis while also prefunding into the OPEB Trust. OPEB actuarial funding valuations are performed annually.

A summary of the results of the past three actuarial valuations is shown below. All dollar amounts are in billions.

Valuation Date	Actuarial Accrued Liability	Assets	Unfunded Actuarial Accrued Liability	ADC* as a Percentage of Payroll
July 1, 2022	$23.10	$2.39	$20.71	18.27%
July 1, 2023	$23.46	$3.09	$20.37	17.10%
July 1, 2024	$24.74	$3.98	$20.76	16.93%

* Actuarially Determined Contribution (ADC) based on GASB 74/75 terminology.

The County's Board of Supervisors affirmed their support for pre-funding its OPEB liabilities by providing specific initial appropriations to the OPEB Trust. Since the July 1, 2012, Valuation, details of a long-term funding policy have been finalized. The funding policy provides for steady increases in contributions each year with the ultimate goal of making contributions equal to the ADC. The July 1, 2014, July 1, 2016, and annual OPEB Valuations thereafter include assets invested in the OPEB Trust.

Milliman has developed certain models to estimate the values included in these valuations. The intent of the models was to estimate the assumed investment earnings, analysis of OPEB demographic assumptions, retiree health claim costs, and annual trends for retiree health benefits. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models, including all input, calculations, and output may not be appropriate for any other purpose.

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

In preparing the July 1, 2024, OPEB funding valuation report, we relied, without audit, on information (some oral and some in writing) supplied by Los Angeles County, LACERA, and Segal (LACERA's healthcare consultant). This information includes, but is not limited to, benefit descriptions, membership 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, although we have not audited the data at the source. 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. In some cases, where the data was incomplete, we made assumptions as noted in Table C-10 of our July 1, 2024, OPEB funding valuation report. It should be noted that if any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

The valuation is also based on our understanding of the Program's current benefit provisions and the actuarial assumptions, which were reviewed and adopted by the Board of Retirement. The retirement benefit related demographic and economic assumptions were based on those developed for the June 30, 2024, valuation of the LACERA retirement benefit program, approved by LACERA's Board of Investments. Economic and relevant demographic assumptions from the 2022 retirement benefit investigation of experience, conducted by Milliman, are included in the July 1, 2024, OPEB valuation. Assumptions unique to OPEB were identified and evaluated in Milliman's 2023 OPEB investigation of experience study report as of July 1, 2023, approved by LACERA's Board of Retirement.

The OPEB Program changed from cost sharing to agent effective with the July 1, 2018, OPEB funding valuation. The OPEB demographic and trend assumptions are combined for all of LACERA's agents. The investment rate of return assumption differs by the agents that are prefunding into the OPEB Trust and the agents that are not prefunding into the OPEB Trust.

With the change from cost sharing to agent, a GASB 74 disclosure report for LACERA's financial statements is no longer required to report the OPEB Program liability in LACERA's financial statements. The employer specific information will be provided in the GASB 75 disclosure reports for employer financial reporting. The assumptions and methods used for financial reporting under GASB 75 are the same as the funding assumptions and methods used in the July 1, 2024, OPEB funding valuation report, with the following exceptions:

1. The GASB 75 discount rate is determined using depletion date methodology, and it changes on each measurement date.
2. The GASB 75 liabilities have LACERA operational administrative expenses removed.

The actuarial computations presented in the July 1, 2024, OPEB funding valuation and the forthcoming June 30, 2026, GASB 75 disclosure reports are for purposes of fulfilling financial accounting requirements for LACERA's employers. The liabilities in the July 1, 2024, OPEB funding valuation and the GASB 75 disclosure reports are determined by using the entry age normal actuarial cost method. The assets are recognized at fair value. We consider the actuarial assumptions and methods to be internally consistent, to represent a long-term perspective, and

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to be reasonable. We believe they also meet the parameters of Governmental Accounting Standards Board Statement No. 75 for fulfilling financial accounting requirements. We consider the assumptions and methods used for funding purposes to meet the guidelines set forth in the relevant ASOPs. Nevertheless, the emerging costs will vary from those presented in our report to the extent that actual experience differs from that projected by the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in the OPEB funding valuation report and the GASB 75 disclosure report due to such factors as the following: OPEB program experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in OPEB program provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Milliman's work is 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. Milliman does not intend to benefit or create a legal duty to any third party recipient of our work product. No third party recipient of Milliman's work product who desires professional guidance should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their specific needs.

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

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work. Milliman prepared the following information for the Actuarial Section:

1. Retirees and Beneficiaries Added to and Removed from Benefits – OPEB Program
2. Actuarial Analysis of Financial Experience – OPEB Program
3. Funded Liabilities by Type – OPEB Program
4. Schedule of Funding Progress – OPEB Program

LACERA staff prepared the information in Note N-OPEB Program, of the Financial Section and the Required Supplementary Information, based on information supplied in prior actuarial reports and our July 1, 2024, OPEB actuarial funding valuation. Milliman has reviewed the information in Note N for accuracy.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, the July 1, 2024, OPEB actuarial funding valuation 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 (ASB) 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 of the July 1, 2024, OPEB actuarial funding valuation. We have experience in performing valuations for Public OPEB programs.

Milliman

Board of Retirement
September 18, 2025
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Sincerely,

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

Ryan J. Cook, FSA, EA, CERA, MAAA
Consulting Actuary

RLS/RJC/jd

Overview and Recent Changes

The actuarial methods and assumptions used to determine OPEB liabilities are based on recommendations made by Milliman, the consulting actuary, as included in the following reports:

- 2023 OPEB Experience Study adopted by the LACERA Board of Retirement in July 2024.
- 2022 Pension Experience Study adopted by the Board of Investments in December 2022.
- July 1, 2024, OPEB Valuation report adopted by the LACERA Board of Retirement in April 2025.

The table below includes a summary of actuarial methods and both demographic and economic assumptions used by LACERA's consulting actuary in performing the actuarial valuation of the OPEB Program.

Method/Assumption	Application
Actuarial Cost	*Entry Age Normal* Effective with the July 1, 2018 OPEB funding valuation, the entry age normal (EAN) actuarial cost method was applied. Under the principles of this method, the actuarial present value of the projected benefits of each member included in the valuation is allocated as a level percentage of the member's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred between retirement benefit plans, entry age is based on original entry into the system. *Unfunded Actuarial Accrued Liability (UAAL)* The portion of this actuarial present value allocated to a valuation year is called the normal cost (NC). The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is amortized as a level percentage of the projected salaries of the active members, both present and future, covered by the LACERA retirement benefits plan over a 30-year period from the valuation date.
Actuarial Asset Valuation Method	*Fair Value*
Amortization	*30-Year Amortization* Level percentage of projected salaries of active members, both present and future, over a 30-year period. This is commonly referred to as a rolling 30-year amortization method and does not cover interest on the UAAL. This assumption was adopted beginning with the July 1, 2006 OPEB valuation.
Participation Rates	*Various* Any retired or vested terminated members who have not elected a refund of their retirement contributions and who will receive a retirement benefit other than a refund are eligible for retiree medical and dental/vision enrollment. Participation assumptions—including acceptance/election rates for retirees and dependents, and plan/tier selections—are based on recent plan experience as analyzed in the 2023 OPEB Experience Study. These assumptions are derived from observed rates at which eligible retirees and dependents elect medical and dental/vision coverage at retirement, and their selection of plan/tier coverage. The specific rates and methodology are detailed in the July 1, 2024 OPEB Valuation report. Milliman's reports do not explicitly discuss the lapse and re-enrollment assumptions, as participants are assumed to maintain coverage for life. See Table A-14 to A-19 of the July 1, 2024 OPEB Valuation report for additional detail.
Retiree Contributions	*Varies by Tier and Coverage Level* Retiree contributions are assumed to be the difference between the medical/dental premium and the County subsidy, as determined by plan provisions and years of service. For Tier 1, the County subsidy is based on the retiree's (and eligible dependent(s), if applicable) selected medical tier; for Tier 2, it is based on retiree-only coverage. The County subsidy is limited to the benchmark plan rate. See Appendix A of the July 1, 2024 OPEB Valuation report for additional detail.
Investment Return	*Annual Rate of 6.25 Percent for Prefunding Agents and 3.50 Percent for Non-Prefunding Agents* The investment earnings assumption for agents that are prefunding through the OPEB Trust is the OPEB Trust's expected return of 6.25 percent. The investment earnings assumption for agents that are not prefunding through the OPEB Trust is the County general fund's expected return of 3.50 percent. Besides projecting the OPEB Trust's investment return, this assumption is also used to calculate the Actuarial Accrued Liability (AAL).
Inflation Rate	*Annual Rate of 2.75 Percent* This rate was adopted beginning with the July 1, 2016 OPEB Valuation.

Method/Assumption	Application
Healthcare Cost Trend	*Various Rates* The health cost trend is the projected increase in per person health costs from one year to the next. The July 1, 2024 OPEB valuation is the first valuation where the first-year trends are not updated with the renewal in the following year, 2025–2026. This change, approved by LACERA and Los Angeles County, allows the valuation report to be completed sooner.

	FY 2025 to FY 2026	FY 2026 to FY 2027	Ultimate (Grading from June 30, 2025 to June 30, 2106)
LACERA Medical Under 65	6.40%	5.80%	4.20%
LACERA Medical Over 65	7.50%	6.40%	4.20%
Part B Premiums	6.70%	6.00%	4.20%
Dental/Vision	3.00%	3.00%	3.70%
Weighted Average Trend	6.75%	5.94%	4.19%

Method/Assumption	Application
Claim Costs	*Costs Vary By Program Tier* Claim cost data is reviewed for the membership in aggregate, including members of all employers, regardless of their participation in the OPEB Trust. The claim cost assumptions were updated as part of the July 1, 2024 valuation and differ by Tier 1 and Tier 2. The Retiree Healthcare Benefits Program—Tier 1 is for members who were hired before July 1, 2014. Members who were hired after June 30, 2014 are in the Retiree Healthcare Benefits Program—Tier 2. The tiers have different maximum employer contributions, which impacts medical plan election patterns, resulting in different claim costs. Per capita claim cost assumptions are developed for each medical and dental/vision plan and are updated annually based on the plan's premiums and enrollment data. No explicit loads for adverse selection are included, as any impact of adverse selection is assumed to be included in the insured premium rates. Refer to Table A-21 of the July 1, 2024 OPEB Valuation report for more details.
Retirement	*Minimum Retirement Ages* Members in General Plans A through D may retire at age 50 with 10 years of service; 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 five 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 five years of County service.
Expectation of Life After Retirement[1,2]	*Mortality Tables for Public Employees* The same post-retirement mortality rates are used in the valuation for members retired from service and beneficiaries. Future beneficiaries are assumed to have the same mortality as a general member of the opposite gender. The mortality tables used are listed below. Age-based rates are illustrated in the July 1, 2024 OPEB Valuation report. These rates were adopted June 30, 2019. 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 percent, with MP-2021 Ultimate Projection Scale. **Females**: **General Members**: PubG-2010 Healthy Retiree Mortality Table for Females multiplied by 110 percent, with MP-2021 Ultimate Projection Scale. **Safety Members**: PubS-2010 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale.

[1] The Pub-2010 mortality tables were published by the Society of Actuaries' (SOA) Retirement Plans Experience Committee (RPEC) in January 2019. The data studied includes approximately 46 million life years of exposure and 580,000 deaths from public pension plans from 2008 to 2013. The Pub-2010 mortality tables include separate tables for general and safety members, and for each of those classes of members includes separate mortality tables for healthy annuitants, disabled retirees, and employees.

[2] The ultimate improvement rates from the SOA's Mortality Improvement Scale MP-2021 (published in October 2021) are used to adjust the Pub-2010 mortality tables to account for anticipated changes in mortality rates in future years. In general, it is assumed that mortality rates will improve (implying longer lifetimes) in the future due partially to improvements in healthcare.

Method/Assumption	Application
Expectation Expectation of Life After Disability[1,2]	*Mortality Tables for Public Employees* For disabled members, the mortality tables used are listed below while age-based rates are illustrated in the July 1, 2024 OPEB Valuation report. These rates were adopted June 30, 2019. 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.
Other Employment Termination	*Withdrawal of Contributions and Probability of Occurrence* Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further retirement, medical, dental/vision, and death benefits, or they may leave their contributions on deposit with LACERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, return to work, or remain inactive until becoming eligible to receive a retirement benefit under either LACERA or a reciprocal retirement plan. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. All terminating members are assumed not to be rehired. The Probability of Occurrence schedule included in this Actuarial Section provides a summary of probability of retirement and withdrawal for sample ages. Although these assumptions were developed for the Retirement Benefits Plan, they apply to the OPEB Program participant population.

[1] The Pub-2010 mortality tables were published by the Society of Actuaries' (SOA) Retirement Plans Experience Committee (RPEC) in January 2019. The data studied includes approximately 46 million life years of exposure and 580,000 deaths from public pension plans from 2008 to 2013. The Pub-2010 mortality tables include separate tables for general and safety members, and for each of those classes of members includes separate mortality tables for healthy annuitants, disabled retirees, and employees.

[2] The ultimate improvement rates from the SOA's Mortality Improvement Scale MP-2021 (published in October 2021) are used to adjust the Pub-2010 mortality tables to account for anticipated changes in mortality rates in future years. In general, it is assumed that mortality rates will improve (implying longer lifetimes) in the future due partially to improvements in healthcare.

Schedule of Funding Progress — OPEB Program
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Employee Payroll (c)	UAAL as a Percentage of Covered Employee Payroll [(b-a)/c]
July 1, 2014	$483,800	$28,546,600	$28,062,800	1.7%	N/A	N/A
July 1, 2016	560,800	25,912,600	25,351,800	2.2%	N/A	N/A
July 1, 2017[1]	742,900	26,300,800	25,557,900	2.8%	$8,544,140	299.1%
July 1, 2018[2]	941,010	21,066,800	20,125,790	4.5%	8,954,417	224.8%
July 1, 2019	1,238,480	20,752,600	19,514,120	6.0%	9,471,632	206.0%
July 1, 2020	1,492,600	21,302,700	19,810,100	7.0%	9,813,912	201.9%
July 1, 2021	2,306,800	21,157,400	18,850,600	10.9%	10,065,113	187.3%
July 1, 2022	2,394,100	23,097,800	20,703,700	10.4%	10,269,429	201.6%
July 1, 2023	3,091,800	23,459,700	20,367,900	13.2%	10,772,896	189.1%
July 1, 2024	**$3,977,900**	**$24,735,600**	**$20,757,700**	**16.1%**	**$11,275,698**	**184.1%**

[1]The resulting July 1, 2017 OPEB valuation report was the first annual (versus biennial) valuation prepared in accordance with the Board of Retirement's OPEB Actuarial Valuation and Audit Policy, to meet the plan sponsors' GASB Statement Number 75 financial statement reporting requirements.

[2]Effective with the July 1, 2018 OPEB valuation, the actuarial cost method used to project the AAL changed to entry age normal from projected unit credit.

Active Member Valuation Data — OPEB Program

Valuation Date	Plan Type	Member Count[1]	Annual Salary	Average Annual Salary	Percentage Increase in Average Salary
July 1, 2014	General	79,878	$5,482,792,752	$68,640	3.48%
	Safety	12,515	1,251,582,744	100,007	1.52%
	Total	92,393	$6,734,375,496	$72,888	3.09%
July 1, 2016	General	82,780	$5,938,289,628	$71,736	4.51%
	Safety	12,515	1,340,879,628	107,142	7.13%
	Total	95,295	$7,279,169,256	$76,386	4.80%
July 1, 2017[2]	General	84,454	$6,284,503,344	$74,413	3.73%
	Safety	12,695	1,387,680,972	109,309	2.02%
	Total	97,149	$7,672,184,316	$78,973	3.39%
July 1, 2018	General	85,645	$6,604,776,960	$77,118	3.64%
	Safety	12,770	1,451,326,572	113,651	3.97%
	Total	98,415	$8,056,103,532	$81,858	3.65%
July 1, 2019	General	86,337	$6,809,906,844	$78,876	2.28%
	Safety	12,791	1,539,796,908	120,381	5.92%
	Total	99,128	$8,349,703,752	$84,232	2.90%
July 1, 2020	General	86,875	$7,180,721,760	$82,656	4.79%
	Safety	13,176	1,590,271,044	120,695	0.26%
	Total	100,051	$8,770,992,804	$87,665	4.08%
July 1, 2021	General	85,911	$7,432,707,960	$86,516	4.67%
	Safety	13,133	1,650,137,676	125,648	4.10%
	Total	99,044	$9,082,845,636	$91,705	4.61%
July 1, 2022	General	83,647	$7,330,651,500	$87,638	1.30%
	Safety	12,843	1,625,956,740	126,603	0.76%
	Total	96,490	$8,956,608,240	$92,824	1.22%
July 1, 2023	General	84,254	$7,838,142,012	$93,030	6.15%
	Safety	12,603	1,682,389,368	133,491	5.44%
	Total	96,857	$9,520,531,380	$98,295	5.89%
July 1, 2024	**General**	**86,241**	**$8,349,401,496**	**$96,815**	**4.07%**
	Safety	**12,404**	**1,690,240,560**	**136,266**	**2.08%**
	Total	**98,645**	**$10,039,642,056**	**$101,775**	**3.54%**

[1]The OPEB Program Active Member Count differs from the Pension Plan Active Member Count. The OPEB Program includes both Medicare and non-Medicare eligible individuals and excludes Pension Plan members that are receiving retiree healthcare benefits due to a retired spouse.

[2]The resulting OPEB valuation report was an annual (versus biennial) valuation prepared in accordance with the Board of Retirement's OPEB Actuarial Valuation and Audit Policy, to meet the plan sponsors' GASB Statement Number 75 financial statement reporting requirements.

Retirees and Beneficiaries Added to and Removed From Benefits — OPEB Program

(Dollars in Thousands)

	Added to Rolls		Removed From Rolls		Rolls at End of Year			
Valuation Date	Member Count	Annual Allowance[1]	Member Count	Annual Allowance	Member Count	Annual Allowance	Percentage Increase in Retiree Allowance	Average Annual Allowance
July 1, 2014	5,335	$89,205	(3,369)	($29,925)	48,168	$482,744	14.00%	$10,022
July 1, 2016	5,710	103,373	(3,514)	(30,745)	50,364	555,372	15.04%	11,027
July 1, 2017[2]	3,229	41,266	(1,839)	(18,052)	51,754	578,586	4.18%	11,180
July 1, 2018	3,028	61,697	(1,977)	(20,530)	52,805	619,753	7.12%	11,737
July 1, 2019	3,259	71,970	(1,996)	(22,487)	54,068	669,236	7.98%	12,378
July 1, 2020	3,216	53,933	(2,077)	(23,865)	55,207	699,304	4.49%	12,667
July 1, 2021	3,431	53,821	(2,353)	(28,386)	56,285	724,739	3.64%	12,876
July 1, 2022	3,815	42,812	(2,331)	(27,823)	57,769	739,728	2.07%	12,805
July 1, 2023	3,316	75,746	(2,303)	(28,725)	58,782	786,749	6.36%	13,384
July 1, 2024	**3,454**	**$103,784**	**(2,211)**	**($29,347)**	**60,025**	**$861,186**	**9.46%**	**$14,347**

[1] Includes changes for continuing retirees and beneficiaries.

[2] The resulting OPEB valuation report was the first annual valuation prepared in accordance with the Board of Retirement's OPEB Actuarial Valuation and Audit Policy, to meet the plan sponsors' GASB Statement Number 75 financial statement reporting requirements.

Funded Liabilities by Type — OPEB Program

(Dollars in Millions)

	Actuarial Accrued Liability (AAL) for				Portion of AAL Covered by Assets		
Actuarial Valuation Date	(A) Active Member Contributions	(B) Retirees and Beneficiaries[1]	(C) Active Members (Employer-Financed Portion)	Actuarial Value of Valuation Assets	(A) Active	(B) Retired	(C) Employer
July 1, 2014	$—	$11,791	$16,756	$484	N/A	4%	—%
July 1, 2016	—	11,365	14,548	561	N/A	5%	—%
July 1, 2017[2]	—	11,640	14,661	743	N/A	6%	—%
July 1, 2018	—	10,108	10,959	941	N/A	9%	—%
July 1, 2019	—	10,260	10,493	1,239	N/A	12%	—%
July 1, 2020	—	10,597	10,706	1,493	N/A	14%	—%
July 1, 2021	—	10,751	10,406	2,307	N/A	21%	—%
July 1, 2022	—	11,543	11,555	2,394	N/A	21%	—%
July 1, 2023	—	12,083	11,377	3,092	N/A	26%	—%
July 1, 2024	**$—**	**$12,880**	**$11,856**	**$3,978**	**N/A**	**31%**	**—%**

[1]Includes inactive members who are vested (deferred).

[2]The resulting OPEB valuation report was prepared in accordance with the Board of Retirement's OPEB Actuarial Valuation and Audit Policy, to meet the plan sponsors' GASB Statement Number 75 financial statement reporting requirements.

Actuarial Analysis of Financial Experience — OPEB Program

(Dollars in Millions)

	Valuation as of July 1									
	2024	2023	2022	2021	2020	2019[1]	2018	2017[2]	2016	2014
Prior Unfunded Actuarial Accrued Liability	**$20,368**	$20,704	$18,851	$19,810	$19,514	$20,126	$25,558	$25,352	$28,063	$26,953
Expected Increase/(Decrease) from Prior Valuation	**550**	624	621	747	911	1,005	1,170	1,462	3,240	3,873
Claim Costs Greater/(Less) than Expected[3]	**132**	93	287	(1,202)	(1,000)	(1,589)	(1,067)	(1,213)	(2,322)	(5,471)
Change in Assumptions[4]	**—**	(919)	567	—	314	(35)	(6,936)	—	(3,385)	3,238
Asset Return Less/(Greater) than Expected	**(159)**	(89)	438	(352)	76	1	(28)	(54)	78	(484)
All Other Experience[5]	**(133)**	(45)	(60)	(152)	(5)	6	1,429	11	(322)	(46)
Ending Unfunded Actuarial Accrued Liability	**$20,758**	**$20,368**	**$20,704**	**$18,851**	**$19,810**	**$19,514**	**$20,126**	**$25,558**	**$25,352**	**$28,063**

[1]Beginning with the 2019 report, subsequent OPEB valuation reports exclude the excise tax.

[2]The resulting OPEB valuation report was an annual valuation prepared in accordance with the Board of Retirement's OPEB Actuarial Valuation and Audit Policy, to meet the plan sponsors' GASB Statement Number 75 financial statement reporting requirements.

[3]Includes the medical care claim cost trend assumption change.

[4]In 2016, this amount includes the impact from implementing the Tier 2 Retiree Healthcare Benefits Program.

[5]In 2018, this amount is primarily due to the impact of the excise tax.

Statistical Section

INTRODUCTION

The objective of the Statistical Section is to provide historical perspective, context, and detail to assist in utilizing the Basic Financial Statements, Notes to the Basic Financial Statements, and Required Supplementary Information to understand and assess the status of the Pension Plan, OPEB Program and discretionary benefits administered by LACERA as of the fiscal year-end. Statistical data is maintained within the member services platform—a sophisticated and proprietary member management system in which LACERA actively maintains member-specific data, comprehensive plan membership records, and related member-specific documents. This section reports the most current membership status information for each type of member (general, safety, active, retired, etc.). The statistical information provided here is divided into Financial Trends Information and Operating Information.

Financial Trends Information is intended to assist readers in understanding how LACERA's financial position has changed over time:

- *Changes in Fiduciary Net Position — Pension Plan and Changes in Fiduciary Net Position — OPEB Trust* present additions by source, deductions by type, and the total change in Fiduciary Net Position for each year.
- *Pension Benefit Expenses by Type* presents retirement benefits, refunds of contributions, and lump-sum death benefits, as deductions by type of benefit (e.g., service and disability retirement from general and safety plans).

Operating Information provides contextual information about LACERA's operations and membership to assist readers in using financial statement information to comprehend and evaluate LACERA's fiscal condition:

- *Active Members* provides membership statistics for active vested and active non-vested members. In addition, members who are not considered retired are included as inactive members and defined as either vested members with deferred benefits or non-vested members with inactive benefits.
- *Retired Members by Type of Pension Benefit* and *Retired Members by Type of OPEB Benefit* presents benefit information for the current year by dollar level and benefit type.
- *Schedule of Average Pension Benefit Payments* presents the average monthly Pension Plan benefit, average final salary, and number of retired members, organized in five-year increments of credited service.
- *Active Members of Participating Pension Employers* presents the employers and their corresponding employees (active members) who are or may become eligible for Pension Plan benefits.
- *Retired Members of Participating OPEB Employers* presents the employers and the number of retired members enrolled in medical and/or dental/vision benefits.
- *Employer Contribution Rates* shown by employer for the Pension Plan is provided as additional information.

Changes in Fiduciary Net Position — Pension Plan

For the Last 10 Fiscal Years Ended June 30

(Dollars in Thousands)

	2025	2024	2023	2022	2021
Additions					
Employer Contributions	**$2,670,874**	$2,509,071	$2,301,706	$2,199,889	$2,012,877
Member Contributions	**919,148**	861,042	793,244	758,632	760,994
Net Investment Income/(Loss)	**8,292,240**	6,611,984	4,856,286	(1,540,145)	15,629,915
Miscellaneous	**6,770**	5,334	5,009	4,117	2,928
Total Additions/(Declines)	**$11,889,032**	**$9,987,431**	**$7,956,245**	**$1,422,493**	**$18,406,714**
Deductions					
Total Benefit Expenses[1]	**$4,776,110**	$4,518,137	$4,281,363	$4,044,567	$3,814,262
Administrative Expenses	**127,185**	118,628	112,150	100,121	90,586
Miscellaneous	**344**	327	458	219	248
Total Deductions	**$4,903,639**	**$4,637,092**	**$4,393,971**	**$4,144,907**	**$3,905,096**
Net Increase/(Decrease) in Fiduciary Net Position	**$6,985,393**	**$5,350,339**	**$3,562,274**	**($2,722,414)**	**$14,501,618**

	2020	2019	2018	2017	2016
Additions					
Employer Contributions	$1,800,137	$1,668,151	$1,524,823	$1,331,359	$1,403,712
Member Contributions	659,296	635,415	591,262	526,579	498,083
Net Investment Income/(Loss)	1,445,877	3,175,723	4,716,640	6,129,300	80,588
Miscellaneous	2,383	5,958	5,613	6,370	2,781
Total Additions/(Declines)	**$3,907,693**	**$5,485,247**	**$6,838,338**	**$7,993,608**	**$1,985,164**
Deductions					
Total Benefit Expenses[1]	$3,606,340	$3,407,154	$3,203,375	$3,029,633	$2,889,186
Administrative Expenses	85,384	82,906	78,181	66,830	67,645
Miscellaneous	397	333	451	188	(11)
Total Deductions	**$3,692,121**	**$3,490,393**	**$3,282,007**	**$3,096,651**	**$2,956,820**
Net Increase/(Decrease) in Fiduciary Net Position	**$215,572**	**$1,994,854**	**$3,556,331**	**$4,896,957**	**($971,656)**

[1]See Pension Benefit Expenses by Type in this Statistical Section.

Changes in Fiduciary Net Position — OPEB Trust

For the Last 10 Fiscal Years Ended June 30

(Dollars in Thousands)

	2025	2024	2023	2022	2021
Additions					
Employer Contributions[1]	**$1,460,060**	$1,316,128	$1,196,205	$1,097,284	$1,057,366
Net Investment Income/(Loss)	**471,651**	368,411	247,488	(288,500)	452,122
Miscellaneous	**—**	—	—	—	—
Total Additions	**$1,931,711**	**$1,684,539**	**$1,443,693**	**$808,784**	**$1,509,488**
Deductions					
Administrative Expenses	**$900**	$1,077	$942	$599	$584
Benefit Payments[1]	**872,675**	797,431	745,013	720,910	694,665
Redemptions	**—**	—	—	—	40
Total Deductions	**$873,575**	**$798,508**	**$745,955**	**$721,509**	**$695,289**
Net Increase in Fiduciary Net Position	**$1,058,136**	**$886,031**	**$697,738**	**$87,275**	**$814,199**

	2020	2019	2018	2017	2016
Additions					
Employer Contributions[1]	$907,521	$863,452	$706,709	$645,381	$615,275
Net Investment Income/(Loss)	6,171	62,116	78,746	94,505	(8,095)
Miscellaneous	—	—	—	2	—
Total Additions	**$913,692**	**$925,568**	**$785,455**	**$739,888**	**$607,180**
Deductions					
Administrative Expenses	$246	$234	$190	$374	$192
Benefit Payments[1]	659,295	627,839	583,406	557,381	534,597
Redemptions	—	25	3,735	—	—
Total Deductions	**$659,541**	**$628,098**	**$587,331**	**$557,755**	**$534,789**
Net Increase in Fiduciary Net Position	**$254,151**	**$297,470**	**$198,124**	**$182,133**	**$72,391**

[1]Beginning in 2016:

Contributions: The Trust reflects both prefunding contributions actually made to the OPEB Trust as well as additions to Fiduciary Net Position, including amounts for OPEB as the benefits come due that will not be reimbursed to the employers using OPEB program assets.

Benefit Payments: The Trust includes all benefit payments whether made through the Trust or by employers as OPEB benefits comes due (per paragraph 28a and 31 of GASB Statement Number 74).

Pension Benefit Expenses by Type

For the Last 10 Fiscal Years Ended June 30

(Dollars in Thousands)

	2025	2024	2023	2022	2021
Service Retiree Payroll					
General	**$2,856,900**	$2,699,607	$2,560,490	$2,419,417	$2,291,480
Safety	**668,248**	645,670	630,916	602,547	574,362
Total	**$3,525,148**	**$3,345,277**	**$3,191,406**	**$3,021,964**	**$2,865,842**
Disability Retiree Payroll					
General	**$221,728**	$213,683	$205,748	$201,231	$195,818
Safety	**983,960**	911,139	837,446	779,078	723,948
Total	**$1,205,688**	**$1,124,822**	**$1,043,194**	**$980,309**	**$919,766**
Total Retiree Payroll					
General	**$3,078,628**	$2,913,290	$2,766,238	$2,620,648	$2,487,298
Safety	**1,652,208**	1,556,809	1,468,362	1,381,625	1,298,310
Total	**$4,730,836**	**$4,470,099**	**$4,234,600**	**$4,002,273**	**$3,785,608**
Refunds					
General	**$35,482**	$38,631	$36,968	$32,470	$21,622
Safety	**6,309**	5,035	6,444	5,619	2,890
Total	**$41,791**	**$43,666**	**$43,412**	**$38,089**	**$24,512**
Lump-Sum Death Benefits	**$3,483**	**$4,372**	**$3,351**	**$4,205**	**$4,142**
Total Benefit Expenses	**$4,776,110**	**$4,518,137**	**$4,281,363**	**$4,044,567**	**$3,814,262**

	2020	2019	2018	2017	2016
Service Retiree Payroll					
General	$2,174,355	$2,060,365	$1,946,614	$1,845,791	$1,762,274
Safety	543,901	507,909	478,802	445,473	419,092
Total	**$2,718,256**	**$2,568,274**	**$2,425,416**	**$2,291,264**	**$2,181,366**
Disability Retiree Payroll					
General	$190,386	$186,120	$177,879	$173,550	$169,821
Safety	670,237	621,358	574,431	538,116	507,824
Total	**$860,623**	**$807,478**	**$752,310**	**$711,666**	**$677,645**
Total Retiree Payroll					
General	$2,364,741	$2,246,485	$2,124,493	$2,019,341	$1,932,095
Safety	1,214,138	1,129,267	1,053,233	983,589	926,916
Total	**$3,578,879**	**$3,375,752**	**$3,177,726**	**$3,002,930**	**$2,859,011**
Refunds					
General	$22,418	$27,096	$20,782	$21,970	$23,470
Safety	2,813	1,595	2,439	2,482	3,622
Total	**$25,231**	**$28,691**	**$23,221**	**$24,452**	**$27,092**
Lump-Sum Death Benefits	**$2,230**	**$2,711**	**$2,428**	**$2,251**	**$3,083**
Total Benefit Expenses	**$3,606,340**	**$3,407,154**	**$3,203,375**	**$3,029,633**	**$2,889,186**

Active Members

For the Last 10 Fiscal Years Ended June 30

	2025	2024	2023	2022	2021
Active Vested					
General	**65,279**	65,479	65,414	64,875	64,622
Safety	**10,151**	9,948	9,974	9,921	9,812
Subtotal	**75,430**	**75,427**	**75,388**	**74,796**	**74,434**
Active Non-Vested					
General	**22,333**	20,810	18,894	18,826	21,355
Safety	**2,026**	2,463	2,635	2,930	3,329
Subtotal	**24,359**	**23,273**	**21,529**	**21,756**	**24,684**
Inactive[1]					
General	**20,407**	19,761	18,994	17,761	15,996
Safety	**1,562**	1,500	1,420	1,286	1,125
Subtotal	**21,969**	**21,261**	**20,414**	**19,047**	**17,121**
Total Active Members					
General	**108,019**	106,050	103,302	101,462	101,973
Safety	**13,739**	13,911	14,029	14,137	14,266
Total	**121,758**	**119,961**	**117,331**	**115,599**	**116,239**

	2020	2019	2018	2017	2016
Active Vested					
General	63,647	62,589	61,734	61,608	61,820
Safety	9,875	10,071	10,286	10,429	10,743
Subtotal	**73,522**	**72,660**	**72,020**	**72,037**	**72,563**
Active Non-Vested					
General	23,289	23,811	23,975	22,915	21,096
Safety	3,304	2,725	2,489	2,269	1,785
Subtotal	**26,593**	**26,536**	**26,464**	**25,184**	**22,881**
Inactive[1]					
General	15,133	15,567	7,856	7,752	7,665
Safety	1,041	610	603	589	573
Subtotal	**16,174**	**16,177**	**8,459**	**8,341**	**8,238**
Total Active Members					
General	102,069	101,967	93,565	92,275	90,581
Safety	14,220	13,406	13,378	13,287	13,101
Total	**116,289**	**115,373**	**106,943**	**105,562**	**103,682**

[1]Effective with fiscal year ended June 30, 2019 and going forward, Inactive includes both vested (deferred) and non-vested members.

Retired Members by Type of Pension Benefit

As of June 30, 2025

Amount of Monthly Benefit			Number of Retired Members	Type of Retirement[1]		
				A	B	C
$1	-	$1,000	12,142	7,859	742	3,541
$1,001	-	$2,000	13,755	9,336	1,590	2,829
$2,001	-	$3,000	12,220	8,943	1,770	1,507
$3,001	-	$4,000	9,594	7,440	1,251	903
$4,001	-	$5,000	7,065	5,672	882	511
$5,001	-	$6,000	5,109	4,069	684	356
$6,001	-	$7,000	3,798	3,031	564	203
	>	$7,000	13,021	8,701	3,864	456
Total			**76,704**	**55,051**	**11,347**	**10,306**

Amount of Monthly Benefit			Retirement Option Selected[2]					
			Unmodified	Unmodified Plus	Option 1	Option 2	Option 3	Option 4
$1	-	$1,000	10,021	947	84	460	124	506
$1,001	-	$2,000	11,471	1,331	110	337	119	387
$2,001	-	$3,000	10,313	1,210	88	170	86	353
$3,001	-	$4,000	8,086	998	53	96	51	310
$4,001	-	$5,000	5,782	881	36	62	43	261
$5,001	-	$6,000	4,204	659	25	34	21	166
$6,001	-	$7,000	3,019	570	18	24	10	157
	>	$7,000	9,764	2,451	34	33	41	698
Total			**62,660**	**9,047**	**448**	**1,216**	**495**	**2,838**

[1]Type of Retirement:
- A: Service Retiree
- B: Disability Retiree
- C: Beneficiary/Continuant/Survivor

[2]Retirement Option Selected:

Unmodified: For Plans A-D and G, beneficiary receives 65 percent of the member's allowance (60 percent if the member retired before June 4, 2002); for Plan E, beneficiary receives 55 percent of member's allowance (50 percent if the member retired before June 4, 2002).

The following options reduce the member's monthly benefit:

Unmodified Plus: For all Plans (A-G), member's allowance is reduced to pay an increased continuing allowance to an eligible surviving spouse/partner.
Option 1: Beneficiary receives lump sum of member's unused contributions.
Option 2: Beneficiary receives 100 percent of member's reduced monthly benefit.
Option 3: Beneficiary receives 50 percent of member's reduced monthly benefit.
Option 4: Beneficiary(ies) receives percentage of member's reduced monthly benefit as designated by member.

Retired Members by Type of OPEB Benefit

As of June 30, 2025

	Medical Benefit Premium Amounts					Total Member Count
	$1-$500	$501-$1,000	$1,001-$1,500	$1,501-$2,000	> $2,000	
Medical Plans by Plan Type						
Anthem Blue Cross I	—	2	—	511	319	832
Anthem Blue Cross II	—	—	—	2,460	3,261	5,721
Anthem Blue Cross III	—	7,833	4,794	108	1,327	14,062
Anthem Blue Cross Prudent Buyer	—	—	417	27	289	733
Cigna - HealthSpring Preferred Rx	—	—	—	—	—	—
Cigna Network Model Plan	—	—	—	—	284	284
Kaiser - California	—	—	3,536	—	2,618	6,154
Kaiser - Senior Advantage	12,478	6,549	36	1,983	11	21,057
Kaiser - Colorado	—	—	5	—	8	13
Kaiser - Georgia	—	—	—	24	4	28
Kaiser - Hawaii	—	5	—	4	4	13
Kaiser - Oregon	—	—	1	5	4	10
Kaiser - Washington	—	—	—	—	8	8
Firefighters Local 1014	—	—	568	—	1,871	2,439
SCAN Health Plan - Desert	10	2	—	—	—	12
SCAN Health Plan - California	281	98	—	—	—	379
SCAN Health Plan - Nevada	17	5	—	—	—	22
UnitedHealthcare	1	—	—	584	900	1,485
UnitedHealthcare Medicare Advantage (HMO)	2,217	1,431	49	—	504	4,201
Total Medical by Plan Type	**15,004**	**15,925**	**9,406**	**5,706**	**11,412**	**57,453**
Medical Plans by Retirement Type						
Service Retirees	11,824	12,514	7,114	4,109	7,093	42,654
Disability Retirees	827	1,474	1,479	862	4,012	8,654
Survivors	2,353	1,937	813	735	307	6,145
Total Medical by Retirement Type	**15,004**	**15,925**	**9,406**	**5,706**	**11,412**	**57,453**

	Dental/Vision Benefit Premium Amounts
	$1 - $500
Dental/Vision Plans by Plan Type	
CIGNA Indemnity Dental/Vision	52,142
CIGNA HMO Dental/Vision	7,637
Total Dental/Vision by Plan Type	**59,779**
Dental/Vision Plans by Retirement Type	
Service Retirees	44,081
Disability Retirees	9,132
Survivors	6,566
Total Dental/Vision by Retirement Type	**59,779**

Schedule of Average Pension Benefit Payments

For the Last 10 Fiscal Years Ended June 30

	Years of Credited Service					
Retirement Effective Dates	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**
7/1/15 to 6/30/16						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,619	$1,809	$2,265	$2,893	$3,462	$5,163
Average Monthly Final Salary	$6,022	$5,607	$6,020	$6,414	$6,440	$7,372
Number of Retirees	118	331	273	274	471	837
Safety Members						
Average Monthly Retirement Benefit	$3,134	$3,776	$5,743	$6,290	$7,540	$10,730
Average Monthly Final Salary	$7,077	$9,355	$10,057	$10,613	$11,062	$12,654
Number of Retirees	24	16	27	22	109	205
Survivors						
General Members						
Average Monthly Retirement Benefit	$929	$752	$957	$1,174	$1,745	$2,470
Average Monthly Final Salary	$6,444	$4,670	$3,996	$4,367	$4,825	$5,339
Number of Survivors	30	55	50	51	69	143
Safety Members						
Average Monthly Retirement Benefit	$1,446	$3,207	$3,071	$3,053	$4,468	$5,611
Average Monthly Final Salary	$5,927	$6,777	$6,628	$6,941	$6,825	$7,529
Number of Survivors	6	6	8	9	16	33
7/1/16 to 6/30/17						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,416	$1,858	$2,364	$3,425	$3,730	$5,149
Average Monthly Final Salary	$5,917	$5,860	$6,367	$7,202	$6,791	$7,441
Number of Retirees	142	338	328	209	507	856
Safety Members						
Average Monthly Retirement Benefit	$2,987	$3,087	$6,412	$6,885	$7,888	$11,358
Average Monthly Final Salary	$7,651	$8,870	$10,320	$11,308	$11,362	$13,288
Number of Retirees	24	25	50	36	153	248
Survivors						
General Members						
Average Monthly Retirement Benefit	$833	$786	$1,392	$1,577	$1,898	$2,942
Average Monthly Final Salary	$5,469	$4,190	$4,959	$5,059	$5,175	$6,105
Number of Survivors	29	52	63	41	72	136
Safety Members						
Average Monthly Retirement Benefit	$3,522	$4,150	$2,131	$3,715	$4,316	$6,581
Average Monthly Final Salary	$6,792	$7,451	$7,234	$6,906	$7,400	$8,411
Number of Survivors	3	5	9	7	16	36

For the Last 10 Fiscal Years Ended June 30

	Years of Credited Service					
Retirement Effective Dates	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**
7/1/17 to 6/30/18						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,639	$1,752	$2,482	$3,609	$3,907	$5,275
Average Monthly Final Salary	$7,147	$5,725	$6,223	$7,627	$7,071	$7,605
Number of Retirees	99	339	323	255	470	883
Safety Members						
Average Monthly Retirement Benefit	$3,140	$4,015	$5,714	$6,482	$8,329	$11,650
Average Monthly Final Salary	$7,739	$9,039	$10,242	$11,266	$11,835	$13,559
Number of Retirees	22	21	36	32	126	241
Survivors						
General Members						
Average Monthly Retirement Benefit	$681	$1,112	$1,345	$1,503	$2,179	$2,888
Average Monthly Final Salary	$4,138	$5,668	$5,145	$5,071	$5,596	$6,179
Number of Survivors	17	50	47	38	80	133
Safety Members						
Average Monthly Retirement Benefit	$2,815	$3,252	$3,528	$3,200	$3,603	$5,479
Average Monthly Final Salary	$7,817	$7,192	$6,670	$6,327	$6,905	$7,833
Number of Survivors	7	8	5	7	18	31
7/1/18 to 6/30/19						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,659	$1,578	$3,091	$3,613	$3,994	$6,007
Average Monthly Final Salary	$6,332	$5,585	$7,078	$7,481	$7,398	$8,630
Number of Retirees	122	337	371	313	447	938
Safety Members						
Average Monthly Retirement Benefit	$4,251	$4,072	$5,960	$8,466	$9,038	$12,076
Average Monthly Final Salary	$8,564	$9,754	$10,348	$12,556	$12,737	$14,367
Number of Retirees	25	30	36	38	137	278
Survivors						
General Members						
Average Monthly Retirement Benefit	$1,129	$921	$1,243	$1,660	$1,894	$2,898
Average Monthly Final Salary	$5,507	$5,704	$5,510	$5,402	$5,204	$5,928
Number of Survivors	38	69	80	81	111	183
Safety Members						
Average Monthly Retirement Benefit	$801	$2,157	$2,885	$2,704	$3,208	$6,016
Average Monthly Final Salary	$4,148	$6,656	$7,462	$5,607	$6,217	$8,495
Number of Survivors	4	8	14	17	29	45

For the Last 10 Fiscal Years Ended June 30

	Years of Credited Service					
Retirement Effective Dates	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**
7/1/19 to 6/30/20						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,529	$1,917	$2,998	$3,506	$4,414	$5,772
Average Monthly Final Salary	$6,503	$6,414	$7,197	$7,410	$8,151	$8,315
Number of Retirees	121	337	332	350	400	958
Safety Members						
Average Monthly Retirement Benefit	$2,606	$4,498	$6,070	$7,800	$9,336	$12,485
Average Monthly Final Salary	$7,489	$10,058	$11,768	$12,329	$13,251	$14,963
Number of Retirees	15	24	21	38	119	320
Survivors						
General Members						
Average Monthly Retirement Benefit	$969	$964	$1,171	$1,739	$1,961	$2,794
Average Monthly Final Salary	$5,282	$4,866	$4,956	$5,962	$5,469	$6,085
Number of Survivors	31	62	69	84	101	179
Safety Members						
Average Monthly Retirement Benefit	$3,839	$2,467	$3,078	$2,973	$4,646	$5,847
Average Monthly Final Salary	$5,723	$4,966	$6,705	$5,977	$7,952	$8,081
Number of Survivors	7	9	10	16	31	63
7/1/20 to 6/30/21						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,231	$1,531	$2,726	$3,349	$4,089	$5,735
Average Monthly Final Salary	$7,640	$6,281	$7,509	$7,453	$7,590	$8,508
Number of Retirees	125	335	293	346	432	1,250
Safety Members						
Average Monthly Retirement Benefit	$2,235	$3,767	$5,041	$6,732	$9,337	$12,659
Average Monthly Final Salary	$8,945	$9,648	$10,518	$12,239	$13,433	$15,336
Number of Retirees	12	24	25	67	132	313
Survivors						
General Members						
Average Monthly Retirement Benefit	$1,106	$948	$1,320	$1,535	$1,862	$3,111
Average Monthly Final Salary	$6,340	$5,370	$5,211	$5,245	$5,155	$6,344
Number of Survivors	26	67	69	79	107	225
Safety Members						
Average Monthly Retirement Benefit	$2,606	$2,369	$4,302	$2,886	$4,557	$5,946
Average Monthly Final Salary	$6,195	$7,058	$9,070	$7,532	$7,368	$8,553
Number of Survivors	6	7	10	13	26	56

For the Last 10 Fiscal Years Ended June 30

	Years of Credited Service					
Retirement Effective Dates	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**
7/1/21 to 6/30/22						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,120	$1,748	$2,599	$3,437	$4,397	$6,151
Average Monthly Final Salary	$7,100	$6,985	$7,610	$7,647	$8,399	$9,047
Number of Retirees	138	322	347	497	479	1,499
Safety Members						
Average Monthly Retirement Benefit	$1,626	$4,161	$5,283	$8,017	$9,502	$13,277
Average Monthly Final Salary	$7,145	$9,588	$11,387	$13,751	$13,856	$15,933
Number of Retirees	11	21	17	57	113	304
Survivors						
General Members						
Average Monthly Retirement Benefit	$610	$730	$1,506	$1,690	$2,014	$3,201
Average Monthly Final Salary	$4,460	$4,307	$5,417	$5,501	$5,776	$7,098
Number of Survivors	19	49	72	75	118	218
Safety Members						
Average Monthly Retirement Benefit	$2,323	$2,548	$2,120	$3,491	$5,006	$6,050
Average Monthly Final Salary	$8,156	$6,962	$4,880	$7,107	$8,830	$8,644
Number of Survivors	3	11	5	11	33	54
7/1/22 to 6/30/23						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,116	$1,697	$2,595	$3,638	$4,388	$6,346
Average Monthly Final Salary	$7,546	$6,742	$7,390	$8,134	$8,337	$9,356
Number of Retirees	138	249	346	387	400	1,129
Safety Members						
Average Monthly Retirement Benefit	$2,442	$3,649	$5,267	$8,899	$9,693	$13,793
Average Monthly Final Salary	$10,258	$10,391	$11,683	$14,229	$14,410	$16,426
Number of Retirees	10	16	31	72	109	285
Survivors						
General Members						
Average Monthly Retirement Benefit	$852	$1,129	$1,089	$1,969	$2,270	$3,552
Average Monthly Final Salary	$4,681	$5,307	$4,793	$6,312	$5,955	$7,009
Number of Survivors	19	64	72	81	88	207
Safety Members						
Average Monthly Retirement Benefit	$3,594	$3,827	$2,093	$3,201	$4,115	$6,127
Average Monthly Final Salary	$6,330	$6,760	$8,410	$7,238	$7,645	$8,762
Number of Survivors	2	5	7	14	26	62

For the Last 10 Fiscal Years Ended June 30

	Years of Credited Service					
Retirement Effective Dates	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**
7/1/23 to 6/30/24						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,286	$1,747	$2,708	$3,759	$4,562	$6,712
Average Monthly Final Salary	$7,691	$7,614	$7,512	$8,241	$8,614	$9,793
Number of Retirees	122	212	326	381	490	1,290
Safety Members						
Average Monthly Retirement Benefit	$2,361	$4,107	$5,447	$8,045	$10,736	$14,712
Average Monthly Final Salary	$9,741	$9,971	$11,833	$13,811	$15,492	$17,033
Number of Retirees	16	18	34	61	134	250
Survivors						
General Members						
Average Monthly Retirement Benefit	$1,165	$934	$1,563	$2,044	$2,357	$3,456
Average Monthly Final Salary	$6,451	$4,472	$6,899	$6,424	$6,211	$7,211
Number of Survivors	24	68	69	67	92	229
Safety Members						
Average Monthly Retirement Benefit	$2,047	$2,012	$2,424	$3,068	$4,929	$6,184
Average Monthly Final Salary	$6,798	$7,953	$9,992	$7,458	$7,991	$8,787
Number of Survivors	3	3	5	11	40	63
7/1/24 to 6/30/25						
Retirees						
General Members						
Average Monthly Retirement Benefit	$1,072	$1,496	$2,871	$3,842	$4,622	$6,819
Average Monthly Final Salary	$7,341	$6,451	$7,989	$8,425	$8,873	$9,765
Number of Retirees	130	266	353	371	586	1,315
Safety Members						
Average Monthly Retirement Benefit	$3,300	$4,334	$5,890	$8,567	$10,680	$15,148
Average Monthly Final Salary	$8,263	$10,772	$12,297	$14,584	$15,595	$17,926
Number of Retirees	14	21	48	57	180	212
Survivors						
General Members						
Average Monthly Retirement Benefit	$1,019	$771	$1,265	$1,707	$2,107	$3,298
Average Monthly Final Salary	$6,258	$4,582	$5,256	$5,787	$5,745	$7,045
Number of Survivors	23	61	69	87	91	204
Safety Members						
Average Monthly Retirement Benefit	$3,500	$3,520	$1,618	$4,308	$3,852	$7,172
Average Monthly Final Salary	$6,244	$7,269	$9,769	$8,575	$7,592	$9,452
Number of Survivors	3	2	10	9	22	71

Active Members of Participating Pension Employers

For the Last 10 Fiscal Years Ended June 30

	2025		2024	
County of Los Angeles	**Covered Members**	**Percentage of Total Covered Members**	**Covered Members**	**Percentage of Total Covered Members**
General Members	87,605	87.790%	86,282	87.418%
Safety Members	12,177	12.203%	12,411	12.574%
Total	**99,782**	**99.993%**	**98,693**	**99.993%**
Participating Agencies (General Membership)				
South Coast Air Quality Mgmt. District	—	—%	—	—%
Los Angeles County Office of Education	—	—%	—	—%
Little Lake Cemetery District	1	0.001%	1	0.001%
Local Agency Formation Commission for the County of Los Angeles	6	0.006%	6	0.006%
Total Participating Agencies	**7**	**0.007%**	**7**	**0.007%**
Total Active Membership[1]				
General Members	87,612	87.797%	86,289	87.426%
Safety Members	12,177	12.203%	12,411	12.574%
Total	**99,789**	**100.000%**	**98,700**	**100.000%**

	2023		2022	
County of Los Angeles	**Covered Members**	**Percentage of Total Covered Members**	**Covered Members**	**Percentage of Total Covered Members**
General Members	84,301	86.983%	83,695	86.684%
Safety Members	12,609	13.010%	12,851	13.310%
Total	**96,910**	**99.993%**	**96,546**	**99.994%**
Participating Agencies (General Membership)				
South Coast Air Quality Mgmt. District	—	—%	—	—%
Los Angeles County Office of Education	—	—%	—	—%
Little Lake Cemetery District	1	0.001%	1	0.001%
Local Agency Formation Commission for the County of Los Angeles	6	0.006%	5	0.005%
Total Participating Agencies	**7**	**0.007%**	**6**	**0.006%**
Total Active Membership[1]				
General Members	84,308	86.990%	83,701	86.690%
Safety Members	12,609	13.010%	12,851	13.310%
Total	**96,917**	**100.000%**	**96,552**	**100.000%**

[1]Active Membership excludes inactive members, who are vested (deferred) and non-vested members.

For the Last 10 Fiscal Years Ended June 30

County of Los Angeles	2021 Covered Members	2021 Percentage of Total Covered Members	2020 Covered Members	2020 Percentage of Total Covered Members
General Members	85,970	86.735%	86,929	86.829%
Safety Members	13,141	13.258%	13,179	13.164%
Total	**99,111**	**99.993%**	**100,108**	**99.993%**
Participating Agencies (General Membership)				
South Coast Air Quality Mgmt. District	—	—%	—	—%
Los Angeles County Office of Education	—	—%	—	—%
Little Lake Cemetery District	1	0.001%	1	0.001%
Local Agency Formation Commission for the County of Los Angeles	6	0.006%	6	0.006%
Total Participating Agencies	**7**	**0.007%**	**7**	**0.007%**
Total Active Membership[1]				
General Members	85,977	86.742%	86,936	86.836%
Safety Members	13,141	13.258%	13,179	13.164%
Total	**99,118**	**100.000%**	**100,115**	**100.000%**

County of Los Angeles	2019 Covered Members	2019 Percentage of Total Covered Members	2018 Covered Members	2018 Percentage of Total Covered Members
General Members	86,392	87.092%	85,701	87.020%
Safety Members	12,796	12.900%	12,775	12.972%
Total	**99,188**	**99.992%**	**98,476**	**99.992%**
Participating Agencies (General Membership)				
South Coast Air Quality Mgmt. District	—	—%	—	—%
Los Angeles County Office of Education	—	—%	—	—%
Little Lake Cemetery District	1	0.001%	1	0.001%
Local Agency Formation Commission for the County of Los Angeles	7	0.007%	7	0.007%
Total Participating Agencies	**8**	**0.008%**	**8**	**0.008%**
Total Active Membership[1]				
General Members	86,400	87.100%	85,709	87.028%
Safety Members	12,796	12.900%	12,775	12.972%
Total	**99,196**	**100.000%**	**98,484**	**100.000%**

[1]Active Membership excludes inactive members, who are vested (deferred) and non-vested members.

For the Last 10 Fiscal Years Ended June 30

	2017		2016	
County of Los Angeles	**Covered Members**	**Percentage of Total Covered Members**	**Covered Members**	**Percentage of Total Covered Members**
General Members	84,515	86.931%	82,907	86.865%
Safety Members	12,698	13.061%	12,528	13.126%
Total	**97,213**	**99.992%**	**95,435**	**99.991%**
Participating Agencies (General Membership)				
South Coast Air Quality Mgmt. District	1	0.001%	1	0.001%
Los Angeles County Office of Education	—	—%	—	—%
Little Lake Cemetery District	1	0.001%	1	0.001%
Local Agency Formation Commission for the County of Los Angeles	6	0.006%	7	0.007%
Total Participating Agencies	**8**	**0.008%**	**9**	**0.009%**
Total Active Membership[1]				
General Members	84,523	86.939%	82,916	86.874%
Safety Members	12,698	13.061%	12,528	13.126%
Total	**97,221**	**100.000%**	**95,444**	**100.000%**

[1]Active Membership excludes inactive members, who are vested (deferred) and non-vested members.

Retired Members of Participating OPEB Employers

For the Last 10 Fiscal Years Ended June 30

County of Los Angeles and Participating Agencies	2025	2024	2023	2022	2021
Medical					
County	**54,544**	53,556	52,620	51,415	50,268
LACERA	**191**	190	182	173	165
Superior Court	**2,676**	2,575	2,508	2,429	2,347
Outside Districts	**42**	44	49	48	52
Total Medical	**57,453**	**56,365**	**55,359**	**54,065**	**52,832**
Dental/Vision					
County	**56,775**	55,627	54,457	53,059	51,655
LACERA	**192**	192	182	174	165
Superior Court	**2,772**	2,663	2,584	2,491	2,392
Outside Districts	**40**	42	48	48	50
Total Dental/Vision	**59,779**	**58,524**	**57,271**	**55,772**	**54,262**

County of Los Angeles and Participating Agencies	2020	2019	2018	2017	2016
Medical					
County	49,705	48,679	47,584	46,409	45,327
LACERA	156	147	136	130	127
Superior Court	2,414	2,329	2,267	2,206	2,126
Outside Districts	61	61	65	67	73
Total Medical	**52,336**	**51,216**	**50,052**	**48,812**	**47,653**
Dental/Vision					
County	51,034	49,919	48,731	47,471	46,327
LACERA	158	150	136	129	123
Superior Court	2,456	2,372	2,297	2,225	2,150
Outside Districts	57	58	61	65	71
Total Dental/Vision	**53,705**	**52,499**	**51,225**	**49,890**	**48,671**

Employer Contribution Rates: County of Los Angeles, Superior Court, and LACERA

For the Last 10 Years

	General Members						Safety Members		
Effective Date[1]	**Plan A**	**Plan B**	**Plan C**	**Plan D**	**Plan E**	**Plan G**	**Plan A**	**Plan B**	**Plan C**
FY 2015-2016	25.13%	17.45%	16.90%	17.70%	18.97%	17.66%	34.64%	27.50%	23.46%
FY 2016-2017	24.11%	15.94%	15.32%	16.19%	17.49%	16.07%	32.25%	25.94%	21.93%
FY 2017-2018[2]	26.06%	17.50%	16.80%	18.17%	19.57%	18.04%	34.45%	27.75%	23.73%
FY 2018-2019[2]	26.94%	18.04%	16.85%	18.51%	19.84%	18.53%	34.11%	28.36%	23.97%
FY 2019-2020[2]	27.81%	19.33%	18.33%	19.42%	20.79%	19.42%	35.32%	29.30%	24.68%
FY 2020-2021[2]	29.59%	21.13%	19.72%	20.94%	22.47%	20.84%	38.10%	31.99%	26.27%
FY 2021-2022[2]	31.40%	24.16%	21.39%	22.94%	24.49%	22.85%	40.12%	34.59%	28.17%
FY 2022-2023	31.11%	24.13%	21.23%	22.75%	24.30%	22.66%	39.93%	34.79%	27.91%
FY 2023-2024[2]	31.52%	25.79%	22.45%	24.16%	25.74%	23.96%	42.18%	36.31%	29.48%
FY 2024-2025[2]	**32.11%**	**26.12%**	**22.61%**	**24.23%**	**25.89%**	**24.15%**	**33.23%**	**36.22%**	**29.84%**

[1]Contribution rates are scheduled to be effective for the fiscal year July 1 to June 30. However, Sections 31454 and 31454.7 of CERL require the County 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. Adjustments must be made effective July 1 or thereafter, but not later than September 29 of each fiscal year.

[2]Contribution rates were made effective with the September 16-30 payroll cycle.

Employer Contribution Rates: Little Lake Cemetery District[1] and Local Agency Formation Commission for the County of Los Angeles[2]

For the Last 10 Years

Effective Date[3]	**Plan D**	**Plan E**	**Plan G**
FY 2015-2016	17.70%	18.97%	17.66%
FY 2016-2017	16.19%	17.49%	16.07%
FY 2017-2018[4]	18.17%	—%	18.04%
FY 2018-2019[4]	18.51%	—%	18.53%
FY 2019-2020[4]	19.42%	—%	19.42%
FY 2020-2021[4]	20.94%	—%	20.84%
FY 2021-2022[4]	22.94%	—%	22.85%
FY 2022-2023	22.75%	—%	22.66%
FY 2023-2024	24.16%	—%	23.96%
FY 2024-2025	**24.23%**	**—%**	**24.15%**

[1]Rates applicable to Little Lake Cemetery District are limited to Plan D.

[2]Rates applicable to the Local Agency Formation Commission for the County of Los Angeles are limited to Plans D, E, and G. As of November 2016, there were no participating active members under Plan E.

[3]Contribution rates are scheduled to be effective for the fiscal year July 1 to June 30. However, Sections 31454 and 31454.7 of CERL require the contribution rates of outside districts to be adjusted in accordance with LACERA's recommendations no later than 90 days following the beginning of the immediately succeeding fiscal year. Adjustments must be made effective July 1 or thereafter, but not later than September 29 of each year.

[4]Contribution rates were made effective with the September 16-30 payroll cycle.

LACERA

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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