

INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE MINUTES 10-14-10

PRESENT

- Les Robbins, Chair
- William de la Garza, Vice Chair
- Edward L. Blecksmith
- Simon S. Russin
- Marvin Adams, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

- Yves Chery
- Ed C. Morris

STAFF, ADVISORS, PARTICIPANTS

- Cassandra Smith
- Leilani Ignacio
- Robert Hill
- Cynthia Lau
- Robb Van Der Volgen

- Mercer Human Resource Consulting
- Laurie Silva

The meeting was called to order by Chairman Robbins at 11:25 a.m.

1. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT

All regular members of the Committee were present.

2. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 9, 2010

A motion was made by Mr. Blecksmith, seconded by Mr. Russin, to approve the minutes of the regular meeting of September 9, 2010. The motion passed unanimously.

3. ACTION ITEMS

1. Recommendation as submitted by Robert Hill, Assistant Executive Officer: That the Committee recommend the Board of Retirement approve the Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit Policy. (Memorandum dated September 10, 2010)

LACERA is required to comply with Governmental Accounting Standards Board Statement No. 43 (GASB 43) to report actuarially determined values of assets and liabilities relating to Other Post-Employment Benefits (OPEB) of Los Angeles County. The County is required to comply with GASB 45 in accounting for and reporting OPEB related financial information. The actuarial valuation for plans with total membership of 200 or more is to be performed, at a minimum,

biennially; or when significant changes have occurred that affect the results of the previous valuation.

LACERA has prepared a proposed policy, incorporating feedback from the stakeholders, on the OPEB actuarial projects necessary to meet all objectives of a prudent plan and its administration. The adoption of this policy would provide formal documentation for undertaking the OPEB actuarial projects.

A motion was made by Mr. de la Garza, seconded by Mr. Blecksmith, to approve the recommendation. The motion passed unanimously.

2. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Committee recommend the Board of Retirement to direct LACERA's voting delegate to support inclusion in the SACRS 2011 Legislative Platform placeholder legislation. (Memorandum dated October 7, 2010)

A motion was made by Mr. de la Garza, seconded by Mr. Adams, to approve the recommendation. The motion passed unanimously.

4. FOR INFORMATION

1. Legislation to Authorize the Board of Investments to Issue Subpoenas

Cynthia Lau, Legislative Affairs Officer

Ms. Lau informed the Committee that the Board of Investments, at their October 13, 2010 meeting, approved a recommendation for a legislative proposal which would grant them the authority to issue subpoenas and subpoenas duces tecum relating to matters within the Board of Investments' jurisdiction.

2. Staff Activities Report for September, 2010

The staff activities report was discussed.

3. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through August 2010 were discussed.

4. Mercer Select Social Security & Medicare Third Quarter 2010 Newsletter

The newsletter included projections for Social Security and Medicare for 2011. For the second year, it is projected there will be no Social Security COLA increase for 2011. Therefore, the Medicare Part B premium reimbursement will remain at the 2009 level of \$96.40 for individuals. A small increase is projected for December 2011 for the 2012 plan year. It is not yet known how that will affect the Part B premiums for 2012. Medicare Part D premiums are now going to be income tested. This will not affect LACERA retirees, as they do not purchase Part D on an individual basis.

5. Federal Legislation

- Weekly Highlights – October 4, 2010
- Weekly Highlights – September 27, 2010
- Weekly Highlights – September 20, 2010
- Weekly Highlights – September 13, 2010
- Weekly Highlights – September 7, 2010

Submitted for information only.

5. MISCELLANEOUS

6. PUBLIC COMMENT

7. GOOD OF THE ORDER

(For discussion purposes only)

8. ADJOURNMENT

 PROMISED BENEFITS | In 1937, a promise was made to County employees; we exist to uphold that promise.

11/4/10