

# IN PERSON & VIRTUAL BOARD MEETING

\*This meeting will take place following the Committee meeting held prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

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

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

# AGENDA

## A REGULAR MEETING OF THE BOARD OF RETIREMENT

### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., THURSDAY, JULY 6, 2023\*

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

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

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

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953 (f)
  - A. Just Cause
  - B. Action on Emergency Circumstance Requests
  - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. APPROVAL OF THE MINUTES
  - A. Approval of the Minutes of the Regular Meeting of June 7, 2023
- V. PUBLIC COMMENT  
(Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3

V. PUBLIC COMMENT (Continued)

minutes to address the Board. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

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

VI. EXECUTIVE UPDATE

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

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

VIII. CONSENT ITEMS

A. **Approval of Revised and Restated Post Retirement Employment Policy**

Recommendation as submitted by Alan Bernstein, Chair, Operations Oversight Committee: That the Board of Retirement approve the proposed revised and restated Post Retirement Employment Policy. (Memo dated June 28, 2023) (Supplemental Memo from Steven P. Rice, Chief Counsel, dated June 28, 2023)

B. **Approval of Revised AB 2449 Teleconference Policy**

Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board adopt the proposed revised AB 2449 Teleconference Policy. (Memo dated June 27, 2023)

C. **Legislative Proposal – Compliance Requirements for Rehired Retirees**

Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board approve

VIII. CONSENT ITEMS (Continued)

submission of a legislative proposal for inclusion in the SACRS 2024 Legislative Platform that would offset the retirement allowance of retirees who exceed the maximum allowable hours in their post-retirement employment. (Memo dated June 15, 2023)

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

Recommendation that the Board approve the service retirements and survivor benefit applications received as of June 27, 2023.

(Memo dated June 27, 2023)

**E. Appeal for the Board of Retirement's Meeting of July 6, 2023**

Recommendation as submitted by Ricki M. Contreras, Division Manager, Disability Retirement Services: That the Board of Retirement grant the appeals and requests for administrative hearing received from the following applicants and direct the Disability Retirement Services Manager to refer each case to a referee: Alejandro E. Estella and Diane Fetter. (Memo dated June 23, 2023)

IX. EXCLUDED FROM CONSENT ITEMS

X. NON-CONSENT ITEMS

**A. Board of Retirement: Five Year Strategic Plan (2023-2028)**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board approve and adopt the Five Year BOR Strategic Plan. (Memo dated June 21, 2023)

**B. Finding of Exceptional Circumstances and Approval to Rehire Retiree Earl Buehner**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer, and Steven P. Rice, Chief Counsel: That the Board find that exceptional circumstances exist to approve the rehire of retiree Earl Buehner to perform Senior Staff Counsel duties in the Legal Division to support the critical need for investments legal work up to 960 hours in Fiscal Year 2023-2024 during the unplanned leave of other staff and pending completion of ongoing attorney recruitments. (Memo dated June 29, 2023)

X. NON-CONSENT ITEMS (Continued)

C. **Finding of Exceptional Circumstances and Approval to Rehire Retiree Kathy Migita**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board find that exceptional circumstances exist to approve the rehire of retiree Kathy Migita for up to 960 Hours in Fiscal Year 2023-2024 to perform services in the Retiree Healthcare Division to support critical needs in pursuit of pending healthcare initiatives, annual coverage renewals and negotiations, response to healthcare industry developments, transition of knowledge and relationships, and succession planning in the Division. (Memo dated June 29, 2023)

D. **Finding of Exceptional Circumstances and Approval to Rehire Retiree Jan Tran Willett**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board find that exceptional circumstances exist to approve the rehire of retiree Jan Tran Willett for up to 960 Hours in Fiscal Year 2023-2024 to assist the Systems Division with critical needs relating to pending projects and transition of knowledge to new employees within the Systems Division with regard to the development, maintenance, and support of essential member benefit systems. (Memo dated June 29, 2023)

XI. REPORTS

A. **CERL vs. PEPRA Training**

Fern M. Billingsy, Senior Staff Counsel  
(Presentation) (Memo dated June 22, 2023)

B. **Capstone Summary Presentations by Legal Division Interns**

Jasmine K. Bath, Senior Staff Counsel  
Nareh Derhartounian, Legal Office Intern  
Sebastian Paige, Legal Office Intern  
(Presentation) (Memo dated June 27, 2023)

C. **Business Insurance 2023-2024 Renewal Summary Update**

James C. Beasley, Jr., Supervising Administrative Assistant II  
(For Information Only) (Memo dated June 20, 2023)

XI. REPORTS (Continued)

D. **Application Processing Time Snapshot Reports**

Ricki M. Contreras, Division Manager

(For Information Only) (Memo dated June 28, 2023)

E. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer

(For Information Only) (Memo dated June 26, 2023)

F. **Monthly Trustee Travel & Education Reports – May 2023**

Ted Granger, Interim Chief Financial Officer

(For Information Only) (Memos dated June 22, 2023)

Monthly Trustee Travel & Education Report

Comprehensive Monthly Trustee Travel & Education Report

(Confidential Memo – Includes Pending Travel)

G. **June 2023 Fiduciary Counsel Contract and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated June 26, 2023)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

XII. ITEMS FOR STAFF REVIEW

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

XIII. ITEMS FOR FUTURE AGENDAS

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

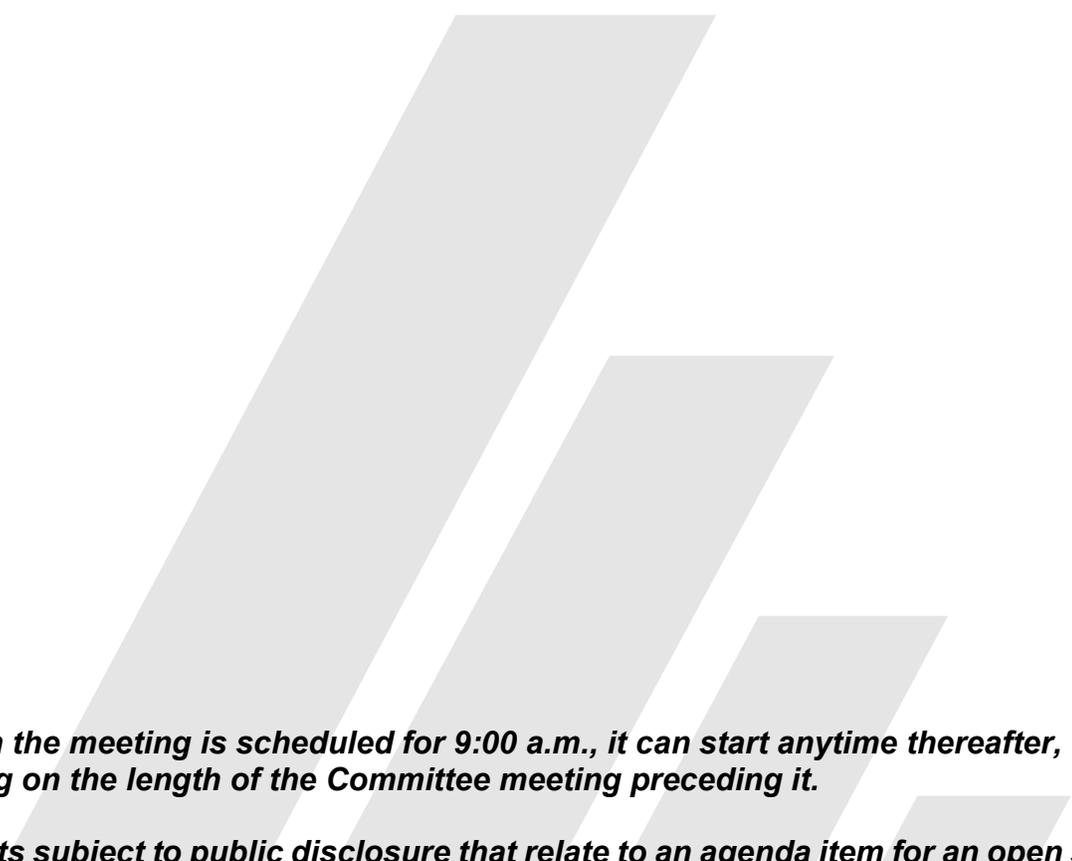
XIV. GOOD OF THE ORDER

(For Information Purposes Only)

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

XVI. ADJOURNMENT



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

***Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on [lacera.com](http://lacera.com) at the same time, [Board Meetings | LACERA](#).***

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

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

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

9:00 A.M., WEDNESDAY, JUNE 7, 2023

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

TRUSTEES PRESENT:

Shawn R. Kehoe, Chair

Alan Bernstein, Vice Chair

Vivian H. Gray, Secretary

Jason E. Green (Joined the meeting at 9:08 a.m.)

JP Harris (Alternate Retired)

Keith Knox

Ronald Okum

Les Robbins

Antonio Sanchez (Joined the meeting at 10:02 a.m.)

Herman Santos

TRUSTEES ABSENT:

Elizabeth Greenwood

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Chief Executive Officer

June 7, 2023

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## STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Francis J. Boyd, Senior Staff Counsel

Dr. Glenn Ehresmann, Medical Advisor

Ted Granger, Interim Chief Financial Officer

Barry W. Lew, Legislative Affairs Officer

Louis Gittens, Benefits Interim Division Manager

Carly Ntoya, Human Resources Director

Ricki Contreras, Disability Retirement Services Manager

Tamara Caldwell, Disability Retirement Specialist Supervisor

Vickie Neely, Disability Retirement Specialist Supervisor

Kerri Wilson, Disability Retirement Specialist Supervisor

Hernan Barrientos, Disability Retirement Specialist Supervisor

Ricardo Salinas, Disability Retirement Specialist Supervisor

Vincent Lim, Disability Litigation Manager

Robert Klausner, Fiduciary Counsel

Klausner, Kaufman, Jensen & Levinson

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Ms. Gray led the Trustees and staff in reciting the Pledge of Allegiance.

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

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

No requests were received for (A) Just Cause or (B) Emergency Circumstances.

IV. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of May 3, 2023

Trustee Robbins made a motion, Trustee Gray seconded, to approve the Minutes of the Regular Meeting of May 3, 2023. The motion passed by the following roll call vote:

Yes: Bernstein, Gray, Kehoe, Knox, Okum, Robbins, Santos

Absent: Greenwood, Sanchez, Green

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE

A. LACERA All Stars

Mr. Popowich announced the winners for the month: Alex Ochoa, Roy Mercado, Valery Ptacek, and Arturo Guzman. The Web Watcher Winner was

V. EXECUTIVE UPDATE (Continued)

Maria Manlutac. Lastly, Aurelia Okafor-Smith was recognized for her excellent service she provided to a LACERA member.

B. Member Spotlight

Mr. Popowich recognized LACERA member, Borina Nou Garcia.

C. Chief Executive Officer's Report

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

VI. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Trustee Green joined the meeting at 9:08 a.m.)  
Service-Connected Disability Applications

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

<u>APPLICATION NO.</u>	<u>NAME</u>
8E	EDWARD M. HIGASHI
9E	PATRICK E. MORRIS
10E	MIKE J. SYLVIA
11E	BRIAN EDWARDS
12E	TIMOTHY P. COOLEY
13E	SCOTT A. HOGLUND
14E	JOSE L. MEJIA
15E	GARY H. CHAN
16E	KENNETH A. PRICE
17E	JAMES R. WOLFOPE
18E	MICHAEL K. BAKER
19E	TREVOR L. BANKS
20E	RONALD K. WILLIAMS
21E	DAVID K. MCCABE
22E	JERRY S. SABA
23E*	TIMOTHY VANDER LEEK

\*Granted SCD – Employer Cannot Accommodate

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Continued)  
Service-Connected Disability Applications

<u>APPLICATION NO.</u>	<u>NAME</u>
24E	JAMES K. MAXEY
25E	WILLIAM R. CORDERO
26E*	SONJA M. BRACKEN
27E*	DONALD P. SUBLER
28E*	PHYLLIS L. ANTUNA
29E*	RONALD C. BOTTOMLEY
30E	DANIEL M. ALEMAN
31E	PAUL R. PARKHURST
32E	ADAM B. CASTRO
33E**	KEVIN B. GREER
34E	STEPHANIE A. REBER
35E***	STEVE J. LIM (DECEASED)
36E**	JOHN S. CUEVAS
37E*	MARK G. MOFFETT
38E	ROBERT C. HILL, JR.
39E	MEREDITH E. LAWSON
40E	HECTOR D. PEREZ
41E	JEFFREY R. KOCH
42E***	CHRISTOPHER M. BRACKS (DECEASED)
43E	ANDREW M. LYONS

The motion passed by the following roll call vote:

Yes: Bernstein, Gray, Kehoe, Knox, Okum, Robbins, Santos

Absent: Greenwood, Sanchez

\*Granted SCD – Employer Cannot Accommodate

\*\*Granted SCD – Retroactive

\*\*\*Granted SCD – Survivor Benefit

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR  
(Continued)

Safety Fire, Lifeguards  
Service-Connected Disability Applications

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

<u>APPLICATION NO.</u>	<u>NAME</u>
1621B	HECTOR M. RODARTE
1622B	HOWARD A. FERGUSON
1623B	TIMOTHY C. KOCH
1624B	BRETT J. IRVING
1625B	JOHN D. PALOZZI
1626B	STACEY T. RIOS
1627B	MICHAEL C. WARREN
1628B	GREG A. DAHLMEIER
1629B	JOSE D. BARRIOS, JR.
1630B	LISA C. RHEINHEIMER (Pulled by staff for further development)
1631B	DANNY J. AUGUSTA

The motion passed by the following roll call vote:

Yes: Bernstein, Gray, Green, Knox, Okum, Robbins, Santos

Absent: Greenwood, Sanchez

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR  
(Continued)

General Members

Service-Connected Disability Applications

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

<u>APPLICATION NO.</u>	<u>NAME</u>
2531C	JOSHUA X. SANCHEZ
2532C	EDDIE W. SMITH
2533C*	FLOR M. SCHROEPFER
2534C	TERRY J. OSBORNE
2535C*	PERLA O. GOMEZ
2536C*	GERHARD TRIPPEL
2537C**	THERESA HENDERSON
2538C	JEFFREY STINSON
2539C***	ALFRICA M. MEADOR-MILLER
2540C**	MELVIN C. PINKNEY
2541C*	CYNTHIA Y. CANIER
2542C	WENDY D. RICHARDS
2543C**	ERICKA BARLOW
2544C	AMALIA B. GUTIERREZ
2545C****	D. VOUGHN BRYANT
2546C	ALICIA CASS
2547C****	RUTH J. GLICKFELD
2548C***	JORGE A. PEREZ, JR.

The motion passed by the following roll call vote:

Yes: Bernstein, Gray, Green, Knox, Okum, Robbins, Santos

Absent: Greenwood, Sanchez

\*Granted SCD – Employer Cannot Accommodate

\*\*Granted SCD – Retroactive

\*\*\*Granted SCD – Salary Supplement

\*\*\*\*Granted SCD Retroactive – Employer Cannot Accommodate

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR  
(Continued)

General Members

Nonservice-Connected Disability Applications

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

<u>APPLICATION NO.</u>	<u>NAME</u>
4420*	2F2022G

The motion passed by the following roll call vote:

Yes: Bernstein, Gray, Green, Knox, Okum, Robbins, Santos

Absent: Greenwood, Sanchez

VIII. CONSENT ITEMS

A. **Compensation Earnable and Pensionable Compensation**

Recommendation as submitted by Fern Billigy, Senior Staff Counsel: That the Board 1) Adopt the Resolutions, No. 2023-BR005, and No. 2023-BR006, specifying pay items as included and excluded from the definitions of "compensation earnable" and "pensionable compensation"; and 2) Instruct staff to coordinate with the Auditor-Controller to establish necessary reporting mechanism and procedures to permit LACERA to include or exclude these items when calculating final compensation. (Memo dated May 10, 2023)

Ms. Billigy was present to answer questions from the Board.

Trustee Harris made a motion, Trustee Kehoe seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Santos

Absent: Greenwood, Sanchez

\*Granted NSCD - Retroactive

## VIII. CONSENT ITEMS (Continued)

Trustee Santos made a motion, Trustee Harris seconded, to approve consent items B-D. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Santos

Absent: Greenwood, Sanchez

### B. **Assembly Bill 1020 – Disability Retirement**

Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board adopt a “Neutral” position on Assembly Bill 1020, which would expand the number of service-connected presumptions related to disability retirement, with recommended clarifications. (Memo dated May 23, 2023)

### C. **Appeal for the Board of Retirement’s Meeting of June 7, 2023**

Recommendation as submitted by Ricki M. Contreras, Division Manager, Disability Retirement Services: That the Board of Retirement grant the appeals and requests for administrative hearing received from the following applicants and direct the Disability Retirement Services Manager to refer each case to a referee: Ofelia Santoyo-Hurtado and Malaysia L. Gandy Locklin. (Memo dated May 24, 2023)

### D. **Ratification of Service Retirement and Survivor Benefit Application Approvals**

Recommendation that the Board approve the service retirements and survivor benefit applications received as of May 30, 2023, along with any retirement rescissions and/or changes approved at last month’s Board meeting. (Memo dated May 30, 2023)

## IX. EXCLUDED FROM CONSENT ITEMS

Item VIII. A. was pulled and further discussed.

## X. NON-CONSENT ITEMS

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

Recommendation as submitted by Herman B, Santos, Chair, Joint Organizational Governance Committee: That the Board review and

X. NON-CONSENT ITEMS (Continued)

approve the revised LACERA Budget Policy, attached as a companion to the adoption of the Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets. (Memo dated May 12, 2023) (Supplemental Memo dated May 31, 2023)

(Trustee Sanchez joined the meeting at 10:02 a.m.)

Ms. Guglielmo was present to answer questions from the Board.

Trustee Santos made a motion, Trustee Bernstein seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

B. **Approval of Fiscal Year 2023-24 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trustee Budgets**

Recommendation as submitted by Herman B. Santos, Chair, Joint Organizational Governance Committee: That the Board adopt the LACERA Fiscal Year (FY) 2023-24 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets. (Memo dated May 12, 2023)

Ms. Guglielmo was present to answer questions from the Board.

Trustee Santos made a motion, Trustee Harris seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

C. **Approval of Revised AB 2449 Teleconference Policy**

Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board adopt the proposed revised AB 2449 Teleconference Policy. (Memo dated May 26, 2023)

X. NON-CONSENT ITEMS (Continued)

Mr. Rice was present to answer questions from the Board.

Trustee Santos made a motion, Trustee Harris seconded, to approve staff's recommendation, with direction that Section 5.5 of the policy be clarified and returned at the July 2023 Board meeting and that this policy be treated as a joint Board policy in the future that should first be considered by the Joint Organizational Governance Committee. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos

Absent: Greenwood, Sanchez

D. **Application of Jill Torres for Reinstatement to Active Membership Pursuant to Government Code Section 31680.4 and 31680.5**

Recommendation as submitted by Louis Gittens, Interim Division Manager, Benefits Division: That the Board 1) Determine, based upon medical evaluation conducted on February 9, 2023, that Jill Torres is not incapacitated for the duties assigned to her in the position of an Assistant Sheriff, Administration; and 2. Grant the application of Jill Torres for reinstatement to active membership. (Memo dated May 12, 2023)

Mr. Gittens was present to answer questions from the Board.

Trustee Kehoe made a motion, Trustee Harris seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Santos

Abstain: Sanchez

Absent: Greenwood

X. NON-CONSENT ITEMS (Continued)

E. **Service Provider Invoice Approval Request - David L. Friedman, M.D., Ph.D.**

Recommendation as submitted by Ricki M. Contreras, Division Manager, Disability Retirement Services: That the Board approve the service provider invoice for David L. Friedman, M.D., Ph.D.

(Memo dated May 26, 2023 - Attachment Confidential)

Ms. Contreras was present to answer questions from the Board.

Trustee Santos made a motion, Trustee Gray seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

XI. REPORTS

A. **Legal Report Regarding Strategic Plan and Approval Process**

Robert Klausner, Fiduciary Counsel

Klausner, Kaufman, Jensen & Levinson

(For Information Only) (Memo dated May 31, 2023)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

Mr. Klausner was present to answer questions from the Board. This Item was received and filed.

B. **Application Processing Time Snapshot Reports**

Ricki M. Contreras, Division Manager

(For Information Only) (Memo dated May 30, 2023)

This Item was received and filed.

C. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer

(For Information Only) (Memo dated May 27, 2023)

This Item was received and filed.

XI. REPORTS (Continued)

D. **Monthly Trustee Travel & Education Reports – April 2023**  
**3rd Quarter Trustee Travel & Education Expenditure Reports**  
**3rd Quarter Staff Travel Report**

Ted Granger, Interim Chief Financial Officer

(For Information Only) (Memos dated May 24, 2023)

Monthly Trustee Travel & Education Report

Comprehensive Monthly Trustee Travel & Education Report

(Confidential Memo – Includes Pending Travel)

This Item was received and filed.

E. **May 2023 Fiduciary Counsel Contract and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated May 23, 2023)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

This Item was received and filed.

XII. ITEMS FOR STAFF REVIEW

Trustee Robbins and Green requested an educational session regarding PEPRAs SCDs and Compensation Earnable and Pensionable Compensation to the Board, as well as provided to the Unions.

XIII. ITEMS FOR FUTURE AGENDAS

There were no items for Items for Future Agendas.

XIV. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

APPLICATION NO. & NAME AND BOARD ACTION

5315B – JEFF R. JOHNSON (DECEASED)

Trustee Gray made a motion, Trustee Santos seconded, to grant service-connected survivor benefits pursuant to Government Code Sections 31720 and 31787. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

5316B – GLORIA SALCEDO

Trustee Gray made a motion, Trustee Harris seconded, to grant a nonservice-connected disability retirement pursuant to Government Code Section 31720. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

5317B – PAUL R. NEVAREZ

Trustee Gray made a motion, Trustee Harris seconded, to grant a service-connected disability retirement pursuant to Government Code Section 31720. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

5318B – WILLETTE MITCHELL\*

Trustee Harris made a motion, Trustee Knox seconded, to deny a service-connected disability retirement without prejudice. The motion passed by the following roll call vote:

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME AND BOARD ACTION

Yes: Bernstein, Knox, Gray, Kehoe, Okum, Robbins, Sanchez, Santos  
Absent: Greenwood

5319B – DIANE FETTER\*

Trustee Knox made a motion, Trustee Harris seconded, to deny a service-connected disability retirement since the employer can accommodate. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos  
Absent: Greenwood

Trustee Gray requested that the application be reconsidered, Trustee Santos seconded. The motion passed without objection.

Trustee Knox made a motion, Trustee Harris seconded, to deny a service-connected disability retirement since the employer can accommodate. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Green, Okum, Robbins, Sanchez, Santos  
Absent: Greenwood

2484C – HEMA PATEL

Trustee Kehoe made a motion, Trustee Knox seconded, to grant a service-connected disability retirement salary supplement pursuant to Government Code Sections 31725.65 and 31720. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Kehoe, Okum, Robbins, Sanchez, Santos  
Absent: Greenwood

\*Applicant Present

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME AND BOARD ACTION

5101B – TERRI L. LOVE\*

Trustee Harris made a motion, Trustee Gray seconded, to grant a service-connected disability retirement since the employer cannot accommodate, pursuant to Government Code Section 31720. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Kehoe, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

5280B – ANGIE RUIZ\*

Trustee Knox made a motion, Trustee Okum seconded, to grant a nonservice-connected disability retirement without prejudice with a 2-year review pursuant to Government Code Sections 31720 and 31724. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Kehoe, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

B. Disability Retirement Appeals

APPLICATION NO. & NAME AND BOARD ACTION

KEVIN TOBIA – Thomas J. Wicke for Applicant  
Jason E. Waller for the Respondent

Trustee Knox made a motion, Trustee Harris seconded, to deny a service-connected disability retirement and find the applicant not permanently incapacitated.

Trustee Green made a substitute motion, Trustee Kehoe seconded, to grant a service-connected disability retirement with the applicant's

\*Applicant Present

XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION  
(Continued)

B. Disability Retirement Appeals

APPLICATION NO. & NAME AND BOARD ACTION

KEVIN TOBIA (Continued)– Thomas J. Wicke for Applicant  
Jason E. Waller for the Respondent

attorney to submit the Findings of Fact and Conclusions of Law to the motion. The motion passed by the following roll call vote:

Yes: Gray, Green, Robbins, Sanchez, Santos

No: Knox, Bernstein

Abstain: Okum

Absent: Greenwood

C. Staff Recommendations

1. **E to D Application of Mayra Joseph**

Recommendation as submitted by Ricki M. Contreras, Division Manager, Disability Retirement Services: That the Board reject the Application of Mayra Joseph for processing.  
(Memo dated May 23, 2023)

Trustee Kehoe made a motion, Trustee Knox seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Kehoe, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

2. **Application of Jeffrey A. Windle (Deceased)**

Recommendation as submitted by Ricki M. Contreras, Division Manager, Disability Retirement Services: That the Board instruct

XVI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION  
(Continued)

C. Staff Recommendations (Continued)

staff to close Jeffrey A. Windle's (Deceased) application for disability retirement. (Memo dated May 24, 2023)

Trustee Knox made a motion, Trustee Bernstein seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Bernstein, Knox, Gray, Kehoe, Okum, Robbins, Sanchez, Santos

Absent: Greenwood

XVI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:35 a.m.

---

VIVIAN GRAY, SECRETARY

---

SHAWN R. KEHOE, CHAIR



# Recognizing Our Members' Service and Accomplishments

LACERA has nearly 100,000 active members working in dozens of L.A. County departments, many of whom dedicate their working lives to serving the community. Meet one of our long-serving members as he prepares to enjoy his well-earned retirement.



# Pre-Retirement Member **Andre Shelton**

**Road Maintenance Superintendent, Public Works**

**Estimated Retirement: January 2024**

**Years of Service: 37**

**Notable Contributions:** Mr. Shelton has overseen the development and improvement of 300 miles of sidewalks, curbs, roads, and gutters across L.A. County.

**Passions and Retirement Plans:** Shelton is a volunteer preacher who goes door-to-door to share his message and good news.

He and his wife love to camp, especially in the beautiful places across our country, but he says his dream vacation is to travel across the world. Other activities he looks forward to in retirement include watching sports, gardening, and landscaping.

**MEMBER SPOTLIGHT**





June 26, 2023

TO: Each Trustee,  
Board of Retirement  
Board of Investments

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

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT – JUNE 2023**

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

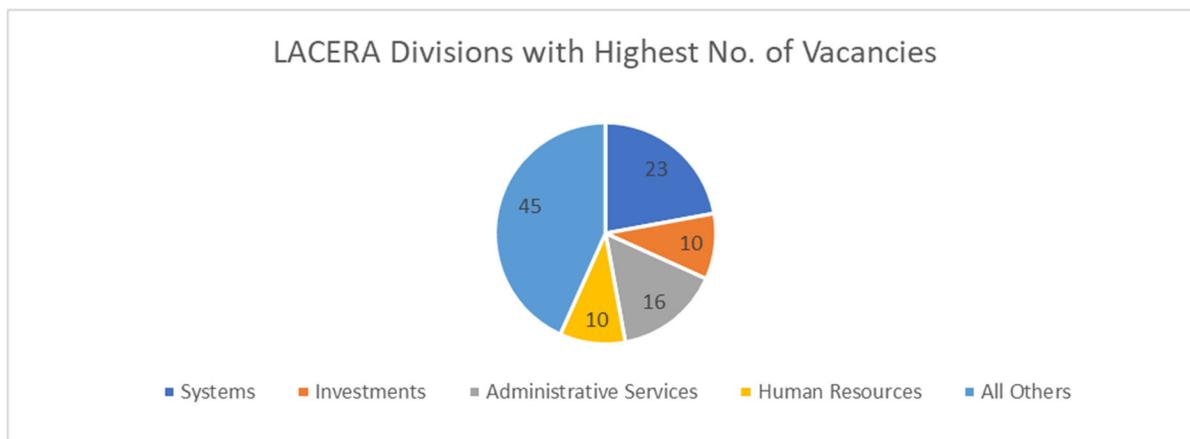
### **Document Processing Center Staff Classification Study Update**

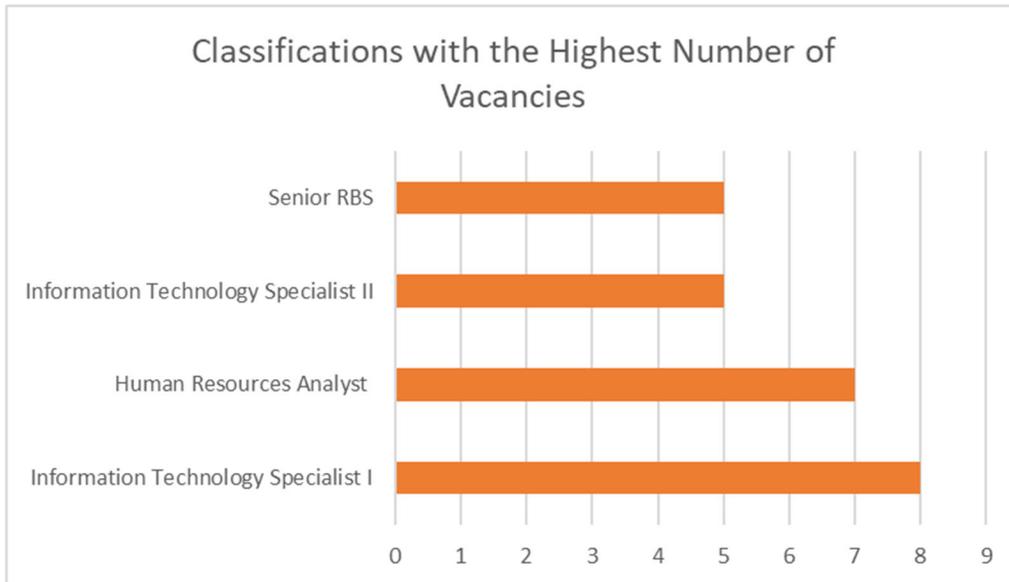
On April 27, 2023, the Joint Organizational Governance Committee (JOGC) considered staff recommendations resulting from a classification and compensation study affecting staff who work in the Document Processing Center (DPC). Management met with the impacted staff, heard and understood their concerns, and has directed the consultant to refresh market data. Staff and the consultant will report back to the JOGC at its August meeting.

### **Recruitment Updates**

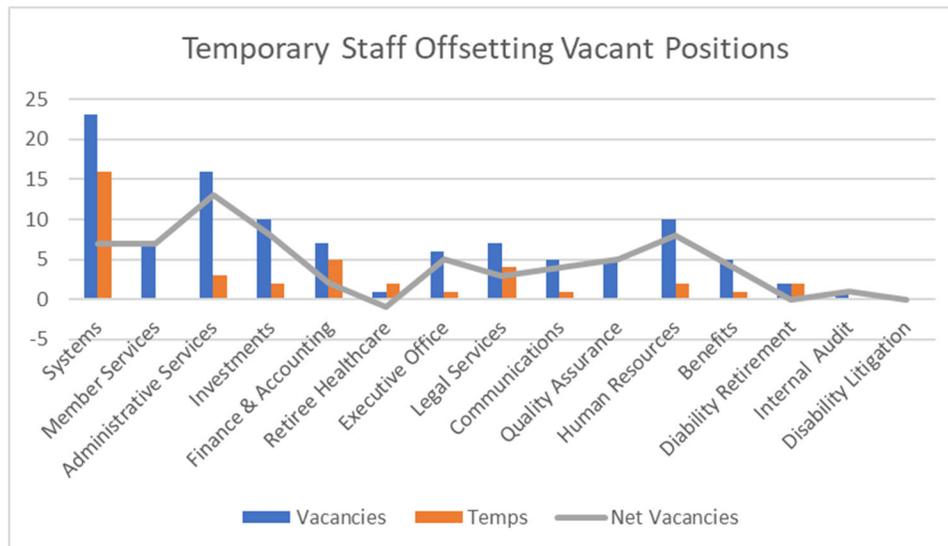
LACERA has 530 budgeted positions, of which 104 are vacant (20% vacancy rate). Additionally, there are 11 over-hired positions (positions that temporary staff members are assigned to but are not permanently budgeted) in the Retirement Benefits Specialist I classification.

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





The chart below highlights temporary hires across divisions to address critical vacancy needs in the short term.



### External Recruitments

Additional interviews for the Information Security Officer (ISO) position that was reposted will take place in early July. The recruitment brochures for the following positions in the Legal Office continue to be open with interviews being held as qualified candidates are identified:

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

### *Internal Recruitment*

The bulletin and brochure for the Division Manager positions in Administrative Services, Benefits, and Members Services have been posted and applications are currently being accepted.

### *Development*

The recruitments/assessments for the following classifications are currently in development in partnership with the various hiring divisions:

- Information Technology Manager II
- Senior Writer
- Administrative Services Analyst II and III

### *New Lists Promulgated, Hiring and Promotions*

LACERA contracted with EFL Associates (EFL) to secure a pool of qualified and diverse candidates for the Deputy Chief Investment Officer position. We are happy to announce that a selection was made from within LACERA and the appointment was effective June 16, 2023.

The candidate for the Chief, Information Technology (CIT) was appointed effective June 16, 2023 and was also an internal candidate.

Two (2) candidates from the Finance Analyst II list began employment on June 5, 2023. One (1) candidate was an internal promotion, and another was hired from the outside. Two (2) additional offers were made with one (1) candidate starting in July and another in August. One (1) additional offer is expected to be made early in July.

The candidate for the Senior Human Resources Assistant began on June 5, 2023.

### *Internship Program*

Two (2) Interns began in the Investments Office from Seizing Every Opportunity (SEO-PREA). Two (2) more Interns from Girls Who Invest will come onboard in July.

The Intern Bulletin is being revised to update the hourly rate for the positions and provide additional information regarding the various Divisions within LACERA. Once the bulletin has been updated it will be reposted and resumes from eligible candidates will be accepted for positions included in the Fiscal Year 2023-24 Adopted Budget.

### *Fiscal Year Hiring Summary*

During Fiscal Year 2022-23 Human Resources promulgated 13 Eligible Lists/Registers. This resulted in 44 new hires and 34 internal promotions of staff members, for a total of 78 placements. The final attrition rates will not be known until the conclusion of the fiscal year in a few days. However, the overall vacancy rate of 20% is an improvement from our high of 24% earlier this year.

## **Retiree Healthcare**

### *Cigna Digital ID Card Notification*

On April 6, 2023, staff received an email from our Cigna Account Manager confirming that effective July 1, 2023, Cigna is moving to a digital footprint as opposed to paper. ID cards will remain paper based for LACERA's group until July 1, 2024.

The following summarizes the impact to our members when LACERA is moved to digital ID cards effective July 1, 2024:

- No printed ID cards will be generated effective July 1, 2024 and after
- Digital ID cards may be accessed on MyCigna.com and the MyCigna mobile app
- Digital ID cards may be downloaded to mobile phones or printed by the member
- From the secure MyCigna mobile app, ID cards may be emailed to the member's provider front office desks
- Members may request a physical medical card via MyCigna.com or by calling Cigna's Customer Service and following the IVR prompts;
- An authorized employer can also request physical medical ID cards on an employee's behalf via the employer portal, CignaforEmployers.com
- Both MyCigna.com and the MyCigna mobile app allow for the plan subscriber to have full access to their dependents digital ID cards

Due to LACERA's July 1, 2024 effective date, this change was not included in LACERA's recent Annual Renewal Packet mailing for the 2023-2024 plan year. We will include it in our 2024-2025 Annual Renewal Packet mailing that will take place next May 2024.

## **General and Retired Trustee Elections 2023**

The 2023 General and Retired trustee elections have entered the next phase with the official list of candidates being certified by the Registrar Recorder – County Clerk. We moved the election update section of the CEO Report to Appendix 1. Please review this memo for all of the latest updates.

## **Updated CEO Dashboard**

We have updated the CEO Dashboard to reflect significant changes in our Member Services and Retiree Healthcare call center metrics tracking. Specifically, during the first two quarters of FY 2022-2023, we introduced new queues to both call centers. We have updated the report to reflect these changes. Additional updates have been made to the financial information section based on recent trustee requests. We have included a memo in Appendix 2 that explains the changes in more detail.

SHK  
CEO report July 2023.doc

Attachments

**Appendix 1**

**TO:** Each Trustee,  
Board of Retirement  
Board of Investments

**FROM:** JJ Popowich  
Assistant Executive Officer, Member Operations Group

**SUBJECT: General and Retired Member Elections 2023 Update**

The LACERA Trustee active general and retired member election season for the Second, Eighth, and Alternate Retired Members (Trustees) for the Board of Retirement and the Second and Eighth Member (Trustees) of the Board of Investments, has entered the next phase of the election process. On Friday, June 23<sup>rd</sup>, the Registrar Recorder – County Clerk released the names of candidates that have been certified for the election.

The official candidate list is as follows:

**General Members Election:**

- Board of Retirement: Second Member:
  - Armine Antonyan
  - Nancy M. Durazo
- Board of Investments: Second Member:
  - Nicole Mi
  - Murphy Moore III
  - David S. Quan

**Retired Members Election:**

- Board of Retirement: Eighth Member:
  - Leslie W. Robbins\*
- Board of Retirement: Alternate Retired Member:
  - James P. “JP” Harris
  - Nihal Kuruppu
- Board of Investments: Eighth Member:
  - Mark A. Almonte
  - Debbie Martin

\*Trustee Robbins is unopposed and will be returning to the Board of Retirement for the new term beginning January 1, 2024.



The LACERA Elections team and the Executive Office of the Board of Supervisors are working on the next phase of the election implementation which will be a notice to all LACERA members about the list of candidates and what to expect next. The team is currently on the design of and content of this mailer.

In the meantime, we have updated the calendar of events below to reflect the status of the election.

Date	Event	Completed
05/12/2023	Election Notification and Call for Nominations to eligible retired members (as of April 15, 2023).	
05/19/2023	Election Notification and Call for Nominations emailed to eligible General (active members as of April 15, 2023), and departmental postings as required by the Board of Supervisors resolution.	
05/22/2023 – 06/20/2023	Nomination period. Please note the nomination packages must be filed with the Registrar-Recorder/County Clerk no later than 5:00 p.m. on June 20, 2023.	
06/26/2023	The Registrar-Recorder/County Clerk will confirm the eligible candidates and notify each candidate.	
06/27/2023	Election Announcement: Announcement of qualified candidates and whether an election is necessary. This is also the date the ballot order will be confirmed.	
First Week of July	LACERA sends mailer regarding election status.	
July 17, 2023	Election notices emailed by vendor.	
08/02/2023	Voter information and ballot mailed to all retirees, as well as to all active members who requested a paper ballot.	
08/03/2023	LACERA election reminder notice.	
08/04/2023	Voting Begins. Election credentials mailed to all General members (active as of April 15, 2023).	
08/16/2023	LACERA election reminder notice.	
08/31/2023	Voting Ends.	
09/12/2023	The Executive Office of the Board of Supervisors will have the unofficial results available.	
10/17/2023	BOS Declares Election Result Official.	

## Appendix 2

**TO:** Each Trustee,  
Board of Retirement  
Board of Investments

**FROM:** JJ Popowich  
Assistant Executive Officer, Member Operations Group

**SUBJECT: Overview of Updated CEO Dashboard Report**

At the June 2023, Board of Investments meeting some requests were made to update the CEO Dashboard report. Among these requests were to add a graphic that details the funding of each pension dollar, a request to report out on the monthly return on investments, and the impacts of the Baby Boomer generation on retirement funding.

At the same time, we have been working on updating the CEO Dashboard to reflect significant changes in our Member Services and Retiree Healthcare metrics tracking. Specifically, during the first two quarters of FY 2022-2023, we introduced new queues to both call centers. We have updated the report to reflect these changes.

Here is a summary of the changes to the Dashboard:

**Member Services (Pages 1 – 2):** When we originally redesigned the dashboard several years ago, we had one Member Services Call Center (MSCC) queue and one Retiree Healthcare Call Center (RHCC) queue. Since then, we have added the My LACERA support queue, the MSCC and RHCC Call Back queue, and refined tracking for the HR Pro Support sub queue.

The newest edition of the report now shows data for each of these queues along with a comparative chart to see how they stack up against each other. The new charts show call volume, abandon rates, individual queue Key Performance Indicator (KPI) scores, average speed of answer, and average duration. The individual KPI data uses unique data points for agent utilization, after call surveys, and Grade of Service, along with blended call monitoring scores since agents take calls in multiple queues. These changes were mirrored in the RHCC section.

We also took this opportunity to update terminology, generally phasing out the term “workshop” and replacing it with the term “events/webinars” to reflect our current service delivery models.

We have expanded our member topic tracking by adding a new top three topics for member visits to the Member Service Center. Additionally, we have added a new “Members Served in Webinars/Workshops” graph that provides a better view of the diversity of webinars we offer.

**Disability Section:** Based on feedback from Trustee Onyx Jones, we added a legend to the applications received/processed/resolved chart. This explains the terminology for each category.

**Member Snapshot:** The financial portion of the member snapshot has been reorganized to make room for additional information. We added a new “Pension Dollar” graphic next to the Funding Metrics section which shows how each dollar of a pension benefit is funded. This information does not change often, but we will update it on an annual basis after each annual report.

### **Requests Not Included**

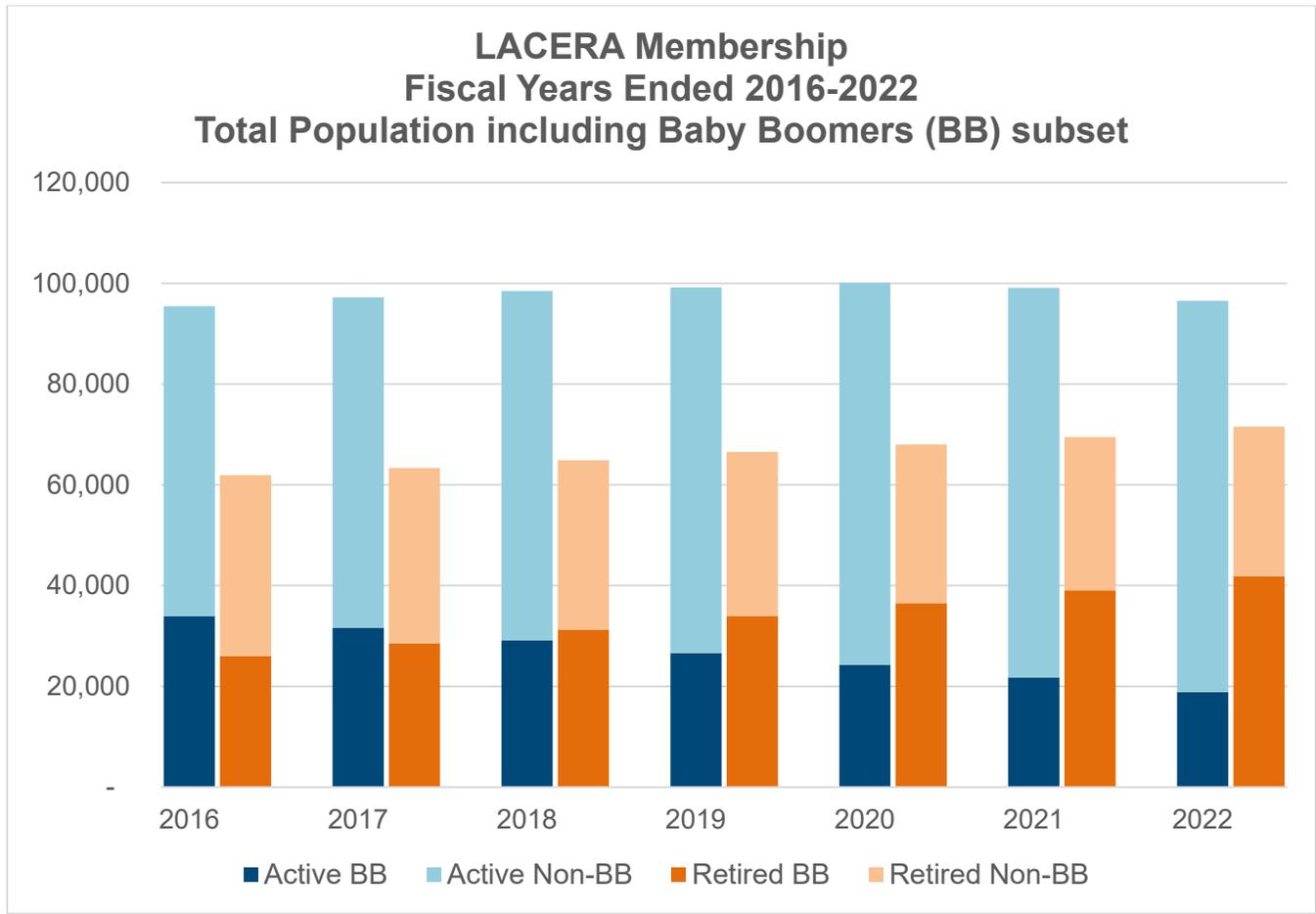
Monthly Investment Returns: There was a request during the June Board of Investments meeting to add a monthly investment return chart to the CEO Dashboard Report. The “Key Financial Metrics” graph includes the annual investment returns as determined by our audited valuations.

The Executive Office, Financial Accounting Services Division, and the Investments Office discussed the inclusion of a monthly investment return chart in the CEO Dashboard. After careful consideration, the Executive Office would like to recommend that this information continue to be reported in the monthly Chief Investment Officer’s Report. The CIO’s report trails the CEO Dashboard in terms of timing, and we did not feel it would be appropriate to announce the estimated monthly investment returns before the CIO Report was issued. The team felt since the CIO’s Report trailed the CEO Dashboard, the return number included in the CEO Dashboard would always be for the previous month. This could cause confusion if the two reports were viewed in the same month.

During our review of the data in the report, it was noted that a portion of the “Funding Metrics Chart” had been mislabeled. This section reports (on an annual basis) the investment returns net of fees over a five year and ten-year period. This portion of the chart had been mislabeled as “Contributions”. We have corrected this typo.

There were two requests which we did not include but will address in this memo. The first was to add a chart that shows the impact of the “Baby Boomer” generation delaying their retirement on the fund. This request seemed more appropriate for a one-time, or periodic check-in. Staff reached out to Milliman and asked them to provide some insights into some members in this generation choosing to delay their retirement.

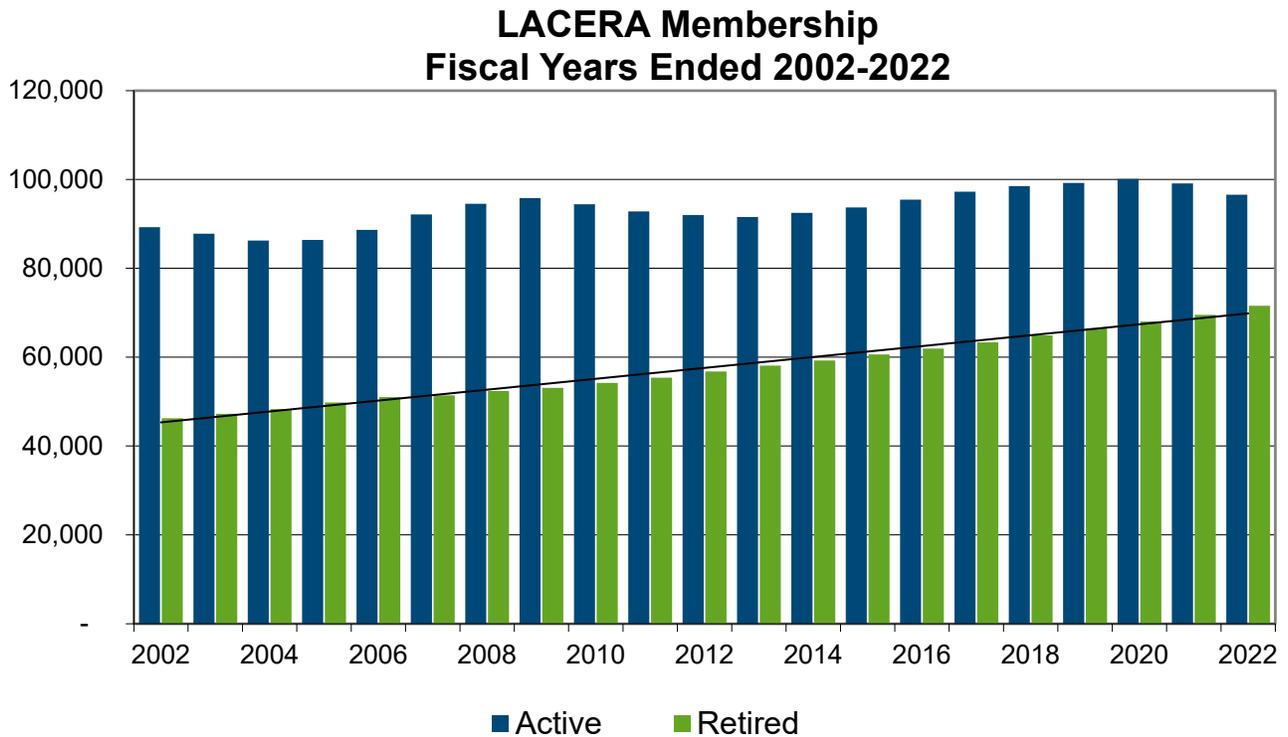
The chart below provides a view of LACERA’s membership compared to the subset of the Baby Boomer generation along with an explanation of the impact by Milliman.



Per Milliman, “Regarding the impact to the actuary that the delay in baby boomers retiring will have on LACERA’s unfunded liability, we assume the concern is that baby boomers in the active population (ages 58+) may retire later than assumed by the assumptions. We believe the retirement assumptions are reasonable, however, if people retire at different rates than assumed there will be gains or losses. Retirements later than expected are likely to result in gains to LACERA due to the benefit structure, so will lower the unfunded liability. As you can see in the charts, baby boomers are a relatively small and declining portion of the active population and we would not expect a significant impact on the unfunded liability due to their retirement patterns, relative to other risks. Studying the risk of retirements (or other decrements) being different than assumed may be something that could be addressed in a risk assessment study.”

Finally, there was some discussion regarding a comparison between the active and retired population. The current CEO Dashboard includes a detailed chart showing the LACERA membership broken down by various active and retired categories (with the retired including survivors as well).

The chart below shows the progression of retired members vs. active members and is another representation of the data in the current chart. As we can see, the chart shows a maturing pension fund with the retirement population growing ever closer to matching the active population.



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## Summary

We hope these additions to the CEO Dashboard Report provide increased transparency into various areas of our operation. We welcome trustee feedback and requests on future updates to the report.

JJ/jj



# CEO DASHBOARD



July 6, 2023

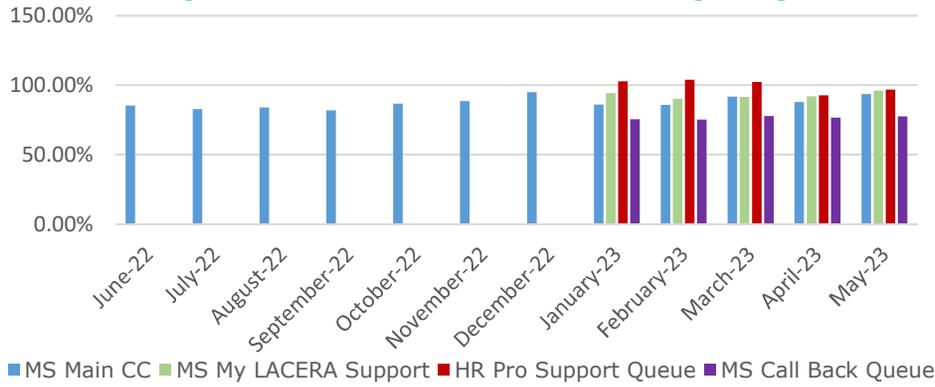


# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2023

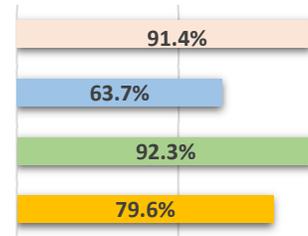
<b>Events / Webinar Attendance</b> Current Mo.: <b>676</b> Year-to-Date: 9,309	<b>Events / Webinar</b> Current Mo.: <b>22</b> Year-to-Date: 198	<b>Webinar Satisfaction</b> <b>0%</b>	<b>Member Service Center Satisfaction</b> <b>90.23%</b>	<b>MS Main Queue Total Calls</b> Current Mo. <b>8,553</b> 3 Month Avg. 8,998				
					Resp. Rate	Change	Resp. Rate	Change
					0%	0%	16.8%	-6.48%

## Member Service Call Center Queue Key Performance Indicators (KPI)

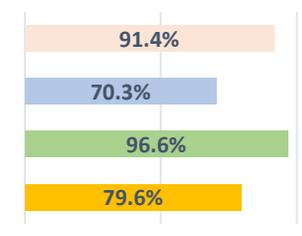


## Key Performance Indicator (Components by Queue)

### MSCC Main Queue



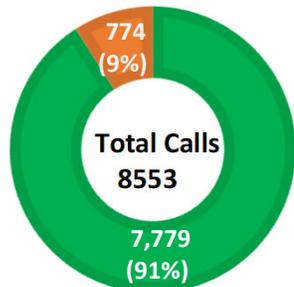
### My LACERA Support Queue



Member Services

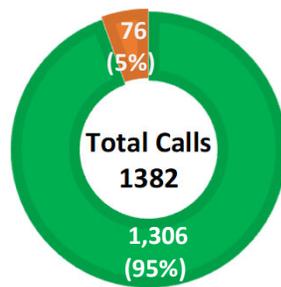
### MSCC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned



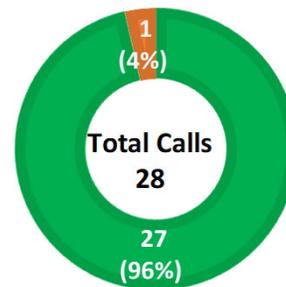
### MY LACERA SUPPORT

■ Calls Answered ■ Calls Abandoned



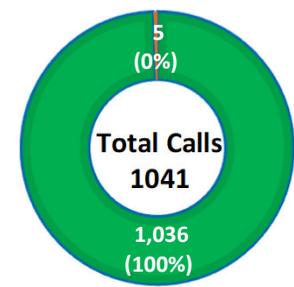
### HR PRO SUPPORT

■ Calls Answered ■ Calls Abandoned



### MS CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI:	93.71%	Queue KPI:	96.21%	Queue KPI:	96.94%	Queue KPI:	77.63%
Avg. Speed of Answer	Average Duration						
0:03:27	0:16:07	0:01:08	0:11:29	0:00:47	0:16:08	0:07:34	0:14:02



# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2023

## TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services Call Center

Member Service Center (Outreach)

1. Retirement Counseling: Estimate

1. Retirement Counseling Sessions

2. Retirement Counseling: Process Overview

2. Power of Attorney Inquires

3. Retirement Counseling: Plan Overview

3. Insurance Benefits: General Information

## Contact Center Email/Secure Message Performance



Emails:

388



Secure Message

910

Est. Response Time (hours)

4:00:00

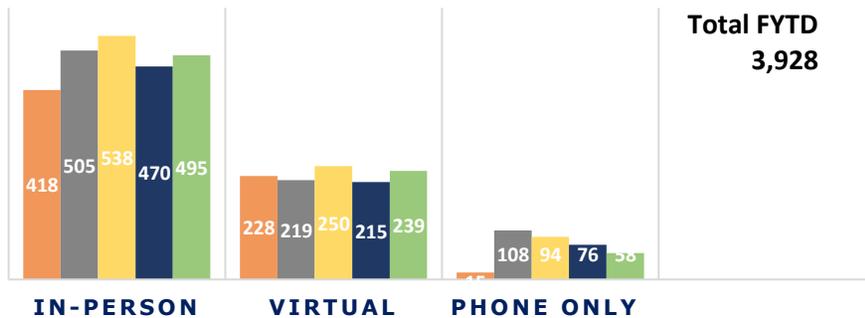
Est. Response Time (hours)

4:00:00

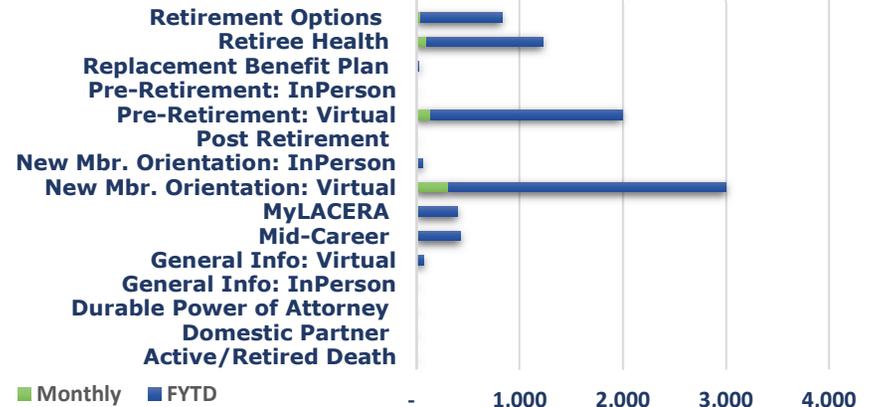
## Member Service Center (Outreach)

### Member Service Center Appointments

January February March April May



### Members Served in Webinars/Workshops



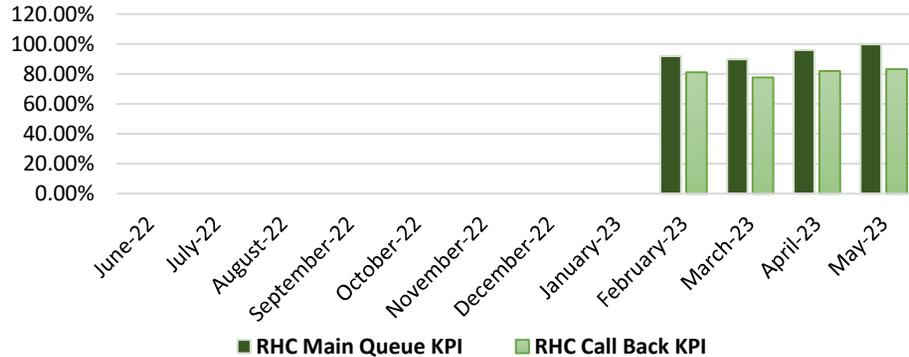
Member Services



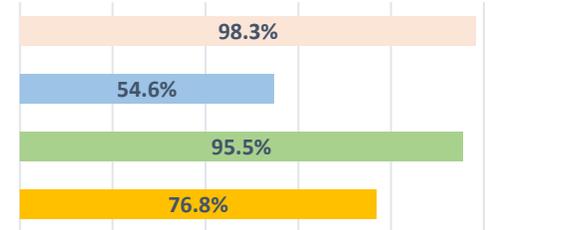
# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2023

## RHC Call Center Queue Key Performance Indicator (KPI)



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

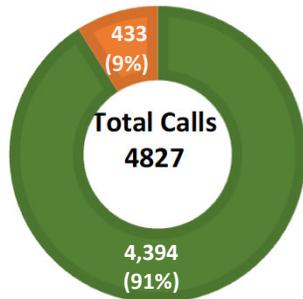


Agent Utilization (Goal:65%)	Grade of Service (Goal: 80% in 60 sec)
After Call Survey (Goal: 90%)	Call Monitoring (Goal: 95%)

Retiree Healthcare

### RHC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned

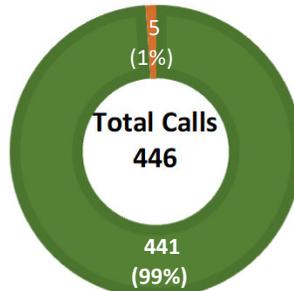


Queue KPI: 95.52%

Avg. Speed of Answer	Average Duration
0:05:19	0:08:32

### RHC CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI: 81.04%

Avg. Speed of Answer	Average Duration
0:16:00	0:06:14

### TOP RHC CALL TOPICS

1. Medical/Dental Enrollments
2. Annual Packet Mailing
3. General Inquiries

### RHC Email/Secure Message Performance



Emails:

355

Est. Response Time (hours)

72:00:00



Secure Message

403

Est. Response Time (hours)

72:00:00



# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: **May 2023**

**Applications**  
946

**In Process**  
**As Of**  
5/31/2023

■	957	Pending on:	4/30/2023
■	65	Received	
■	744	Year-to-Date	
■	0	Re-Opened	
■	0	Year-to-Date	
■	74	To Board - Initial	
■	620	Year-to-Date	
■	2	Closed	
■	73	Year-to-Date	

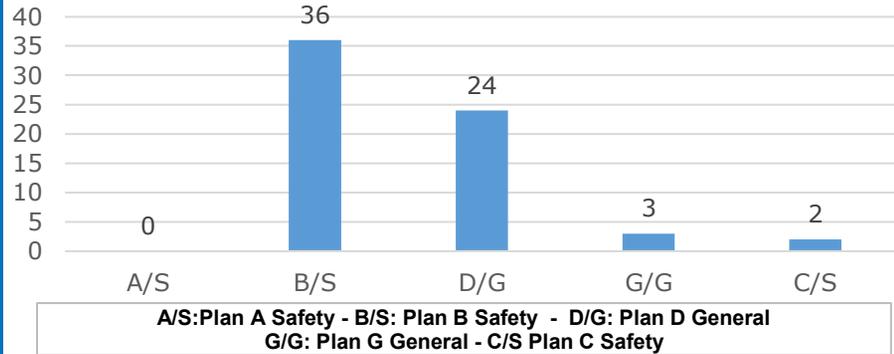
**Appeals**  
75

**In Process**  
**As Of**  
5/31/2023

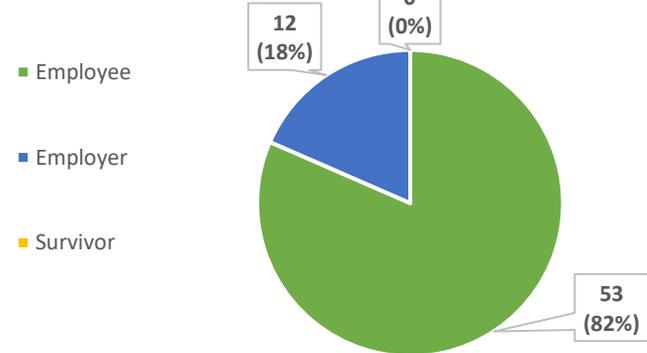
■	73	Pending on:	4/30/2023
■	2	Received	
■	14	Year-to-Date	
■	0	Admin Closed/Rule 32	
■	8	Year-to-Date	
■	0	Referee Recommended	
■	6	Year-to-Date	
■	0	Revised/Reconsidered for Granting	
■	2	Year-to-Date	

■ Pending: Applications In Process    
 ■ Received: New Applications    
 ■ Re-Opened: Apps Re-Opened    
 ■ To Board: Presented to BOR    
 ■ Closed: Incomplete/Withdrawn

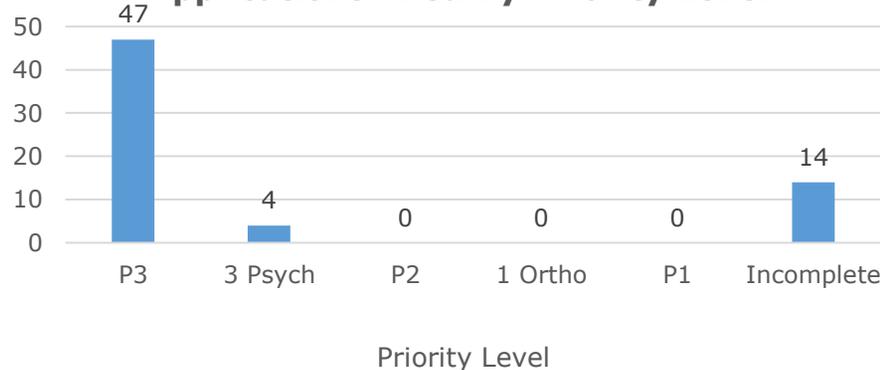
### Applications Filed By Plan



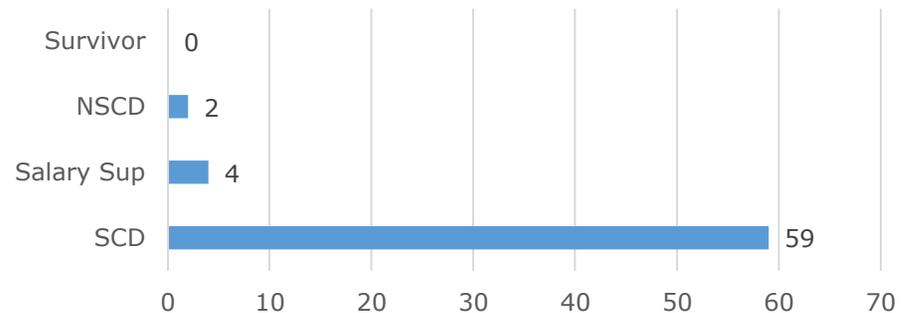
### Applications Filed By Source



### Applications Filed By Priority Level



### Applications Filed By Type



Disability

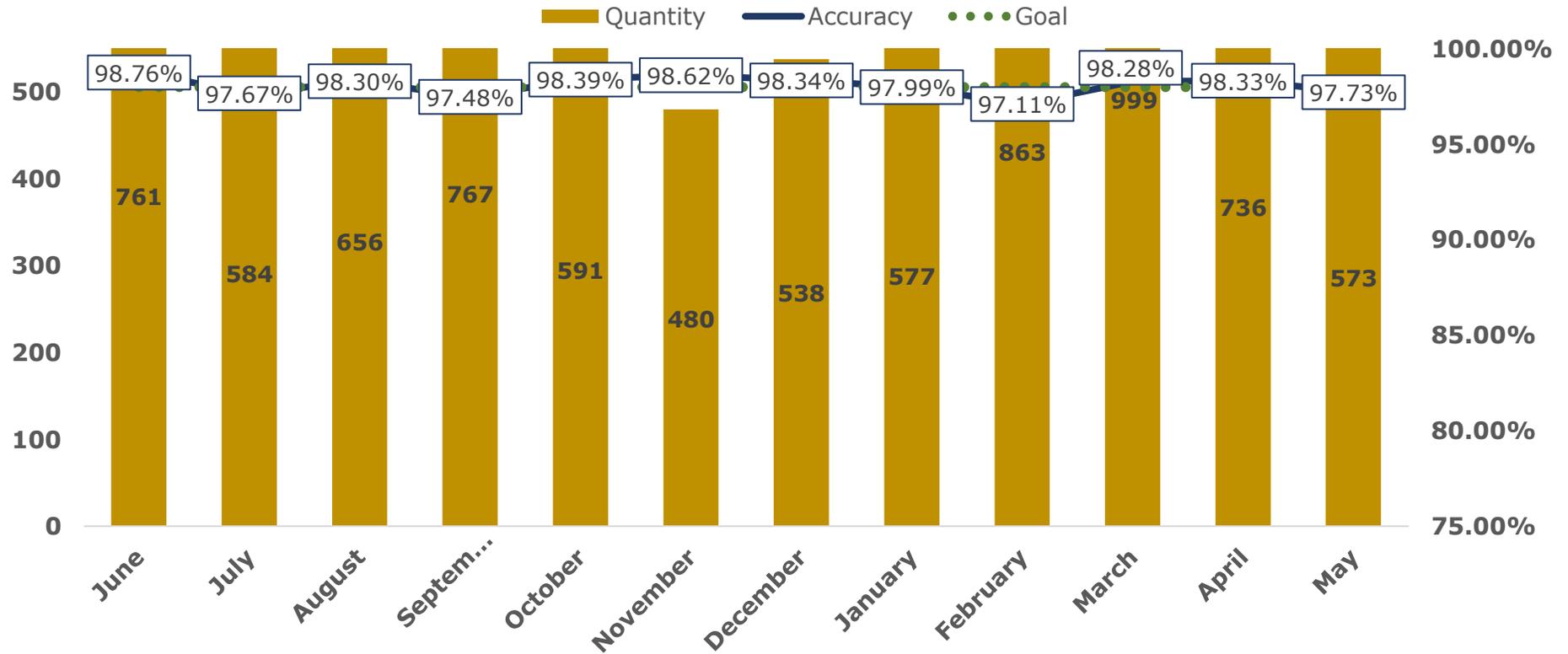


# Striving for Excellence in Quality

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2023

## Audits of Retirement Elections, Payment Contracts, & Data Entry Completed by QA (Goal: 98%)

Quality Assurance



May 2023

97.73%



### Retirement Elections

185 Samples  
98.07% Accuracy

### Payment Contracts

288 Samples  
98.45% Accuracy

### Data Entry

100 Samples  
96.67% Accuracy

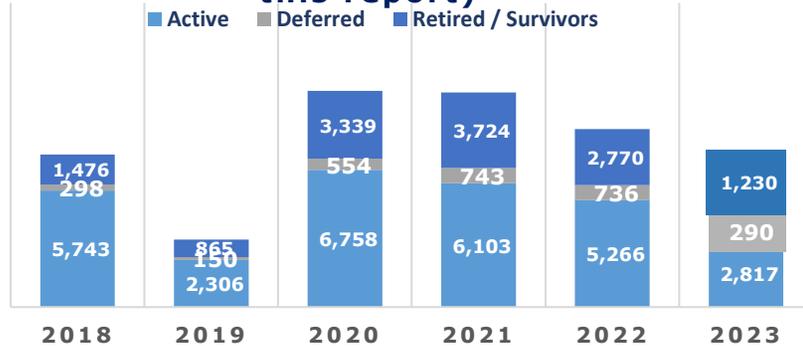


# Service On-Line for All

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: May 2023

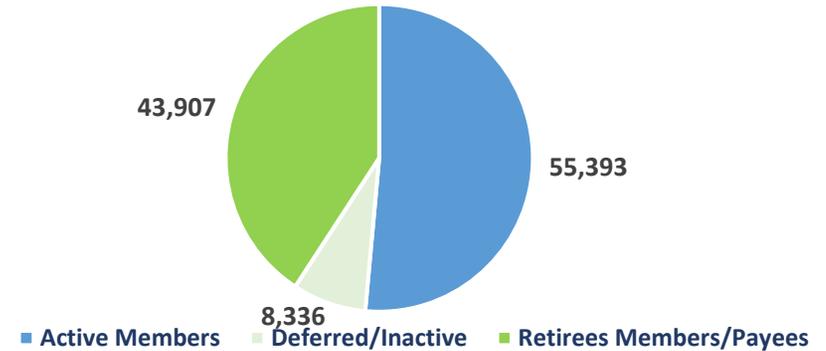
Serving Members Through LACERA.com and MyLACERA

## My LACERA Annual Registration (as of the 15th of the month prior to this report)

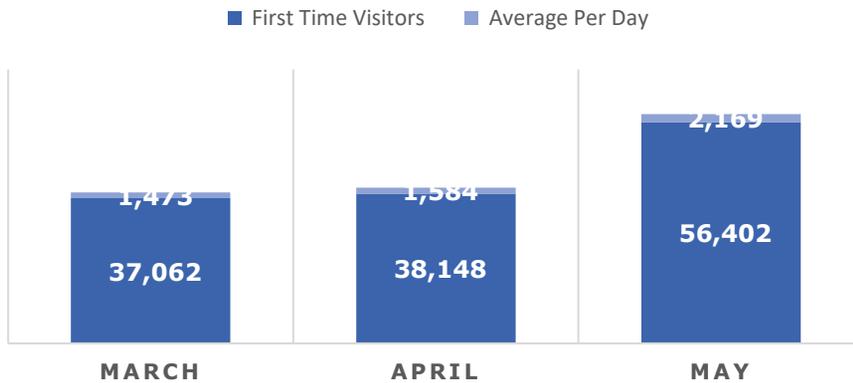


Registered Members / % Total **107,636** **57%**

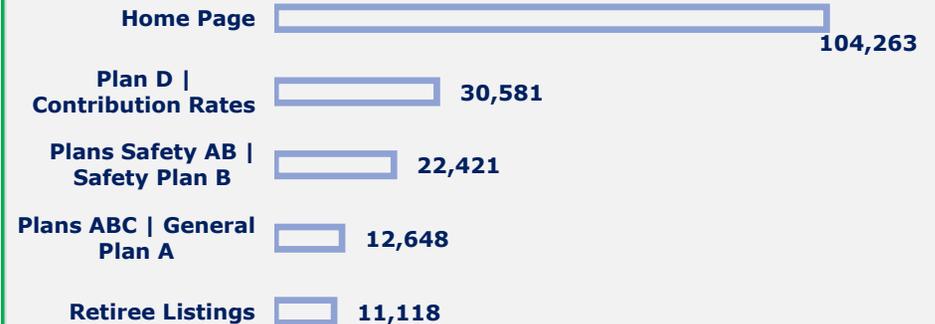
## Total Registrations By Member Type



## LACERA.com User Traffic



## Top Five LACERA.com Page Views



**Busiest Day of the Month:**

**Wednesday, 5/10/2023**

### Home Page Tile Views

	Views	% of Change
See my retirement options	5,316	-18%
View Pre-Retirement Workshops	2,671	-12%
Start my retirement planning	2,823	-12%
Add or update my beneficiary	1,242	-50%
View job opportunities	3,363	12%
Forms and Publications	257	23%

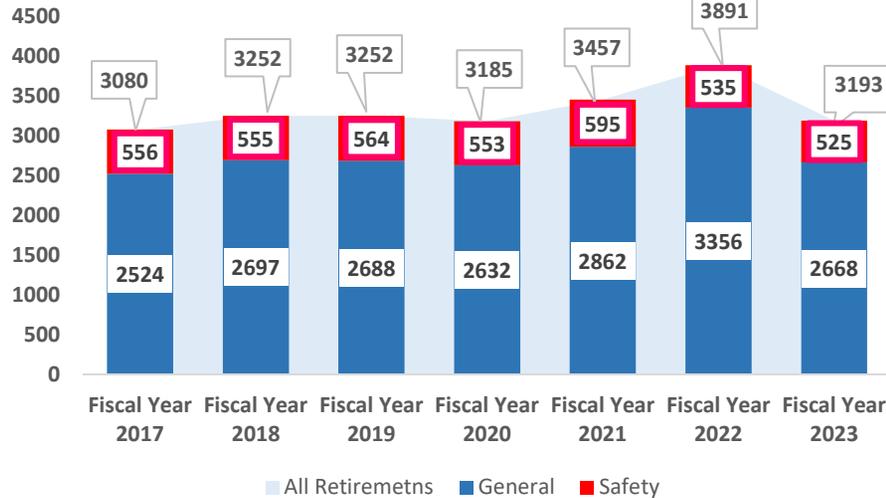


# Member Snapshot

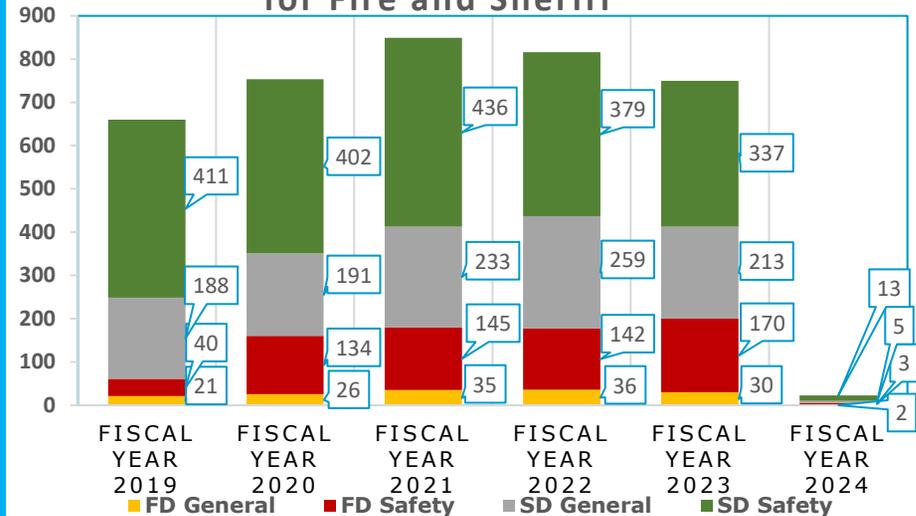
Membership Count as of: June 15, 2023

PLAN	ACTIVE		INACTIVE		RETIRED				Totals by Plan/Type
	Vested	Non-Vested	Vested	Non-Vested	Service	SCD - Disability	NSCD - Disability	Survivors	
<b>General</b> PLAN A	48	-	14	32	11,966	962	164	4,078	17,264
PLAN B	12	-	5	3	570	41	7	73	711
PLAN C	14	-	5	8	363	40	8	65	503
PLAN D	33,968	131	4,491	3,314	18,715	1,981	452	1,975	65,027
PLAN E	13,050	13	2,923	88	15,346	-	-	1,622	33,042
PLAN G	18,241	18,416	1,555	6,500	243	25	6	21	45,007
<b>TOTAL GENERAL</b>	<b>65,333</b>	<b>18,560</b>	<b>8,993</b>	<b>9,945</b>	<b>47,203</b>	<b>3,049</b>	<b>637</b>	<b>7,834</b>	<b>161,554</b>
<b>Safety</b> PLAN A	-	-	2	2	1,835	2,434	26	1,635	5,934
PLAN B	7,491	77	566	227	3,388	4,500	55	410	16,714
PLAN C	2,497	2,541	118	505	12	16	-	2	5,691
<b>TOTAL SAFETY</b>	<b>9,988</b>	<b>2,618</b>	<b>686</b>	<b>734</b>	<b>5,235</b>	<b>6,950</b>	<b>81</b>	<b>2,047</b>	<b>28,339</b>
<b>TOTAL ALL TYPES</b>	<b>75,321</b>	<b>21,178</b>	<b>9,679</b>	<b>10,679</b>	<b>52,438</b>	<b>9,999</b>	<b>718</b>	<b>9,881</b>	<b>189,893</b>

Total Retirements Compared by Type



General vs. Safety Retirements for Fire and Sheriff





# Member Snapshot

## Average Monthly Benefit Allowance Distribution 06/23/2023

	General	Safety	Total	%
\$0 to \$3,999	29,932	1,332	31,264	49.6%
\$4,000 to \$7,999	14,712	3,439	18,151	28.8%
\$8,000 to \$11,999	4,347	4,284	8,631	13.7%
\$12,000 to \$15,999	1,242	2,419	3,661	5.8%
\$16,000 to \$19,999	429	543	972	1.5%
\$20,000 to \$23,999	127	152	279	0.4%
\$24,000 to \$27,999	33	51	84	0.1%
> \$28,000	30	8	38	0.1%
<b>Totals</b>	<b>50,852</b>	<b>12,228</b>	<b>63,080</b>	<b>100%</b>

## Average Monthly Benefit Amount:

\$ **4,877.00**

### Healthcare Program

(Mo. Ending: 05/31/2023)

	Employer	Member
Medical	\$547.3	\$40.0
Dental	\$43.2	\$4.1
Part B	\$84.8	\$0.0
<b>Total</b>	<b>\$675.3</b>	<b>\$44.1</b>

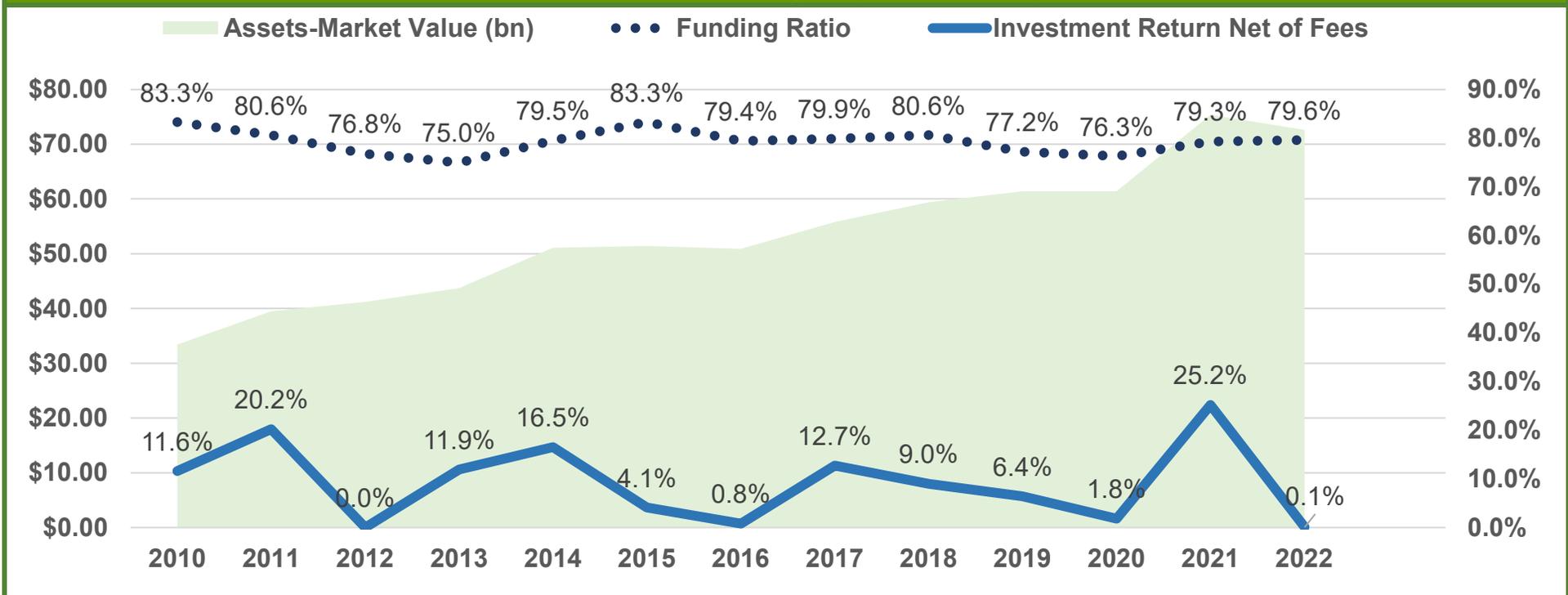
### Health Care Enrollments

(Mo. Ending: 05/31/2023)

Medical	54,837
Dental	56,612
Part B	37,758
LTC	498
<b>Total</b>	<b>149,705</b>

## KEY FINANCIAL METRICS

Fiscal Year End Financial Update (as of 06/30/2022)





# Key Financial Metrics

## LACERA

The Los Angeles County Employees Retirement Association  
Pension Dollar



**10¢**  
Employee  
Contributions

**69¢**  
LACERA  
Investment Earnings

**21¢**  
Employer (County)  
Contributions

### FUNDING METRICS (as of 6/30/22)

Employer NC	11.12%
UAAL	14.72%
Assumed Rate	7.00%
Star Reserve	\$614m
Total Assets	\$70.3b

### Contributions (as of 6/30/22)

	Employer	Member
Annual Add	\$2.2b	\$758.6m
% of Payroll	25.84%	8.21%

### Investment Returns (as of 6/30/22)

	(Net of Fees)	
5 YR:	8.1%	10 YR: 8.6%

### Retired Members Payroll (As of 05/31/2023)

Monthly Payroll	\$370.73m
Payroll YTD	\$3.9b
New Retired Payees Added	237
Seamless %	94.94%
New Seamless Payees Added	4,116
Seamless YTD	97.06%
By Check %	2.00%
By Direct Deposit %	98.00%

### RETIREE PAYROLL BY YEAR





**QUIET PERIOD LIST**  
Last Update 06/26/2023

**ADMINISTRATIVE/OPERATIONS**

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
<b>RFP: Policy Management Solution</b>	Executive Office	2/3/2023	Contract Development	• Compass 365
<b>RFP: Search for Classification &amp; Compensation Study Services (HR)</b>	Human Resources	5/24/2021	This RFP has been canceled.	
<b>RFI: Death Audit and Data Cleansing Services</b>	Benefits	4/14/2023	Bid Review	• PBI
<b>RFP: External SOC Auditor</b>	Internal Audit	3/08/2023	Contract Development	• Eide Bailly LLP • Plante Moran • Moss Adams • Clifton Larsen Allen LLP • RSM US LLP • Eisner Amper LLP • Davis Farr LLP • Lazarus Alliance Inc
<b>RFP: Prepaid Debit Card Services</b>	Benefits	6/15/2022 ISD's Website 08/ 2022	Contract Development	• Conduent

\*Subject to change

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## INVESTMENTS

Solicitation Name	Public Release Date	Solicitation Stage*	Bid Respondents *
<b>RFP: Commercial Real Estate Brokers</b>	5/10/2023	Soliciting Process	<ul style="list-style-type: none"><li>• Avison</li><li>• CBRE Group</li><li>• Cushman and Wakefield</li><li>• Eastdil</li><li>• Higgenbotham</li><li>• JLL</li><li>• Newmark</li></ul>
<b>RFP: Real Assets Emerging Manager Program Discretionary Separate Account Manager</b>	1/30/2023	Vendor Selection	<ul style="list-style-type: none"><li>• ACRES Capital</li><li>• Aether Investment Partners</li><li>• ORG Portfolio Management</li><li>• Barings</li><li>• Belay Investment Group</li><li>• Encore Enterprises, Inc.</li><li>• Stable</li><li>• Cambridge Associates</li><li>• GCM Grosvenor</li><li>• The Townsend Group</li><li>• Cypress Creek Partners</li><li>• Hamilton Lane Advisors</li><li>• Neuberger Berman Group</li><li>• Wafra Inc.</li><li>• Artemis Real Estate Partners</li><li>• Hawkeye Partners, LP</li><li>• BlackRock</li><li>• Astarte Capital Partners</li><li>• Bentall Green Oak</li><li>• Clear Sky Advisers</li><li>• Clear Investment Group</li><li>• Poverni Sheikh Group</li><li>• Trilogy</li><li>• Stepstone</li><li>• Oak Street</li><li>• White Deer</li></ul>

\*Subject to change

Date	Conference
<b>July, 2023</b>	
19-21	Pacific Pension Institute (PPI) Summer Roundtable San Francisco, CA
24-26	National Association of Securities Professionals (NASP) Annual Financial Services Conference Philadelphia, PA
<b>August, 2023</b>	
20-22	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Chicago, IL
21-22	National Association of Corporate Directors (NACD) Master Class ( <i>Digital Innovation &amp; Cyber</i> ) Laguna Beach, CA
24-25	National Association of Corporate Directors (NACD) Master Class ( <i>ESG</i> ) Laguna Beach, CA
28-31	CALAPRS (California Association of Public Retirement Systems) Principles of Pension Governance for Trustees Malibu, CA ( <i>Pepperdine University</i> )
<b>September, 2023</b>	
11-13	Council of Institutional Investors (CII) Fall Conference Long Beach, CA
<b>October, 2023</b>	
1-4	CRCEA (California Retired County Employees Association) Fall Conference Stockton, CA
1-4	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Boston, MA
8-11	National Association of Corporate Directors (NACD) Summit 2023 Fort Washington, MD
16-20	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
18-20	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Boston, MA
22-25	NCPERS (National Conference on Public Employee Retirement Systems) FALL (Financial, Actuarial, Legislative & Legal) Conference Las Vegas, NV

Date	Conference
22-24	Pacific Pension Institute (PPI) Executive Seminar-Japan at a Crossroads Tokyo, Japan
25-27	Pacific Pension Institute (PPI) Asia Pacific Roundtable Tokyo, Japan
27	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
<b>November, 2023</b>	
7-9	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
7-10	SACRS Fall Conference Rancho Mirage, CA
<b>December, 2023</b>	
1	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual



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**Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.**

**For further information, contact:  
LACERA  
Attention: Public Records Act Requests  
300 N. Lake Ave., Suite 620  
Pasadena, CA 91101**

June 28, 2023

TO: Each Trustee,  
Board of Retirement

FROM: Steven P. Rice, *SPR*  
Chief Counsel

FOR: July 6, 2023 Board of Retirement Meeting

SUBJECT: Supplemental Staff Memo re Approval of Revised and Restated Post Retirement Employment Policy

In reviewing the proposed revised and restated Post Retirement Employment Policy (Policy) following the June 7, 2023 Operations Oversight Committee (OOC) meeting to make the changes recommended by the OOC, staff found that certain additional changes also should be made.

Attachment F to this memo includes the changes to Section 6.1.2 (page 4) of the Policy approved by the OOC as well as the following:

1. As a result of the OOC's changes to Section 6.1.2 to provide that the Board has open-ended authority, based on exceptional circumstances, to annually approve additional one-year extensions of a retired annuitant's 960 hour rehire, it is also necessary to revise other references in the Policy stating that the Board's renewal authority is limited. Accordingly, Attachment F includes a change to Section 6.4.3 (page 7) to delete "limit" language in describing the Board's approval authority. Attachment F also deletes language in Section 9 (page 11) relating to the effective date and application of the Policy that described the Board's renewal authority as "totaling no more than two additional fiscal years."
2. Staff suggested that it will be useful for the Policy to provide citations for the definition of Normal Retirement Age in Section 4.2 (page 2).
3. Government Code Section 7522.56 of PEPRA specifically prohibits a retired annuitant from being employed "through a contract directly" with a participating employer. This prohibition is already stated directly in Section 5 (page 3) of the Policy recommended by the OOC. However, in Section 7.1 (page 9), where the standard as applicable to retired annuitants and entities controlled by them, directly or indirectly, in whole or in part, was intended to be repeated, the words "are prohibited" were inadvertently omitted. Attachment F inserts these words to ensure PEPRA compliance.
4. The scope of the Section 8.2 (page 10) relating to Enforcement was clarified to

clarify that it includes violation of the hourly rate limit provided in Section 7522.56. This issue was already within the scope of the original language, which covered all violations of the Policy.

5. Attachment F includes nonsubstantive corrections on pages 3, 6, and 7 and the 960 Hour Request form.

Staff requests that the attached version of the proposed revised and restated Post Retirement Employment Policy be approved, including the changes approved by the OOC and the corresponding and minor additional changes from staff.

#### Attachment

c: Santos H. Kreimann  
Luis A. Lugo  
JJ Popowich  
Laura Guglielmo  
Richard Bendall  
Christina Logan  
Carly Ntoya, Ph.D.  
Barry Lew  
Jasmine Bath  
Louis Gittens  
Alex Ochoa

June 28, 2023

TO: Each Trustee,  
Board of Retirement

FROM: Operations Oversight Committee  
Alan Bernstein, Chair  
Herman B. Santos, Vice Chair  
Antonio Sanchez  
Keith Knox  
Jason E. Green, Alternate

FOR: July 6, 2023 Board of Retirement Meeting

SUBJECT: Approval of Revised and Restated Post Retirement Employment Policy

## **RECOMMENDATION**

That the Board of Retirement approve the proposed revised and restated Post Retirement Employment Policy.

## **LEGAL AUTHORITY**

Under Article XVI, Section 17 of the California Constitution, the Board of Retirement has plenary authority and exclusive fiduciary responsibility for administration of the system. See *also* Cal. Gov't Code §§ 31520, 31520.1, and 31595 of the County Employees Retirement Act of 1937 (CERL). This authority includes the ability of the Boards to establish policies, like the proposed Post Retirement Employment Policy, which relate to the sound implementation of CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA).

The Operations Oversight Committee (OOC) supports the Board of Retirement in its administrative responsibilities. With specific reference to the Post Retirement Employment Policy, which relates to the provisions of CERL and PEPRA defining the standards and guardrails for retired annuitants to return to work on a limited basis without loss or interruption of their benefits, Section I.1.9 of the Board of Retirement's Standing Committee Charter provides that the OOC shall "Oversee Human Resource policies and procedures" and Section I.7.5 provides that the OOC shall "Recommend to the BOR regulations and policies that affect retirement benefit administration."

## **BACKGROUND**

The OOC reviewed the proposed Post Retirement Employment Policy (Policy) at its June 7, 2023 meeting and voted to recommend the Board approve the Policy attached as Attachment A, which includes redlined changes to the limited duration provision, Section

6.1.2, requested by the OOC. In addition, staff provides a separate supplemental memo to the Board, which attaches a version with additional redlined changes that follow from the OOC's changes as well as certain additional corrections required to the version presented to the OOC.

### ***1. Applicable Statutory Requirements.***

In 1991, the Los Angeles County Board of Supervisors voted to make Government Code Section 31680.6 of CERL operative, providing that retired annuitants with special skills or knowledge may return to work for a LACERA participating employer, without loss of retirement benefits, for up to 120 days or 960 hours, whichever is greater, per fiscal year. Section 31681.6 was later amended to provide that, if there is a conflict between Section 31680.6 and PEPRRA, PEPRRA will prevail. Sections 31680 and 31680.2 of CERL are also relevant as discussed in the proposed Policy.

Government Code Section 7522.56 of PEPRRA, effective January 1, 2013, includes more comprehensive and detailed provisions than CERL governing retired annuitants. Section 7522.56 provides, in summary, as follows:

- A retired annuitant may be rehired to serve or be employed by a participating employer in the system from which they retired, without reinstatement or loss or interruption of benefits, either (1) during an emergency to prevent stoppage of public business, or (2) because the retiree has skills needed to perform work of limited duration. Limited duration is not defined in the statute. A retired annuitant may not be employed "through a contract directly" with a participating employer.
- Appointments shall not exceed a total for all participating employers in the system of 960 hours or equivalent per fiscal year. The statute sets the rate of pay for a rehired retired annuitant, which is to be no less or more than that paid by the employer to other employees performing comparable duties. A rehired retired annuitant earns no additional service credit or retirement rights as a result of their post retirement employment.
- A retired annuitant is not eligible to be rehired if, during the 12 months preceding their appointment, they received unemployment insurance compensation arising out of prior employment subject to Section 7522.56. The retired annuitant is required to certify compliance with this requirement upon accepting employment. A retired annuitant who accepts an appointment after receiving unemployment insurance compensation shall terminate their employment at the end of the pay period after receiving notice of the issue and is ineligible for reappointment for 12 months after their last day of employment.

- A retired annuitant is not eligible to be rehired under PEPRA for 180 days after their retirement unless (1) the employer certifies that appointment is needed to fill a critically needed position arising within 180 days and the governing body approves the rehire on its non-consent agenda in a public meeting, or (2) the retired annuitant is a public safety officer or firefighter hired to perform a function regularly performed by a public safety officer or firefighter. Even if one of these exceptions is invoked, the Internal Revenue Code and LACERA's Board of Retirement Regulation XV(III) require a continuous 90-day break in service if the retired annuitant is less than Normal Retirement Age; a retired annuitant under the Normal Retirement Age is also prohibited from having a prearrangement with their employer for their post retirement return to work.
- A retired annuitant who accepted a retirement incentive upon retirement is not eligible to be rehired under Section 7522.56 for 180 days following the date of retirement. In this situation, the exception to early rehire based on critical need or as a public safety officer or firefighter will not be available.

## **2. Current LACERA Policy.**

On November 4, 2020, the Board of Retirement approved the Post Retirement Employment Policy applicable to LACERA's own hiring of retired annuitants, which is attached as Attachment B. This original Policy provided an initial basic framework for compliance with Sections 7522.56 and 31680.6.

## **3. Internal Audit Reporting on Rehired Retired Annuitants.**

On August 18, 2022, LACERA's Internal Audit Division reported to the Audit Committee the results of its audit of LACERA's Rehired Retiree Program. The report made three findings, as follows:

- a. Lack of ensuring compliance with the Post Retirement Employment Policy;
- b. Noncompliance with the 960 hour limit; and
- c. Lack of specific definition of "limited duration" in LACERA's current policy.

A copy of the report is attached as Attachment C. The proposed new Policy addresses all three of these findings. The new Policy is intended to strengthen LACERA's compliance documentation and will be the basis of future staff training to further address the practices addressed in the audit findings.

On November 17, 2022, the Internal Audit Division reported to the Audit Committee on the results of its audit of Los Angeles County's compliance for Fiscal Year 2021 with requirements for rehired retired annuitant. The report made two findings, as follows:

- a. A spike in the number of rehired retired annuitants exceeding the 960-hour limits; and
- b. Lack of adherence to PEPRA's limited duration requirement.

A copy of this report is attached as Attachment D. On June 1, 2023, Internal Audit made a similar report for the County's compliance for Fiscal Year 2022 with the same findings. A copy of this report is attached as Attachment E.

The proposed new Policy in this memo does not address LACERA's oversight of the County and other participating employers with respect to retired annuitants. This subject will be discussed by management with the County, and staff will return to the OOC and the Board with proposals as to LACERA's role in County oversight at future meetings. The County reports are provided with this memo to provide additional context for the discussion of this item. The revised LACERA Policy is only applicable to LACERA and is intended to be the basis for standard-setting discussions with the County and a future LACERA policy for exercise of the fund's oversight of retired annuitants hired by all participating employers to ensure that benefits are not paid to members who are violation of CERL and PEPRA. The provisions of the future County policy may not be exactly the same as the proposed LACERA Policy.

#### ***4. The Approach of Other California Public Retirement Systems.***

The Legal Office collected information on the approach to returning retired annuitants taken by all 19 other CERL systems as well as CalPERS and CalSTRS. System documentation, including policies, websites, and forms and brochures, were reviewed to the extent available. Not every system has a policy; some rely on other methods of communicating their legal interpretation and practices. The approach taken by other systems on issues relevant to LACERA's policies is summarized in the discussion below of LACERA's proposed Policy. The other systems differ widely from each other.

#### **DISCUSSION**

The proposed revised and restated Policy, which is attached as Attachment A, completely restructures, expands, and enhances the document. Fiduciary counsel was consulted during the drafting process and reviewed prior drafts of the proposed Policy now presented. Therefore, while both the current Policy and the proposed new Policy are attached, a full redline was not deemed helpful.

The proposed Policy more completely covers the requirements of Sections 7522.56 and 31680.6, and other legal requirements than the current Policy. The proposed Policy provides definitions and separately and specifically states the requirements and process for requesting and approving each type of retired annuitant who may seek to work for

LACERA after retirement as well as retired annuitants who may perform services as employees of vendors with a bona fide independent contract with LACERA. The proposed Policy attaches and strengthens the forms that must be completed when requesting work from a retired annuitant as well as representations that must be initialed and signed by the retired annuitant themselves to confirm their understanding of the terms and consequences that apply to their post retirement service. The proposed Policy addresses requirements on both LACERA and the retired annuitants to monitor their hours and to comply with the other provisions that relate to each type of returning retired annuitant. Finally, the proposed Policy addresses the tools available to address violations.

The proposed Policy includes the following sections, which are briefly summarized as follows:

- 1. Purpose.** The purpose is to comply with applicable law, state applicable requirements for each of the three circumstances in which a retired annuitant may provide service to LACERA post retirement, establish a request, approval, and monitoring process for each of the three methods, and establish a process to address violations.
- 2. Scope.** The scope is LACERA's hiring of retired annuitants under Sections 7522.56 and 31680.6 and other applicable law.
- 3. Legal Authority.** The Policy is adopted under the California Constitution, CERL, PEPRA, and other applicable law in the exercise of the Board of Retirement's plenary authority and fiduciary responsibility for fund administration.
- 4. Definitions.** The key terms of "960 hours," "Normal Retirement Age," "participating employers," and "retired annuitant" that are used throughout the Policy are defined near the beginning of the Policy. Other terms are defined elsewhere in the Policy in context where a definition will be most helpful to the reader.
- 5. Policy Statement.** This section presents a brief summary of the key concepts contained in the Policy, while referring the reader to the entire Policy to understand all of its requirements and other provisions.
- 6. Rehire for 960 Hour Temporary Assignments.** This section sets forth the requirements and request, approval, and monitoring process for retired annuitants rehired for limited duration assignments or for an emergency threatening stoppage of public business. This section has subsections to describe the separate requirements of each type of 960 hour rehire as well as the common requirements that apply to both types. There is also a subsection for the request, approval, and

monitoring process that identifies the responsibilities and requirements of LACERA, its management and staff, the retired annuitant, and the Board of Retirement.

With respect to limited duration rehires (which is an area that Internal Audit called out for additional definition in Finding 1 of its report on LACERA's practices), the proposed Policy permits staff to rehire a retired annuitant for two fiscal years, and the Board then has authority to approve rehire for additional fiscal years only in the case of exceptional circumstances. Exceptional circumstances for an extension by the Board beyond the initial two years requires an explanation from the Executive Office as to the critical need that supports the retired annuitant's continued employment, why the transition of knowledge and planned work was not completed during previously approved periods, why permanent staff cannot meet the critical need, and a plan for completing the transition and work in the additional requested year. The Board's authority to extend an appointment beyond the original two years upon a finding of exceptional circumstances is clearly stated and is open-ended at the direction of the OOC; the OOC's changes from the originally proposed language are redlined on page 4 of Attachment A. The years of rehire do not need to be continuous. This definition of limited duration is deemed a workable definition for the needs of LACERA and to incentivize the transfer of knowledge and the timely completion of limited duration assignments, while meeting the needs of LACERA in the different circumstances that may arise in the future. Note that additional changes need to be made to Section 6 as a result of the OOC changes to the limited duration language; they are addressed in the supplemental staff memo.

Examples of the widely-varied approach to limited duration in other systems (applicable, unlike LACERA's proposed Policy, to all participating employers, not just the retirement association) include:

- Sacramento County Employees' Retirement System (SCERS) has a policy that determines limited duration to be a 36-month continuous period. The participating employer may provide a retired annuitant with a 12-month extension on an annual basis up to two times for a total of an additional 24 months. The 12-month extensions do not need to be continuous. If the retired member is working in a public safety capacity, then additional 12-month extensions on an annual basis can be given to meet public safety workforce demands.
- San Bernardino County Employees' Retirement Association (SBCERA) requires the employer to provide an explanation of the limit or limits on the

duration of the re-employment. The term of employment is considered compliant if it is 18 months or less, and if the term is over 18 months with no specific end date, the Board of Retirement must approve the reemployment. If the position is functionally similar to a permanent part-time position, the employer and the employed retired annuitant are no longer in compliance.

- Santa Barbara County Employees' Retirement System (SBCERS) defines limited duration as work that is not continued indefinitely or considered permanent. Work that is expected to conclude in a period of less than 24 months is considered limited duration while work that exceeds 24 months may be considered limited duration in special circumstances such as if additional time is needed to complete the project. Employers and retired annuitants are required to certify an estimate of the duration of the employment at the time the employment commences and to provide further certification if an extension is necessary or the estimated time has changed. Any extension of a retired annuitant's employment beyond the 24 months requires a written Request for Extension with a detailed explanation of the circumstances requiring the extension. The request must be made prior to the end of the 24-month allotted period.
- Orange County Employees Retirement System (OCERS) provides that, if a retired annuitant is re-employed in a permanent position with the County of Orange or any of OCERS' participating employers and is eligible for OCERS membership (permanent position, working at least 20 hours per week), they need to be reinstated into active OCERS membership. Less than 20 hours a week appears to comply with the limited duration restriction for OCERS.
- CalPERS approved a regulation in February 2023 that has not been submitted for final processing and publication by the state Office of Administrative Laws (OAL). Under the regulation, limited duration is defined as a limit of 24 consecutive months per appointment. The post-retirement appointment may be extended no more than twice for a period of 12 consecutive months per extension, totaling 24 months. Extensions cannot exceed a total of 48 consecutive months. An exemption can be sought. It is unclear whether or when CalPERS intends to submit the regulation to OAL, which is a prerequisite for it to be effective.

As for compliance with the 960 hour limit, the proposed Policy requires monitoring of hours and communication with the retired annuitant about the hours on at least a monthly basis, and once a retired annuitant has reached 700 hours, the

monitoring must be weekly, including communication regarding completion of the work within 960 hours and the need to stop work when the limit is met. Both LACERA and the retired annuitant have responsibility to monitor and comply with the 960 hour limit.

These provisions will assist in addressing the excess hours compliance issue (Finding 2) and the lack of definition of limited duration (Finding 3) identified by Internal Audit in its report (Attachment C) on LACERA's practices.

- 7. Work Under a Bona Fide Independent Contract.** The issue of retired annuitants working as the employee of a vendor under a bona fide independent contract with LACERA was not addressed in the original Policy. This issue should be addressed in the proposed Policy because Section 7522.56 only precludes a contract directly with a retired annuitant. Under the proposed Policy, retired annuitants working under an independent contract as vendor employees, and who have truthfully made the representations required by the Policy and otherwise complied with it, are not subject to the limits of PEPRA. The proposed Policy puts in place a process for identifying when such retired annuitants are working on LACERA business and safeguards to ensure that the contracts are bona fide and not a way of getting around PEPRA.

Specifically, the proposed Policy provides that a retired annuitant may not perform work pursuant to a contract unless, in LACERA's discretion: the retired annuitant is approved to perform work under a bona fide independent contract; the proposed scope of work is not a continuation of the retired annuitant's work as an employee of a participating employer before retirement; the terms of employment, means and methods of the retired annuitant's work, and supervision of the work is controlled by the contractor, not LACERA; the contracting entity is substantial in terms of its business, history, and make up to demonstrate that the entity is legitimate; the contract is not proposed to evade the 960 hour and other limits of Sections 7522.56 and 31680.6, or other applicable law; the retired annuitant's role in the contract will not violate conflict of interest and ethics laws, regulations, and policies; and, if the retired annuitant was under Normal Retirement Age at the time of their retirement, there was no prearranged agreement that the retired annuitant would become employed by the contractor for the purpose of performing work on a contract with LACERA. A contract directly with a retired annuitant or with a business entity controlled, directly or indirectly, in whole or in part, by a retired annuitant and work for LACERA under a contract that does not comply with these requirements is not permitted because such a contract is not deemed by LACERA to be a bona fide independent contract.

Most other CERL systems do not directly address the issue of bona fide independent contracts in their published materials. The few that do, including CalPERS, generally take an approach that is similar to the proposed LACERA Policy that bona fide independent contracts are not subject to the CERL and PEPRRA limitations.

- 8. Enforcement.** The proposed Policy provides that staff may assess consequences for violation of applicable law, including reinstatement from retirement, offset, loss or interruption of retirement benefits, recovery of improperly paid benefits, benefit adjustments or other methods to collect overpaid salary in excess of the 960 hour limit, and any other appropriate action. This section is also responsive to Internal Audit's report on LACERA's practices. All of the remedies in the Policy are appropriate because Section 7522.56 specifically provides that a retired annuitant "may serve without reinstatement or loss or interruption of benefits" only if the requirements of the statute are provided. Section 8, along with Sections 6 and 7, will address the findings of Internal Audit's Report (Attachment C) on LACERA's enforcement practices and other efforts to ensure compliance (Findings 1-3).

Proposals for legislative amendment of Section 7522.56 to clarify the remedies have been presented to the Insurance Benefits and Legislative Committee and will be presented to the Board of Retirement. However, any legislation will likely not be effective until January 1, 2025. Staff believes it is important to move ahead with this revised Policy now to ensure a compliant Rehired Retiree Program.

With respect to the current approach to enforcement of the conditions of 960 hour rehire by other CERL systems, examples include the following range of approaches which, to differing degrees, are used by many systems:

- The pension of a retired annuitant may be suspended if they exceed the 960 hours.
- If the retired annuitant exceeds the limit, they are required to reinstate, with their benefits suspended, and may be required to return retirement benefit payments.
- Violation of the 960-hour limit may result in cessation, reduction, or recalculation of the retirement benefit.
- In addition to the above remedies, the system may seek recovery of improperly paid benefits from a retired annuitant who exceed the limit.

LACERA's proposed Policy is intended to preserve the full range of available

consequences for all violations of all provisions of the Policy, not just the 960 hour requirement.

**9. Effective Date and Application.** This section provides that the Policy will be effective when approved by the Board of Retirement and will apply to all retired annuitants employed by LACERA as of that date based on all of their prior post retirement employment at LACERA as well as all future retired annuitants employed by the fund. This section provides that, for currently employed retirement annuitants hired based on special skills to perform work of limited duration, if application of Section 6.1.2 of the Policy as of effective date will result in them having years in excess of the amount permitted by the Policy, the Board of Retirement for exceptional circumstances may extend their employment. This latter provision will allow, if necessary based on exceptional circumstances, for completion of necessary transition and remaining work as of the effective date of the proposed new Policy. Note that, while not approved by the OOC, the OOC's changes to the limited duration approval process (to allow for open-ended extensions by the Board as discussed above) require changes to Section 9. These changes are addressed in the supplemental staff memo.

**Miscellaneous.** Sections 10, 11, and 12 of the proposed Policy include references, version history, and policy review and approval information.

**Forms.** The proposed Policy attaches four forms which will be used in connection with returning retired annuitants. There is a Request form from the Division Manager seeking to rehire 960 hour retired annuitants and a Conditions and Waiver form to be signed by the retired annuitant. There are also Request and Conditions and Waiver forms applicable to retired annuitants working for vendors that have a bona fide independent contract with LACERA. Once the proposed Policy is approved, staff will submit the forms to LACERA's Communications Division for proper formatting.

## **CONCLUSION**

For these reasons, it is recommended that the Board of Retirement approve the proposed revised and restated Post Retirement Employment Policy.

### Attachments

c: Santos H. Kreimann  
Luis A. Lugo  
JJ Popowich  
Laura Guglielmo  
Richard Bendall

Re: Revised and Restated Post Retirement Employment Policy

June 28, 2023

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Christina Logan

Carly Ntoya, Ph.D.

Barry Lew

Jasmine Bath

Louis Gittens

Alex Ochoa



**POST RETIREMENT EMPLOYMENT POLICY**

**Authorizing Manager:** Director of Human Resources

**Effective Date:** \_\_\_\_\_, 2023

**Last Updated:** November 4, 2020

**Mandatory Review:** Every Three Years

**Policy Type:** Board of Retirement

**Approval Level:** Board of Retirement

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**1. PURPOSE**

The purpose of the Post Retirement Employment Policy (“Policy”) is to set forth the legal requirements for LACERA’s employment of or acceptance of contract work from members who have retired from any participating employers in LACERA and are receiving a pension from LACERA (referred to as “retired annuitants”). The goals of this Policy are to:

- Comply with relevant state and federal laws and other plan documents for the rehiring of retired annuitants and the use of retired annuitants by bona fide independent contractors while receiving a retirement benefit from LACERA;
- State the requirements for retired annuitants to (1) be rehired by LACERA for a limited duration, (2) be rehired by LACERA for emergency circumstances to prevent stoppage of LACERA business, or (3) work as the employee of a vendor under the vendor’s bona fide independent contract with LACERA, and establish a request, approval, and monitoring process for each of these three methods; and
- Establish a process to address violations of the Policy.

**2. SCOPE**

This Policy applies to LACERA’s hiring of retired annuitants from any participating employer in LACERA or acceptance of services from retired annuitants to meet business needs in accordance with California Government Code Sections 31680, 31680.2, 31680.6, and 7522.56, the Internal Revenue Code and IRS regulations, and LACERA’s Board of Retirement Regulations. This Policy does not apply to employment of retirees or other acceptance of services from retirees by the County of Los Angeles or other participating employers.

To the extent that state law or federal law provides for additional restrictions or conflicts with this Policy, the law shall prevail over this Policy.

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### **3. LEGAL AUTHORITY**

This Policy is adopted pursuant to the Board of Retirement's plenary authority and exclusive fiduciary responsibility for administration of the system (Cal. Const., art. XVI sec 17) to facilitate LACERA's compliance with Sections 31680, 31680.2, and 31680.6 of the County Employees Retirement Law of 1937 (CERL), Section 7522.56 of the Public Employees' Pension Reform Act of 2013 (PEPRA), and other applicable law and LACERA governing documents and policy.

### **4. DEFINITIONS**

**4.1 960 hours** means 960 hours or equivalent limit of worked time and refers to the maximum permitted number of hours per fiscal year of all work performed by a retired annuitant rehired by LACERA and other participating employers as described in Section 6 of this Policy.

**4.2 Normal Retirement Age** for LACERA members is:  
Age 57 for general members of Plan A, B, C, D, or G  
Age 65 for general members of Plan E  
Age 55 for safety members

**4.3 Participating employers** refers to those agencies that participate in LACERA: the County of Los Angeles, LACERA, Los Angeles County Superior Court, Local Agency Formation Commission for the County of Los Angeles, Los Angeles County Office of Education, and South Coast Air Quality Management District.

**4.4 Retired annuitant** means a retiree from any participating employer in LACERA rehired as an at-will employee by LACERA without reinstatement from retirement or working under a vendor's bona fide independent contract with LACERA. Retired annuitants do not accrue service credit or otherwise acquire any additional retirement benefits as a result of work performed under this Policy.

### **5. POLICY STATEMENT**

Under Government Code Section 31680, 31680.2, and 31680.6, retired annuitants may be approved to be rehired by LACERA for no more than 960 hours per fiscal year, on a temporary basis, without affecting their retirement status or benefits. Section 31680(b) provides, in pertinent part, that "services rendered . . . shall not refer to services performed by a retired officer or employee as an independent contractor engaged by a county or district under a bona fide contract for services within the purview of Section 31000 of this code."

California Government Code Section 7522.56 adds additional restrictions on the ability of a retired annuitant to work for an employer in a retirement system while also collecting a pension from that system. Section 7522.56 provides that a retired

annuitant may be approved to be rehired by LACERA at will on a temporary basis while continuing to receive retirement benefits under the following circumstances:

- LACERA determines that the retired annuitant has skills based on their prior job classification needed to perform work of limited duration; or
- LACERA determines it is necessary to hire the retired annuitant during an emergency to prevent stoppage of LACERA's public business.

A retired annuitant returning for either of these two reasons shall not be eligible to be employed pursuant to this policy for a period of 180 days following the date of retirement unless the Board of Retirement determines the appointment is necessary to fill a critically needed position before 180 days have passed, in which case a break in service requirement of 90 days shall still apply if the retired annuitant is under Normal Retirement Age.<sup>1</sup>

Unlike Section 31680, Section 7522.56 does not address independent contractors directly. However, Section 7522.56's prohibitions apply only to retiree annuitants who "serve," are "employed by," or who are "employed through a contract directly by," the same public retirement system from which the retiree receives a benefit. LACERA interprets Section 7522.56 consistent with Section 31680, so as to exempt retiree annuitants who work for LACERA as an independent contractor engaged by LACERA under a bona fide independent contract for services within the purview of LACERA's authority, provided, however, that such contract must comply with the terms of this Policy.

Failure of a retired annuitant to comply with applicable law and this Policy in connection with their post retirement employment, including rehire by LACERA or contract work, may have adverse consequences on their retirement and benefits as described in this Policy.

This entire Policy must be read as a whole to understand all its requirements and other provisions.

## **6. REHIRE FOR 960 HOUR TEMPORARY ASSIGNMENTS**

### **6.1 Rehire When the Retired Annuitant has Special Skills to Perform Work of Limited Duration**

Subject to this section and the common requirements stated in Section 6.3 and completion of the request and approval process described in Section 6.4, retired annuitants may be rehired by LACERA without affecting their retirement status or benefits when they have special skills based on their prior job

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<sup>1</sup> The 180 day waiting period does not apply to a public safety officer or firefighter hired to perform a function or functions performed by a public safety officer or firefighter. However, the 90-day break in service may still apply. LACERA does not expect to hire such retired annuitants for such work.

classification to perform work of limited duration. Assignments under this section shall be terminated upon completion of the work of limited duration for which they were rehired.

**6.1.1 Special Skills** means a demonstrated ability, based on the retired annuitant's prior job classification and work history, to perform the work for which the retired annuitant is being rehired at a high level without additional training and that cannot be performed by existing permanent staff members.

**6.1.2 Limited duration** is determined on a case-by-case basis subject to the limits in this subsection, but it is always expected to be the minimum period required to complete necessary work. The services must terminate when the limited-duration work is completed. Examples of necessary work of limited duration include but are not limited to the following circumstances: alleviating a backlog, working on a special project where the retired annuitant has special knowledge and skills, and transferring specialized knowledge and skills to permanent staff members. Limited-duration work must be necessary work in excess of what existing staff members are able and available to perform but that cannot be postponed until staff members are able and available.

Limited-duration work may be approved annually by the Executive Office for work totaling a maximum of two fiscal years. ~~–The Board of Retirement has the authority to approve a~~Additional work beyond two fiscal years; ~~such approval must be given on an annual basis must be approved annually by the Board of Retirement~~ upon a finding ~~by the Board~~ of exceptional circumstances to meet a critical LACERA need; ~~provided that the Board will not approve additional work beyond two additional one fiscal year increments, resulting in a maximum total employment period of four fiscal years for the retired annuitant.~~ Exceptional circumstances require a memo of n-~~an~~ explanation from the Executive Office to the Board of the critical need that supports the retired annuitant's continued employment, why the transition of knowledge and planned work was not completed during previously approved periods, why permanent staff cannot meet the critical need, and a plan for completing the transition and work in the additional requested year. The years permitted under this subsection need not be continuous.

**6.2 Rehire Necessary During an Emergency**

Subject to this section and the common requirements stated in Section 6.3 and completion of the request and approval process described in Section 6.4, retired annuitants may be rehired by LACERA without affecting their retirement status or benefits when necessary during an emergency to prevent stoppage of LACERA's public business. Assignments under this section shall be

terminated when the retired annuitant's work to address the threat of stoppage of public business is completed.

An emergency means urgent and unforeseen circumstances outside those arising in the normal course of LACERA's business. To provide cause for rehire of a rehired annuitant under this subsection, existing staff must be unable to address the emergency and the rehire of the required annuitant must be necessary to prevent the stoppage of part of LACERA's public business, such as inability to serve members, pay benefits, invest funds, or meet other legal requirements that are part of LACERA's fiduciary duty. A retired annuitant rehired under this section must possess the demonstrated ability, based on the retired annuitant's work history, to assist LACERA in meeting the emergency and prevent the stoppage of public business.

### **6.3 Common Requirements**

In order for LACERA to rehire retired annuitants under Sections 6.1 and 6.2, the following additional requirements must be met:

#### **6.3.1 Work Hour Limitation (960 Hours)**

Retired annuitants may not work a combined total of more than 960 hours for LACERA and all other participating employers in any July 1 – June 30 fiscal year. Once the 960 hours limit is reached, a retired annuitant is not permitted to provide any additional services to LACERA or any other participating employer or to receive any additional compensation for such work for the remainder of the fiscal year.

#### **6.3.2 Retired Annuitant's Compensation**

The rate of pay for the employment of retired annuitants cannot be less than the minimum, nor exceed the maximum, paid by LACERA to staff performing comparable duties. Retired annuitants cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly rate.

#### **6.3.3 No Unemployment Benefits**

Retired annuitants are not permitted to be rehired by LACERA if, during the 12 month period prior to the temporary appointment date, they received unemployment insurance payments arising from prior employment under Section 7522.56 with any public employer. A retired annuitant who accepts employment under this Policy after receiving unemployment insurance compensation as described in this subsection shall terminate that employment as soon as practicable, and not later than the last day of the pay period after receiving notice from LACERA of this prohibition and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

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#### **6.3.4 Waiting Period for Post-Retirement Employment**

Retired annuitants must wait 180 days from their date of retirement before returning to work at LACERA on a temporary basis, except if it is necessary to fill a critically needed position and the hiring has been approved by the Board of Retirement in an open meeting on a non-consent item, in which case the retired annuitant may return earlier than 180 days. The approval may not be placed on the Board's consent calendar.<sup>2</sup>

If a retired annuitant who is hired to fill a critically needed position is under the Normal Retirement Age, a continuous 90-day waiting period nevertheless applies, subject to advice from tax counsel. This is a federal tax law requirement, included in the Board of Retirement Regulations.

#### **6.3.5 No Prearranged Agreement**

LACERA members who retire before reaching Normal Retirement Age cannot have a prearranged agreement, either orally or in writing, before commencing retirement to return to work at LACERA in a position previously held prior to retirement or any other position.

#### **6.3.6 Limitations if Retired Under Incentive Arrangement**

A retired annuitant who accepted a retirement incentive upon retirement shall not be eligible to be employed under this Policy, even for a critically needed position, for a period of 180 days following the date of retirement. The exceptions, including critical need, stated in Section 6.3.4, do not apply in this circumstance.

### **6.4 Request, Approval, and Monitoring Process**

#### **6.4.1 Request**

Managers are required to submit requests and renewal requests to the Human Resources Division to rehire retired annuitants for a 960 hour temporary assignment using the applicable Request form attached hereto based on whether the assignment is for limited duration or to address an emergency (the "960 Hour Request"). The 960 Hour Request must include a full and complete description of the project, the retired annuitants' skills and abilities based on their prior job classification, a description of the plan to complete the retiree's work or transition it to a current staff member, the expected limited duration of

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<sup>2</sup> See footnote 1 with respect to a public safety officer or firefighter hired to perform a function or functions performed by a public safety officer or firefighter

the work, and when applicable, an explanation of the emergency that necessitated the hiring of the rehired retiree to prevent stoppage of LACERA's public business, and such other information as is required under Section 6.1, 6.2, and 6.3. Renewal requests must include an explanation on the 960 Request Form as to the continuing need and why the work was not completed during the prior period.

If the retired annuitant retired fewer than 180 days before the Request (as limited by the required 90-day period if the retired annuitant is under Normal Retirement Age), the 960 Hour Request must also include an explanation of the critical need that must be met and the retired annuitant's relevant skills based on their work history.

All 960 Hour Requests must include the signed applicable Conditions and Waiver form ("Conditions"), attached to this Policy, acknowledging the retired annuitant's understanding of and agreement to this Policy and its requirements, including the consequences for violation. The Conditions shall also confirm that they will comply with all other LACERA policies, including but not limited to conflict, ethics, and Human Resources policies. All 960 Hour Request and Conditions forms shall be maintained by the Humans Resources Division.

#### **6.4.2 Approval and Offer of Employment**

Prior to offering employment, the 960 Hour Request must be approved by the Division Manager, Assistant Executive Officer, Human Resources Director, and the Chief Executive Officer or Deputy Chief Executive Officer. No approvals shall be granted for a period in excess of not to exceed 960 hours in one fiscal year. All requests are subject to renewal every fiscal year, submission of a new and updated 960 Hour Request form, and re-approval, subject to the limits of Section 6.1.2 of this Policy. 960 Hour Requests may be renewed by management only upon good cause, including a showing that there was compliance with the terms of this Policy during the prior period and that the retired annuitant has skills based on their prior job classification needed to perform additional work of limited duration that cannot be performed by permanent staff members or the appointment is needed during an emergency to prevent stoppage of LACERA's public business.

Offers of employment, including renewal offers, may only be communicated to retired annuitants by the Human Resources Division.

#### **6.4.3 Board Approval**

All 960 Hour Requests for more than two fiscal years must be approved annually by the Board of Retirement in open session on the non-consent calendar on an annual basis, subject to the limit stated in Section 6.1.2.

Board approval must be based on a finding that grounds continue to exist for continued appointment under Sections 6.1 and 6.2. Board approval of an exemption from the 180-day waiting period shall be made as described in Section 6.3.4.

#### **6.4.4 Monitoring**

LACERA, including through the requesting Division Manager and the Benefits and Systems Divisions, is responsible for monitoring and tracking compliance of retired annuitants approved under a 960 Hour Request with the legal requirements set forth in this Policy. Monitoring shall include review of a retired annuitant's worked hours on at least a monthly basis throughout the retired annuitant's employment based on the most recent pay records and timesheets and regular communication with the retired annuitant about the progress of their work and hours spent. Once a retired annuitant has worked 700 hours in a fiscal year, hours worked shall be monitored on at least a weekly basis, and there shall be communication on a weekly basis between the retired annuitant and their Division Manager regarding completion of work within the 960 hour limit and the need to stop work when the limit is met. Any non-compliance shall be reported to the Chief Executive Officer, Deputy Chief Executive Officer, and Human Resources Director.

The Executive Office shall ensure that the Board of Retirement is provided with an annual report at the end of each fiscal year of all retired annuitants working under 960 Hour Requests, including the name, the number of fiscal years of post retirement employment with LACERA, summary of limited duration work performed, estimated completion date, status of transition plan, status of any emergency or critical need that the retired annuitant was rehired to address, and the history of hours performed in each fiscal year of employment.

#### **6.4.5 Retired Annuitant's Responsibility**

The retired annuitant has the responsibility, as stated in the Conditions and Waiver form they sign before beginning employment, to have truthfully made the representations stated in the Conditions form and to adhere to the requirements of this Policy, including but not limited to the responsibility to monitor their work so that it is no more than 960 hours in a fiscal year, and all other LACERA policies, including but not limited to conflict, ethics, and Human Resources policies.

### **7. WORK UNDER A BONA FIDE INDEPENDENT CONTRACT**

A retired annuitant's work as the employee of a vendor under a bona fide independent contract is not subject to the provisions and limitations stated in Section 6 if the contract and the retired annuitant comply with this section and will not affect their

LACERA pension and benefits. Work under a contract in violation of this section may subject the retired annuitant to consequences under Section 8.

**7.1 Standard**

A retired annuitant may not perform work pursuant to a contract unless, in LACERA's discretion: the retired annuitant is approved to perform work under a bona fide independent contract; the proposed scope of work is not a continuation of the retired annuitant's work as an employee of a participating employer before retirement; the terms of employment, means and methods of the retired annuitant's work, and supervision of the work is controlled by the contractor, not LACERA; the contracting entity is substantial in terms of its business, history, and make up to demonstrate that the entity is legitimate; the contract is not proposed to evade the 960 hour and other limits of Sections 7522.56 and 31680.6, or other applicable law; the retired annuitant's role in the contract will not violate conflict of interest and ethics laws, regulations, and policies; and, if the retired annuitant was under Normal Retirement Age at the time of their retirement, there was no prearranged agreement that the retired annuitant would become employed by the contractor for the purpose of performing work on a contract with LACERA. Contracts directly with a retired annuitant or with a business entity controlled, directly or indirectly, in whole or in part, by a retired annuitant. Work for LACERA under a contract that does not comply with this subsection are not permitted because they are deemed by LACERA to not be bona fide independent contracts.

**7.2 Request and Management Approval**

Managers are required to submit requests for retired annuitants to perform work under a bona fide independent contract using the attached Contract Request form. The Contract Request must be approved by the Division Manager, Assistant Executive Officer, Human Resources Director, and the Chief Executive Officer or Deputy Chief Executive Officer. If approved, it is the responsibility of the manager to ensure that the retired annuitant does not perform any work for LACERA except under the contract.

**7.3 Limitations**

A retired annuitant's work under a bona fide independent contract shall be limited to the scope of work described in the contract; no work for LACERA outside of the contract is permitted. Retired annuitants working under a Contract Request must sign the attached Conditions and Waiver form in which the retired annuitants accept the requirements of this Policy and truthfully represent the facts needed to demonstrate compliance with this section. All Contract Request and Conditions forms shall be maintained by the Human Resources Division.

**8. ENFORCEMENT**

The scope of this Section 8 is limited to enforcement of Sections 7522.56 and 31680.6, and other applicable law, with respect to the eligibility under that statute of a retired annuitant, in accordance with and subject to and in compliance with this Policy, to provide service to LACERA and the consequences for violation as described in Section 8.2. This section does not address other matters arising from the employment of a retired annuitant or their work for LACERA. Issues relating to all other employment matters, including but not limited to job duties and assignments, compensation, performance evaluation, compliance with other LACERA policies and procedures, and discipline, up to and including termination, remain the responsibility of the Chief Executive Officer, the Deputy Chief Executive Officer, the Human Resources Director, or their designees.

**8.1 Standard**

California Government Code Section 7522.56 provides that a retired annuitant shall not serve or, be employed by, or be employed through a contract directly by, an employer in the same public retirement system from which the retiree receives a benefit without reinstatement from retirement, except as provided in that section. California Government Code Sections 31680, 31680.2 and 31680.6 may also impose requirements on retired annuitants. LACERA's standards with respect to retired annuitants performing work under a 960 Hour Request or a Contract Request are set forth in this Policy and are intended to be consistent with and not in conflict with applicable state and federal law, which shall control this Policy.

**8.2 Notice of Violation and Consequences**

If a retired annuitant works in violation of this Policy, LACERA shall provide the person with notice of violation and recommended consequences, which will include, as LACERA determines is appropriate given the nature of the violation, reinstatement from retirement, offset, loss, or interruption of retirement benefits, recovery of improperly paid benefits, benefit adjustments or other methods to collect overpaid salary in excess of the 960 hour limit, and any other appropriate action. The notice of violation shall include all documents supporting the violation and recommended consequences.

**8.3 Appeal**

If the retired annuitant disagrees with the consequences determined and imposed by staff, they may seek review under LACERA's Administrative Appeal Procedure for Retirement Benefits.

**9. EFFECTIVE DATE AND APPLICATION**

This Policy shall be effective immediately upon approval by the Board of Retirement.

This Policy shall be applicable to all retired annuitants employed by LACERA as of the effective date ("Existing Retired Annuitants") based on their years of such employment as of that date. If an Existing Retired Annuitant's total period of

employment by LACERA as of the effective date for special skills to perform work of limited duration exceeds the four fiscal year maximum permitted under Section 6.1.2, the Board of Retirement may annually grant an extension in one fiscal year increments totaling no more than two additional fiscal years based on an annual explanation by the Executive Office of exceptional circumstance as defined in Section 6.1.2.

## **10. REFERENCES**

These references are intended to help explain this policy and are not an all-inclusive list of policies, procedures, laws, and requirements. The following information complements and supplements this document:

### **Related Policies:**

- Administrative Appeal Procedure for Retirement Benefits

### **Related Procedures:**

- Retired Annuitant Hours Tracking Method

### **Related and Conditions Forms/Templates:**

- Request for Employment of Retiree for a Limited Duration 960 Hour Temporary Assignment Form
- Conditions of Post Retirement Employment and Waiver Form for a Limited Duration 960 Hour Temporary Assignment
- Request for Post Retirement Work Under a Bona Fide Independent Contract Form
- Conditions of Post Retirement Work and Waiver Form Under a Bona Fide Independent Contract

### **Other Related Information:**

- Request for Post Retirement Work Under a Bona Fide Independent Contract
- Conditions of Post Retirement Work Under a Bona Fide Independent Contract
- California Government Code Section 7522.56
- California Government Code Section 31680, 31680.2, and 31680.6
- Board of Retirement Regulation XV

Human Resources Division shall revise its procedures consistent with this Policy.

## **11. VERSION HISTORY**

**Policy Issue Date:** First approved by the Board of Retirement on November 4, 2020, with an immediate Effective Date.

Reviewed and current revised version approved and effective on \_\_\_\_\_, 2023.

##

## **12. POLICY REVIEW AND APPROVAL**

This Policy is effective on the day adopted by the Board of Retirement. This Policy shall be reviewed by the Board every three years.

### **Attachments:**

1. Request for Employment of Retiree for a Limited Duration 960 Hour Temporary Assignment Form
2. Conditions of Post Retirement Employment and Waiver Form for a Limited Duration 960 Hour Temporary Assignment
3. Request for Post Retirement Work Under a Bona Fide Independent Contract Form
4. Conditions of Post Retirement Work and Waiver Form Under a Bona Fide Independent Contract



**REQUEST FOR EMPLOYMENT OF RETIREE TO A 960 HOUR  
TEMPORARY ASSIGNMENT**

RETIREE NAME:

EMPLOYEE NUMBER:

Date of Birth:

DIVISION:

SECTION:

PAYROLL TITLE:

ASSIGNED SUPERVISOR:

START DATE OF ASSIGNMENT:

END DATE OF ASSIGNMENT:

ESTIMATED HOURS:

*Attach additional pages for each section below, as necessary*

DESCRIPTION OF WORK OF LIMITED DURATION (OR EMERGENCY TO PREVENT STOPPAGE OF LACERA BUSINESS) & EXPLANATION OF WHY WORK CANNOT BE PERFORMED BY A PERMANENT STAFF MEMBER AND STATE HOW MANY HOURS ARE REQUIRED TO COMPLETE THE WORK:

RETIREE'S APPLICABLE KNOWLEDGE, SKILLS AND ABILITIES, BASED ON THEIR PRIOR JOB CLASSIFICATION AND WORK HISTORY, NEEDED FOR THE WORK AND PLAN TO TRANSITION KNOWLEDGE TO PERMANENT STAFF:

DESCRIPTION OF WORK OF LIMITED DURATION (OR EMERGENCY TO PREVENT STOPPAGE OF LACERA BUSINESS) AND PLAN TO COMPLETE THE WORK, INCLUDING EXPLANATION AS TO WHY WORK WAS NOT ALREADY COMPLETED IF THE REQUEST IS FOR A RENEWAL, IF THE REQUEST REQUIRES BOARD APPROVAL, DESCRIBE THE GOOD CAUSE OR EXCEPTIONAL CIRCUMSTANCES:

IF THIS IS A RENEWAL, EXPLAIN WHY THE WORK WAS NOT COMPLETED DURING THE PRIOR APPROVAL PERIOD:

IF THERE IS A CRITICAL NEED THAT SUPPORTS AN EXCEPTION TO THE 180-DAY WAITING PERIOD AFTER THE RETIREE'S RETIREMENT, EXPLAIN IN FULL:

REQUIRED APPROVAL

DIVISION MANAGER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
ASSISTANT EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
HUMAN RESOURCES DIRECTOR	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
CHIEF EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED

HR STAFF ONLY:

HR STAFF REVIEW:	DATE PROCESSED:
DATE REVIEWED:	DIVISION NOTIFIED:
DATE OF RETIREMENT:	CALCULATED ON CALENDAR DAYS:
REMARKS:	

**CONDITIONS OF POST RETIREMENT EMPLOYMENT AND WAIVER  
FOR 960 HOUR TEMPORARY ASSIGNMENT**

**Retiree Name:**

**Employee Number:**

I, \_\_\_\_\_, retired on \_\_\_\_\_ from \_\_\_\_\_, a participating employer in LACERA. I desire to perform post-retirement work for LACERA as provided in Government Code Section 7522.56 and other applicable law and LACERA policies while remaining on retired status. During this employment with LACERA, there will be no suspension or termination of my LACERA retirement allowance and benefits if I comply with the requirements of LACERA's Post Retirement Employment Policy. As conditions of my post retirement employment, I understand and acknowledge as follows: **(Each line must be initialed to indicate understanding and agreement with these conditions.)**

\_\_\_\_\_ 1. That the duration of this employment with LACERA is limited to a maximum of 960 hours during the fiscal year ended June 30, \_\_\_\_, and that I will monitor my own compliance with this limit on a regular and ongoing basis so that my work does not exceed the limit by any amount of time.

\_\_\_\_\_ 2. That I have no right to continued employment and that my employment may be terminated by LACERA at any time without cause.

\_\_\_\_\_ 3. That I will not accrue service credit or otherwise acquire any additional retirement benefits from the employment, and I will not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly rate I am paid for my work.

\_\_\_\_\_ 4. That violation of the 960 hour work hour limit and other provisions of the Policy and applicable law may cause reinstatement from retirement, the suspension of my LACERA retirement allowance and healthcare benefits, and collection of amounts by which I have been overpaid over the 960 hour limit.

\_\_\_\_\_ 5. That I have no right to continued employment and that my employment may be terminated by LACERA at any time without cause.

\_\_\_\_\_ 6. That, as a condition of this post retirement employment, I certify that I have not received any unemployment insurance benefits within the last 12 months resulting from prior employment as a retiree with LACERA. If I have received such benefits, I shall immediately resign and will not be eligible for reappointment for 12 months.

\_\_\_\_\_ 7. That, if I retired before reaching Normal Retirement Age, I did not have a prearranged agreement, either orally or in writing, before commencing retirement to return to work at LACERA in a position previously held prior to retirement or any other position.

\_\_\_\_\_ 8. That I received, read, understand, and will abide by LACERA's Post Retirement Employment Policy and LACERA's other policies, including conflict, ethics, and Human Resources policies.

\_\_\_\_\_ 9. That I did not receive an incentive upon retirement.

I have received and read, understand, and agree to LACERA's Post Retirement Employment Policy and the above conditions of my rehire by LACERA. The statements herein are all true and correct. I understand the consequences of violating the Policy.

\_\_\_\_\_  
Employee Signature

Print Name \_\_\_\_\_

\_\_\_\_\_  
Date



**REQUEST FOR POST RETIREMENT WORK  
UNDER A BONA FIDE INDEPENDENT CONTRACT**

RETIREE NAME:

EMPLOYEE NUMBER:

DIVISION:

SECTION:

PAYROLL TITLE:

ASSIGNED CONTRACT SUPERVISOR:

INDEPENDENT CONTRACTOR NAME:

ATTACH COPY OF ENTIRE CONTRACT WITH INDEPENDENT CONTRACTOR, INCLUDING SCOPE OF WORK, IF SEPARATE

*Attach additional pages for each section below, as necessary*

DESCRIPTION OF WORK TO BE PERFORMED BY RETIREE, INCLUDING AN EXPLANATION AS TO HOW THE RETIREE'S WORK UNDER THE CONTRACT WILL BE SUBSTANTIALLY DIFFERENT FROM THEIR WORK AS AN EMPLOYEE BEFORE RETIREMENT, AND THAT THIS REQUEST IS NOT TO EVADE THE 960 HOUR LIMIT FOR REHIRED RETIREES :

CONFIRM THAT THE TERMS OF THE RETIREE'S EMPLOYMENT, THE MEANS AND METHODS OF THE RETIREE'S WORK, AND SUPERVISION OF THE WORK WILL BE CONTROLLED BY THE CONTRACTOR, NOT LACERA:

CONFIRM THAT THE RETIREE DOES NOT CONTROL OR OWN THE INDEPENDENT CONTRACTOR, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART:

EXPLAIN HOW THE INDEPENDENT CONTRACTOR WAS SELECTED, AND PROVIDE INFORMATION SHOWING THAT THE CONTRACTOR IS SUBSTANTIAL IN TERMS OF ITS BUSINESS, HISTORY, AND MAKE UP:

REQUIRED APPROVALS

DIVISION MANAGER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
ASSISTANT EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
HUMAN RESOURCES DIRECTOR	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
CHIEF EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED

FOR HR USE ONLY:

HR STAFF REVIEW:	DATE PROCESSED:
DATE REVIEWED:	DIVISION NOTIFIED:
DATE OF RETIREMENT:	CALCULATED ON CALENDAR DAYS:
REMARKS:	



**CONDITIONS OF POST RETIREMENT WORK AND WAIVER  
UNDER A BONA FIDE INDEPENDENT CONTRACT**

**Retiree Name:** \_\_\_\_\_

**Employee Number:** \_\_\_\_\_

I, \_\_\_\_\_, retired on \_\_\_\_\_ from \_\_\_\_\_, a participating employer in LACERA. I desire to work on LACERA's contract with \_\_\_\_\_ (the "Independent Contractor") as an employee of the Independent Contractor. During this contract work, there will be no suspension or termination of my LACERA retirement allowance and benefits if my contract work complies with the requirements of LACERA's Post Retirement Employment Policy. As conditions of my contract work, I understand and acknowledge as follows: **(Each line must be initialed to indicate understanding and agreement with these conditions.)**

\_\_\_\_\_ 1. That LACERA's contract with the Independent Contractor is a bona fide independent contract under California law, such that the terms of my employment, the means and methods of my work, and supervision of the work must be controlled by the contractor, not LACERA, and that the Independent Contractor is substantial in terms of its business, history, and make up so as to demonstrate that the entity is legitimate. I will not accept non-contract work directly from LACERA.

\_\_\_\_\_ 2. That I will not receive any compensation or benefits directly from LACERA for my work on LACERA's contract with the Independent Contractor, and I will be compensated by the Independent Contractor.

\_\_\_\_\_ 3. That my work under LACERA's contract with the Independent Contractor is not intended to evade the 960 hour and other limits of California Government Code Sections 7522.56 and other applicable law, and that my work under the contract is not a continuation of my work as an employee for a participating employer in LACERA.

\_\_\_\_\_ 4. That my work under LACERA's contract with the Independent Contractor will not violate conflict of interest and ethics laws, regulations, and policies.

\_\_\_\_\_ 5. That I do not control or own the Independent Contractor, directly or indirectly, in whole or in part.

\_\_\_\_\_ 6. That, if I was under Normal Retirement Age at the time of my retirement, there was no prearranged agreement that I would become employed by the contractor to perform on a contract with LACERA.

\_\_\_\_\_ 7. That, if any of the conditions stated above are not true or if my contract work for any reason does not meet the requirements of employment for a bona fide independent contractor, it may cause reinstatement from retirement, the suspension of my LACERA retirement allowance and healthcare benefits, and collection, including offset of my LACERA benefit payments for amounts due for work in violation of the law.

I have received and read, understand, and agree to LACERA's Post Retirement Employment Policy and the above conditions of work for the Independent Contractor. The statements herein are all true and correct. I understand the consequences of violating the Policy.

\_\_\_\_\_  
Employee Signature  
Print Name \_\_\_\_\_

\_\_\_\_\_  
Date



## **POST RETIREMENT EMPLOYMENT POLICY**

### **1. PURPOSE**

The purpose of the Post Retirement Employment Policy (“Policy”) is to reaffirm and clarify the legal requirements for LACERA’s hiring of LACERA retirees (hereinafter referred to as “retired annuitants”). The goals of this Policy are to:

- Comply with relevant state and federal laws and the plan documents for the rehiring of retired annuitants while receiving a retirement benefit from LACERA; and
- To assist LACERA’s staff members with understanding the requirements for hiring retired annuitants who are looking to return to work for a limited duration.

### **2. LEGAL AUTHORITY**

This Policy is adopted pursuant to the Board of Retirement’s plenary authority over the administration of the system (Cal. Const., art. XVI sec 17) to facilitate LACERA’s compliance with County Employees Retirement Law (CERL), the Public Employees’ Pension Reform Act of 2013 (PEPRA), and IRS regulations.

### **3. SCOPE**

This Policy applies to LACERA’s hiring of LACERA retired annuitants to meet business needs in accordance with California Government Code Sections 31680.3, 7522.56 and IRS regulations.

To the extent that state or federal law provides for additional restrictions or conflicts with this Policy, the law shall prevail over this Policy.

### **4. POLICY STATEMENT**

Under Government Code Section 31680.3, retired annuitants may work up to and not exceed 960 hours per fiscal year, on a temporary basis, without affecting their retirement status or benefits. PEPRA added additional restrictions on the ability of a retiree to work for an employer in a retirement system while also collecting a pension from that system.

Pursuant to California Government Code Section 7522.56, a retired annuitant may work for LACERA on a temporary basis while continuing to receive retirement benefits if:

- LACERA determines it is necessary during an emergency to prevent stoppage of public business; or
- The retired annuitant has skills needed to perform work of limited duration.

### **5. DEFINITIONS**

**5.1 Retired annuitant**, as used in this Policy, means a LACERA retiree rehired as an at-will employee by LACERA without reinstatement from retirement. Retired annuitants do not accrue service credit or otherwise acquire any additional retirement benefits.

**5.2 Normal retirement age** for LACERA members:

Age 57 for general members of Plan A, B, C, D, or G

Age 65 for general members of Plan E

Age 55 for safety members

**6. LEGAL REQUIREMENTS FOR THE HIRING OF RETIRED ANNUITANTS**

**6.1 Work Hour Limitation (960 Hours)**

The retired annuitant may not work in excess of 960 hours in any July 1 - June 30 fiscal year. Once the 960 hours limit is reached, the retired annuitant is not permitted to receive any compensation for the remainder of the fiscal year. As a result, the hiring manager shall establish methods to control the days and hours worked by retired annuitants to ensure compliance with work limits.

**6.2 Retired Annuitant's Skills**

There should be some showing in the retiree's work history that he or she has previous experience and the skill set needed to perform the desired work.

**6.3 Retired Annuitant's Compensation**

The rate of pay for the employment of retired annuitants cannot be less than the minimum, nor exceed the maximum, paid by LACERA to staff performing comparable duties. Retired annuitants cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly rate.

**6.4 Limited Duration**

Limited duration is determined on a case-by-case basis, but it is expected to be the minimum period required to complete the work. The employment should terminate when the limited-duration work is completed. Examples of work of limited duration are work to eliminate a backlog, work on a special project, transfer to specialized knowledge and skills to permanent staff, and work that is in excess of what staff can do.

**6.5 No unemployment benefits**

The retiree cannot be appointed as a retired annuitant if he or she received unemployment insurance payments during the 12 months period prior to the temporary appointment date. The retired annuitant is required to certify, in writing, that he or she is in compliance with this requirement. As a condition of employment, the retired annuitant must sign the attached "Condition of Post Retirement Employment and Waiver" form which covers this requirement. The signed form will be maintained by Human Resources Division.

**6.6 Waiting Period for Post-Retirement Employment**

On January 1, 2013, PEPRA became effective and established the following waiting period pertaining to the hiring of retired annuitants on a temporary basis. Retired annuitants must wait 180 days from their date of retirement before returning to work at LACERA on a

temporary basis except if it is necessary to fill a critically needed position and the hiring has been approved by the Board of Retirement in an open meeting.

Internal Revenue Service (IRS) regulations require a “bona fide” break in service after retirement before rehire. If the retired annuitant is under the “Normal Retirement Age”, a 90 day waiting period applies to the members who fall within the exception in the previous paragraph. This is a federal tax law requirement that must be met in addition to the PEPRA requirement.

### **6.7 No Prearranged Agreement**

LACERA members who retire before reaching Normal Retirement Age cannot have a prearranged agreement, either orally or in writing, before commencing retirement to return to work at LACERA in a position previously held prior to retirement or any other position. In addition, LACERA cannot hire a retired annuitant as a contract employee.

## **7. ADMINISTRATIVE PROCESS TO MONITOR AND TRACK RETIRED ANNITANTS**

### **7.1 Requests**

Managers are required to submit requests to hire retired annuitants to a 960 hour temporary assignment using the attached form *Request for Employment of Retiree to a 960 Hour Temporary Assignment* (the “Request”). The Request must include a description of the project, an explanation as to why the work cannot be performed by a current staff member, the retired annuitants’ skills and abilities and a description of the plan to complete the retiree’s work or transition it to a current staff member, and the expected limited duration of the work.

### **7.2 Approvals**

Prior to offering temporary employment, the Requests require approvals by the Division Manager, Assistant Executive Officer, Human Resources Director and the Chief Executive Officer. No approvals will be granted for a period in excess of one year. All requests are subject to renewal and re-approval every fiscal year.

### **7.3 Monitoring**

The Human Resources Division is responsible for monitoring and tracking compliance with the requirements as set forth in this Policy.

## **8. EFFECTIVE DATE**

This Policy is effective on the day adopted by the Board of Retirement.

**8.1 Current Status**

Original Effective Date:

Last Updated:

Responsible Manager: Director of Human Resources

Mandatory Review: Every Three Years

## REQUEST FOR EMPLOYMENT OF RETIREE TO A 960 HOUR TEMPORARY ASSIGNMENT

RETIREE NAME:	EMPLOYEE NUMBER:
DIVISION:	SECTION:
PAYROLL TITLE:	ASSIGNED SUPERVISOR:
START DATE OF ASSIGNMENT:	END DATE OF ASSIGNMENT:
ESTIMATED HOURS:	
<b><i>Attach additional pages for each section below, as necessary</i></b>	
DESCRIPTION OF PROJECT & EXPLANATION OF WHY WORK CANNOT/SHOULD NOT BE PERFORMED BY A PERMANENT STAFF MEMBER:	
RETIREE'S APPLICABLE KNOWLEDGE, SKILLS AND ABILITIES:	
DESCRIPTION OF TRANSITION PLAN:	

### REQUIRED APPROVALS

DIVISION MANAGER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
ASSISTANT EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
HUMAN RESOURCES DIRECTOR	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
CHIEF EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED

**FOR HR USE ONLY:**

HR STAFF REVIEW:	DATE PROCESSED:
DATE REVIEWED:	DIVISION NOTIFIED:
DATE OF RETIREMENT:	CALCULATED CALENDAR DAYS:
REMARKS:	





August 8, 2022

TO: 2022 Audit Committee  
Gina V. Sanchez, Chair  
Joseph Kelly, Vice Chair  
Patrick L. Jones, Secretary  
Alan J. Bernstein  
Keith Knox  
Wayne Moore  
Herman B. Santos

Audit Committee Consultant  
Robert Griffin

FROM: Nathan Amick   
Senior Internal Auditor

FOR: August 18, 2022 Audit Committee Meeting

SUBJECT: **Audit of LACERA's Rehired Retiree Program**

### **RECOMMENDATION**

In accordance with your current Audit Committee Charter, staff recommends that the Audit Committee review and discuss the following engagement report to take the following action(s):

1. Accept and file report,
2. Instruct staff to forward report to Boards or Committees,
3. Make recommendations to the Boards or Committees regarding actions as may be required based on audit findings, and/or
4. Provide further instruction to staff.

### **ENGAGEMENT REPORT**

- a. Audit of LACERA's Rehired Retiree Program  
Nathan K. Amick, Senior Internal Auditor  
(Report Issued: August 8, 2022)

NKA

Attachment

Noted and Reviewed:



Richard P. Bendall  
Chief Audit Executive

**ATTACHMENT C**



**INTERNAL AUDIT DIVISION**

**Audit of LACERA's Rehired Retiree Program  
Project No. 2022-28B**

August 8, 2022

**Audit Performed By:**  
Nathan Amick, Senior Internal Auditor

## AUDIT REPORT

<b>Audit Name:</b>	Audit of LACERA's Rehired Retiree Program
<b>Responsible Division:</b>	Human Resources
<b>Audit Rating*:</b>	Unsatisfactory
<b>Prior Audit Rating*:</b>	None
<b>Prior Report Date:</b>	None

### BACKGROUND

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The state of California's County Employees Retirement Law (CERL) provides that if the County believes its retirees possess special skills or knowledge, the County has the option to employ those retirees as "Rehired Retirees." The statute limits the rehired retirees to working no more than 960 hours in a fiscal year. CERL also requires all rehired retirees to observe the California Public Employees' Pension Reform Act (PEPRA) continuous 180-day break in service requirement prior to returning as a rehired retiree.

In addition to the PEPRA's 180-day break in service requirement, the Internal Revenue Service (IRS) regulations require a "bona fide" (90-day) break in service after retirement if the retiree is under the "normal retirement age" before the retiree can be rehired. At LACERA, normal retirement ages range from age 55 to 65 depending on the retirement plan.

In the past, LACERA's Internal Audit Division (Internal Audit) audited compliance with the above requirements as part of the countywide "Rehired Retiree Audit." This audit tested 100% of rehired retirees throughout the County. In November 2020, LACERA's Board of Retirement adopted LACERA's "Post Retirement Employment Policy" (Policy). As such, Internal Audit has performed this audit specific to LACERA's rehired retiree Policy. Internal Audit will continue to perform the countywide audit of rehired retirees annually and report on that audit separately.

### AUDIT OBJECTIVE & SCOPE

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We developed the following objectives for our review of LACERA's rehired retiree program:

1. Assess organizational compliance to LACERA's "Post Retirement Employment Policy."
2. Assess Human Resources (HR) compliance to their divisional procedures, "Policies and Procedures Guide (PPG) 102, 120-Day or 960 hours Retiree Rehire Procedures".

The scope of this engagement covered the Fiscal Year 2020-2021 and the four retirees that LACERA hired during that period.

### AUDIT RATING & SUMMARY OF FINDINGS

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We rated this audit unsatisfactory, as we found material non-compliance with LACERA's Board Policy, HR procedures and the associated laws governing the rehiring of retirees. Specifically, we noted non-compliance with many elements of the Policy and procedures, including one retiree who exceeded the 960-hour limit. We also noted the need for the Policy to be more prescriptive regarding limited duration.

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\* See Appendix 1 for Audit Rating

<b>Finding #</b>	<b>Page</b>	<b>Description of Finding</b>	<b>Risk Rating**</b>
F1	4	Lack of Ensuring Compliance in the Administration of The Rehired Retiree Program	High
F2	6	Noncompliance With 960-Hour Limit Requirement	High
F3	8	Lack of Specific Limits in Defining Limited Duration	High

Each of the above Findings are detailed in the following pages, including our Recommendations and Management Action Plans.

We would like to thank Human Resources staff and management for their cooperation with this audit.

**REVIEWED AND APPROVED**



**Date:** August 8, 2022

Richard Bendall  
 Chief Audit Executive

**REPORT DISTRIBUTION**

2022 Audit Committee	Santos H. Kreimann, CEO	Carly Ntoya, Director of Human Resources
Luis A. Lugo, DCEO	Laura Guglielmo, AEO	J.J. Popowich, AEO
Steven P. Rice, Chief Legal Counsel	Internal Audit Group	Robert H. Griffin, Audit Committee Consultant

\*\* See Appendix 2 for Finding's Risk Rating

## FINDING # 1

Lack of Ensuring Compliance in the Administration of The Rehired Retiree Program	<b>Risk Rating**</b>
	High

## OBSERVATION

LACERA's "Post Employment Retirement Policy" (Policy) charges the Human Resources Division (HR) with the responsibility for administering and monitoring compliance with the rehired retiree program at LACERA. Section 7.3, titled "Monitoring" states, "The Human Resources Division is responsible for monitoring and tracking compliance with the requirements as set forth in this Policy."

To aid in their administration of the program, HR developed their "120 Day or 960 Hours Retiree Rehire Procedures" (HR Procedure). The HR Procedure requires that management complete a "Request for Employment of Retiree 960 Hour Temporary Assignment," (960 Request Form) which is the initiating, and the final approval form for the rehiring of a retiree. HR and the Executive Office Management must review and approve the 960 Request Form with signature and date. The HR Procedures require nine supporting documents along with the approved 960 Request Form that should be included in the personnel file. Examples include the Oath Card, Duty Statement and Offer Letter.

In reviewing the documentation supporting the four LACERA rehired retirees for the Fiscal Year 2020-21, we determined lack of compliance with the Policy and HR Procedures. Specifically, we noted the following exceptions:

1. Four 960 Request Forms contained multiple missing required signature approvals, approval dates, or approvals were obtained up to 10 months following the start of the rehired retiree's employment.
2. Four 960 Request Forms were missing detailed clear descriptions of the project and explanation of why work cannot/should not be performed by permanent staff.
3. Four 960 Request Forms were missing clear and well-defined transition plans from the retirees to permanent staff.
4. Two retirees worked past the end dates indicated on their 960 Request Form.
5. For all four rehired retirees, HR did not obtain the required Oath Card, Duty Statement and Offer Letter, as required by the procedures.
6. For two rehired retirees HR did not obtain I-9 forms.

## RISK

Noncompliance with policies and procedures, which are a good operational governance practice, renders them ineffective as a control to ensure compliance with laws and protect LACERA's qualified plan tax status.

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\*\* See Appendix 2 for Finding's Risk Rating

### **RECOMMENDATION #1**

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1. LACERA's Executive Office and HR should meet and confer around the expectations for compliance with the Post Employment Rehired Retiree Policy. HR should then revise their procedure accordingly.
2. HR Management ensure 960 Request Forms are completed and approved by the Executive Office, and all required documentation is obtained each fiscal year prior to the rehired retiree beginning work.
3. HR Management to ensure that missing documentations identified in this audit are obtained for the rehired retirees that worked in FY 2020-2021.

### **MANAGEMENT'S RESPONSE**

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The management team recognizes the importance of keeping accurate records to ensure compliance with the established policy, demonstrate our commitment to regulatory compliance, and preserve our tax qualification status.

We also acknowledge that during the pandemic, as we transitioned to a fully functional remote workforce, we experienced some difficulty in getting documents signed. During the early months through the middle of the height of the pandemic our electronic signature capabilities were not fully setup and working as expected. Additionally, we could not print out and sign documents physically while working remotely. In one case, the Executive Office signed off on the plan to bring a retiree back electronically. Proof of this was provided post audit (which is an indicator better record keeping is needed). A second request was signed by appropriate staff approximately a month or so after the retiree returned. Verbal approval was given for the returning retiree until we could complete paperwork and bring that employee back.

In regard to the justification and transition plan documentation, we believe each of these memos were presented with valid justifications. Transition plans were clearly available for three of the four applications reviewed.

However, management agrees that there is always room for improvement in both timing and documentation. In collaboration with Human Resources, we will take the following steps:

- a. Collaborate on an educational and informational program to be delivered to the MAC and SAC teams on an annual basis to review the policy, procedures, and to stress the importance of adherence to the policy.
- b. Review our procedures and make adjustments to ensure that we have set 'standards' for justification and transition plans, and how they are to be submitted and reviewed.
- c. The management team believes flexibility is required in determining the timing of bringing back rehired retirees. As such, we will review the policy and procedures and propose adjustments to allow for a process to bring back a retiree during a fiscal year and outline what mid-year or end of year adjustments must be made to support the need.
- d. Management and HR will work to document the actions taken during this review period.

### **TARGET COMPLETION DATE**

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September 30, 2022

**FINDING # 2**

Noncompliance With 960-Hour Limit Requirement	<b>Risk Rating**</b> High
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**OBSERVATION**

Section 6.1 of LACERA's "Post Employment Policy," titled, "Work Hour Limitation (960 Hours)" states, "The retired annuitant may not work in excess of 960 hours in any July 1 - June 30 fiscal year. Once the 960 hours limit is reached, the retired annuitant is not permitted to receive any compensation for the remainder of the fiscal year. As a result, the hiring manager shall establish methods to control the days and hours worked by retired annuitants to ensure compliance with work limits."

Our test work identified one rehired retiree who worked 1,019 hours, an excess of 59 hours in Fiscal Year Ended June 30, 2021. The hiring division was controlling for the 960-hour limit but an error in their tracking of the retiree's hours resulted in the overage. As soon as the overage was detected, the retiree ceased working for the remainder of the Fiscal Year.

We also noted that the LACERA Policy and/or the HR Procedure do not address the action LACERA must take to remedy such overages nor does LACERA take any action to address 960-hour overages. The HR Procedure does state, "LACERA may suspend the retiree's retirement and/or healthcare benefits if found in violation of the work time," however, no process has been established at LACERA to address this.

**RISK**

Failure to adhere to the 960 hours per fiscal year limit is not only a violation of the State law governing retirement benefits, but it may also jeopardize the qualified tax-deferred status of the County's retirement system under federal tax law and create significant adverse tax consequences for all active and retired County employees.

**RECOMMENDATION #2**

1. HR Management should coordinate and communicate with division managers, prior to and periodically during the year, to ensure compliance with the 960-hour limit.
2. LACERA Executive Management should develop a process to remedy any overages due to payments for hours in excess of 960 hours.

**MANAGEMENT'S RESPONSE**

Regarding recommendation 2-1, Management agrees we need to do everything we can to adhere to the regulations and prevent to the best of our ability any instances of overages. With this in mind the following action steps will be or have been taken:

- a) Human Resources has already begun providing division managers with a monthly report beginning in January of each FY so they can track the hours assigned to the rehired retiree more closely.

\*\* See Appendix 2 for Finding's Risk Rating

- b) Will work to remind the MAC and SAC team of the importance of reviewing these reports immediately upon receipt and managing the remaining time in such a manner that overages are not allowed.

Regarding recommendation 2-2, LACERA management recognizes we have an obligation to pay each employee for the work they perform. This includes any accidental overages beyond the 960 limits should they occur. In collaboration with Human Resources, we will review what steps we can take in the event an employee exceeds their approved hours, including disciplinary, and loss of eligibility to return in the future if needed.

However, the Executive Office believes that recommendation 2-2 is not specific to LACERA as an employer, but rather a recommendation for LACERA the system to develop a policy and process to address overages, regardless of the employer. With this in mind, the Process Management Group (PMG) will be assigned a task to develop a 960 Day Overage Policy. PMG will work with the Executive Office, Legal, and outside Tax Counsel to develop a policy that will allow us to remain compliant with CERL and IRS regulations. This will include a component to require the employers to provide us with payroll records for all 960-Hour employees so that we can track it and enforce whatever the policy may require. This will be a multi-phase project. Phase I will be development of the policy. Phase II will be discussion and planning with the employers, and Phase III will be implementation/ongoing maintenance. The target date below is for Phase I alone.

#### **TARGET COMPLETION DATE**

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Phase I: December 31, 2022

Phase II: TBD

Phase III: TBD

### FINDING # 3

Lack of specific limits in defining limited duration	<b>Risk Rating**</b>
	High

### OBSERVATION

LACERA'S Policy section "Legal Requirements for the Hiring of Retiree," section 6.4 titled "Limited Duration" states: "Limited duration is based on a cases-by case basis, but it is expected to be the minimum period required to complete the work. The employment should terminate when the limited-duration work is completed."

Furthermore, LACERA's Policy, section 7.1 titled "Requests," states "Managers are required to submit requests to hire retired annuitants to a 960-hour temporary assignment using the attached form Request for Employment of Retiree to a 960 Hour Temporary Assignment (the "Request"). The Request must include a description of the project, an explanation as to why the work cannot be performed by a current staff member, the retired annuitants' skills and abilities and a description of the plan to complete the retiree's work or transition it to a current staff member, and the expected limited duration of the work."

As indicated above, LACERA's policy does not define specific limitations around limited duration but rather takes more of a principled approach. We found from our limited survey of other funds that this is not unusual among peer 37 Act and other public pension systems in California. However, we found two systems, San Bernadino CERA<sup>1</sup> and Sacramento CERS<sup>2</sup>, whose policies were more prescriptive by including specific limits related to duration.

A recent audit<sup>3</sup> by CALPERS' Internal Audit team uncovered substantial non-compliance in the plan sponsors' reporting of rehired retirees to CALPERS. The audit also disclosed rehired retirees that exceeded what might reasonably be considered limited duration in the number of years worked as a retiree. An article in the *Sacramento Bee*<sup>4</sup> highlights this audit and the resulting "double dipping." CALPERS is currently proposing a much more prescriptive policy<sup>5</sup> which includes specific limits regarding limited duration.

We found that one retiree at LACERA has worked as a rehired retiree for 15 years and has done so since retiring as the Division Manager of the Division for which the retiree is now working.

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\*\* See Appendix 2 for Finding's Risk Rating

<sup>1</sup> San Bernadino County Employees Retirement Association. (2014). *Policy 015 - Retirees Returning to Work*.

<sup>2</sup> Sacramento County Employees Retirement System. (2020). *Policy 011 – Post-Retirement Employment Policy*.

<sup>3</sup> *Review of Broadmoor Police Protection District*. CalPERS Office of Audit Services. Dec. 2021, [https://www.broadmoorpolice.com/wp-content/uploads/2021/12/calpers\\_audit\\_2021.pdf](https://www.broadmoorpolice.com/wp-content/uploads/2021/12/calpers_audit_2021.pdf). Accessed 7 Jun. 2022.

<sup>4</sup> Ryan Frost. "Re: CalPERS Audit Finds History of Pension Spiking in Broadmoor Police Department." *Reason Foundation*, 30 Dec. 2021, <https://reason.org/commentary/calpers-audit-finds-history-of-fraud-and-pension-spiking-in-broadmoor-police-department/>. Accessed 7 Jun. 2022.

<sup>5</sup> Proposed Adoption of Section 574.1 of Article 4 of Subchapter 1 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations. California Public Employees' Retirement System. Dec. 2021, [https://www.calpers.ca.gov/docs/board-agendas/202204/pension/item-6a-attach\\_a.pdf](https://www.calpers.ca.gov/docs/board-agendas/202204/pension/item-6a-attach_a.pdf). Accessed 7 Jun. 2022.

Although in the 15<sup>th</sup> year of services as a rehired retiree, the 960 Request Form for Fiscal Year 2020-2021 did not include a transition plan to permanent staff, but rather, included language indicating the critical nature of the projects and how critical this retiree is to the success of the program.

### **RISK**

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This exposes LACERA to headline risk regarding the lack of compliance with the laws around the rehiring of retirees and may give the appearance of allowing "double dipping." It also highlights a lack of succession planning and demonstrates continued reliance on the rehired retiree to avert an implied significant risk of business disruption in their absence.

### **RECOMMENDATION #3**

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1. LACERA Executive Management should develop a more prescriptive policy around the rehiring of retirees which includes specific limits around the matter of limited duration.
2. LACERA Executive Management should develop an expedited plan to transition from the retiree to permanent staff and report that plan to the Board of Retirement.

### **MANAGEMENT'S RESPONSE**

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Management agrees in general that retired staff members should be brought back for a limited duration to remain in compliance with regulations. However, management also believes that CERL is flexible enough to support, with justification, bringing back a retired staff member on a cyclical basis as needed.

For example, LACERA has a cyclical spike in demand for Member Operations Group staff members in Benefits and Member Services during the March Madness season. Management reserves the right to evaluate business needs and make a determination whether it is more economical and efficient to bring back retired staff, or hire additional permanent staff that would not be needed during the "off retirement season."

Therefore, we feel the previous responses provide sufficient recommendations that will cover the requirement for a transition plan, when applicable.

### **TARGET COMPLETION DATE**

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December 31, 2022

## APPENDIX 1 AUDIT RATING SCALE

Internal Audit issues three standard audit report evaluations as defined below:

### **Satisfactory**

The control environment is acceptable with minor issues having been identified. The overall environment contains sufficient internal controls to address key risks, and business practices generally comply with Company policies. Corrective action should be implemented to address any weaknesses identified during the audit in order to maintain or enhance the control environment.

### **Opportunities for Improvement**

The control environment has opportunities for improvement with significant issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks. Prompt corrective action should be implemented to address the weaknesses and strengthen the control environment.

### **Unsatisfactory**

The control environment is unacceptable with critical issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks and the impact may be substantial in size or nature or their effect cannot be quantified. Immediate corrective action should be implemented to address the weaknesses and strengthen the control environment.

**APPENDIX 2**  
**FINDING'S RISK RATING SCALE**

Findings identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance, or reputational impact that the issue identified could have on LACERA.

<b>Rating</b>	<b>Financial</b>	<b>Internal Controls</b>	<b>Compliance</b>	<b>Reputational</b>	<b>Executive Management</b>
<b>High</b>	<p>Large financial impact to LACERA or members</p> <p>Actions not aligned with fiduciary responsibilities</p>	<p>Missing or inadequate key internal controls</p> <p>Not adequate to identify fraud, noncompliance or misappropriation</p>	<p>Noncompliance with applicable Federal or state laws or LACERA's policies</p>	<p>High probability for external audit issues and/or negative public perception</p>	<p>Important critical business process identified by Exec Office</p> <p>Requires immediate attention</p>
<b>Medium</b>	<p>Moderate financial risk to LACERA or members</p> <p>Actions could be better aligned with fiduciary responsibilities</p>	<p>Partial key internal controls</p> <p>Not adequate to identify noncompliance or misappropriation in timely manner</p>	<p>Inconsistent compliance with applicable Federal or state laws or LACERA's policies</p>	<p>Potential for external audit issues and/or negative public perception</p>	<p>Relatively important</p> <p>May or may not require immediate attention</p>
<b>Low</b>	<p>Low financial impact to LACERA or members</p>	<p>Internal controls in place but not consistently efficient/effective</p> <p>Implementing / enhancing controls could prevent future problems</p>	<p>General compliance with applicable Federal or state laws or LACERA's policies, but some minor discrepancies exist</p>	<p>Low probability for external audit issues and/or negative public perception</p>	<p>Lower significance</p> <p>Does not require immediate attention</p>



November 7, 2022

TO: 2022 Audit Committee  
Gina V. Sanchez, Chair  
Joseph Kelly, Vice Chair  
Patrick L. Jones, Secretary  
Alan J. Bernstein  
Keith Knox  
Wayne Moore  
Herman B. Santos

Audit Committee Consultant  
Robert H. Griffin

FROM: George Lunde *GL*  
Senior Internal Auditor

FOR: November 17, 2022 Audit Committee Meeting

SUBJECT: **Los Angeles County's Compliance with Requirements for Rehired Retirees –  
Fiscal Year Ended June 30, 2021**

### RECOMMENDATION

In accordance with your current Audit Committee Charter, staff recommends that the Audit Committee review and discuss the following engagement report to take the following action(s):

1. Accept and file report,
2. Instruct staff to forward report to Boards or Committees,
3. Make recommendations to the Boards or Committees regarding actions as may be required based on audit findings, and/or
4. Provide further instruction to staff.

### ENGAGEMENT REPORT

- a. **Los Angeles County's Compliance with Requirements for Rehired Retirees –  
Fiscal Year Ended June 30, 2021**  
George Lunde, Senior Internal Auditor  
(Report Issued: November 4, 2022)

Attachment

GL

Noted and Reviewed:

Richard P. Bendall  
Chief Audit Executive

**ATTACHMENT D**



**INTERNAL AUDIT DIVISION**

**Los Angeles County's Compliance with  
Requirements for Rehired Retirees –  
Fiscal Year Ended June 30, 2021**

November 4, 2022

**REVIEW PERFORMED BY:**  
George Lunde, Senior Internal Auditor

## AUDIT REPORT

<b>Audit Name:</b>	Los Angeles County's Compliance with Requirements for Rehired Retirees
<b>Responsible Division:</b>	Executive Office
<b>Audit Rating*:</b>	Unsatisfactory
<b>Prior Audit Rating*:</b>	N/A
<b>Prior Report Date:</b>	N/A

### BACKGROUND

As part of our Audit Plan, we conducted an audit of Los Angeles County's (County) compliance with requirements for hiring County retirees for fiscal year ended June 30, 2021. We perform this audit annually as failure to adhere to the regulations and requirements not only violates the state law governing retirement benefits, but it could also jeopardize the qualified tax deferred status of LACERA under federal tax law.

The State of California's County Employees Retirement Law (CERL) and Public Employees' Pension Reform Act of 2013 (PEPRA) provides that if the County believes its retirees possess special skills or knowledge, the County has the option to employ those retirees as "Rehired Retirees." Under Government Code Section 31680.3 of CERL, rehired retirees may work up to 960 hours per fiscal year, on a temporary basis, without affecting their retirement status or benefits.

In addition, Internal Revenue Service (IRS) regulations require a "bona fide" break in service after retirement if the retiree is under the "normal retirement age," before the retiree can be rehired. To comply with the IRS regulation, LACERA's Board of Retirement adopted a resolution in 2006 stating that a member under the "normal retirement age" may not return to temporary County service within 90 days of his or her retirement date. All rehired retirees under their "normal retirement age" must comply with at least the 90-day break in service requirement, as well as the requirements of PEPRA.

"Normal retirement age", as defined by LACERA's Board of Retirement, is as follows:

- Age 57 for general members of Plan A, B, C, D, or G
- Age 65 for general members of Plan E
- Age 55 for safety members

In addition to IRS requirements, the California Public Employees' Pension Reform Act of 2013 (PEPRA) added additional restrictions for Rehired Retirees under "the normal age of retirement". The PEPRA regulations reinforced the 960-hour limit and added its own break in service requirement of 180 continuous days before allowing for rehire. PEPRA does allow the following two exceptions to the 180-day requirement:

- If the employer can certify it is necessary to fill a critically needed position and the hiring has been approved by the Board of Supervisors (or the Board of Retirement, for LACERA positions) in an open meeting
- If the retiree is a public safety officer or firefighter

Those who are eligible for the PEPRA 180-day break-in-service exceptions still must comply with the IRS's "bona fide" break-in-service of 90 days. In the event of a conflict between the CERL and PEPRA provisions, PEPRA's requirements generally take precedence over CERL.

PEPRA section 7522.56 (c) emphasizes that the work is to be of a limited duration. It provides that appointing employers may rehire retirees either during an emergency to prevent stoppage of public business or because the rehired person has skills needed to perform work of limited duration.

On March 4, 2020, the Governor of California declared a statewide emergency due to the COVID-19 pandemic. He issued Executive Order N-25-20 on March 12, 2020, to enhance California's ability to respond to COVID-19 by suspending certain reinstatement and work hour limitations under California Public Employees' Pension Reform Act (PEPRA). Subsequently, he issued Executive Order N-35-20 on March 21, 2020, to extend the suspension of these limitations to local governments.

On March 30, 2020, the County Chief Executive Officer (CEO) issued a notification to Department Heads that the Governor's declarations superseded applicable portions of Countywide Policy, Procedure, and Guideline (PPG) 505 "Reinstatement of Retirees to a 120-Day Temporary Assignment."

Effective March 12, 2020 as a result of, both the State Executive Orders and the related County notification, the following compliance requirements were suspended for those rehired retirees working on job assignments directly related combating the Covid-19 pandemic:

- Limitation of 960 hours per fiscal year
- 90-day IRS break in service requirements
- 180-day PEPRA break in service requirements

This suspension of compliance requirements remained in place through the end of our testing year of fiscal year ended June 30, 2021.

### **AUDIT OBJECTIVE & SCOPE**

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For Fiscal Year Ended June 30, 2021, LACERA Internal Audit received payroll detail from the County Auditor-Controller identifying 408 retirees who worked as rehired retirees during that Fiscal Year.

We tested all 408 (100%) for compliance with:

- CERL's 960-hour requirement, hours worked did not exceed 960 hours for the Fiscal Year except where the Rehired Retiree's time was coded as COVID-19 related work,
- IRS' "bona fide" break-in-service requirement, defined as 90 days by LACERA's Board of Retirement, except where the Rehired Retiree's assignment was coded as COVID-19 related work, and

- PEPRA's 180-day break in service requirement, except where the Rehired Retiree's assignment was coded as COVID-19 related work.

Additionally, to test the PEPRA requirement of "limited duration," we stratified all 408 retirees, based on continuous years worked. We used the data that we have accumulated over the last 9 years, to perform this compliance test.

### AUDIT RATING & SUMMARY OF FINDINGS

In our opinion, the current effectiveness of the key controls applicable to the audit scope are **Unsatisfactory**.

#### Summary of Findings

Finding#	Page	Description of Finding	Risk Rating**
F1	5	Spike in the number of rehired retirees Exceeding 960-Hour Limit	High
F2	7	Lack of adherence to PEPRA's "limited duration" language	High

Each of the above Findings are detailed in the following pages, including our Recommendations and Management Action Plans.

We noted no issues of noncompliance with regards to the PEPRA 180-day break-in-service requirements, or the IRS 90-day break-service requirement.

#### REVIEWED AND APPROVED



Richard P. Bendall  
Chief Audit Executive

Date: November 4, 2022

\*\* See Appendix 2 for Finding's Risk Rating

**REPORT DISTRIBUTION**

2022 Audit Committee	Santos H. Kreimann, CEO	Steven P. Rice, Chief Legal Counsel
2022 Plante Moran Audit Team	Luis A. Lugo, DCEO	
Robert Griffin, Audit Committee Consultant	JJ Popowich, AEO	
Internal Audit Group	Laura Guglielmo, AEO	

**FINDING #1**

Spike in the number of Rehired Retirees Exceeding 960-Hour Limit	<b>Risk Rating**</b>
	High

**OBSERVATION**

As indicated in the table below, our testing noted a spike in the number of rehired retirees who exceeded the 960-hour limit relative to prior years. Internal Audit reported all 10 exceptions noted to the Benefits and Employee Relations Division of the County’s CEO office.

Fiscal Year Ended June 30	Rehired Retirees	Noncompliant Rehired Retirees	Noncompliance as a Percentage	Total Overage Hours	Average Hours Over
2021	408	10	2.4%	1778	177
2020	500	1	<1.0%	414	414
2019	482	5	1.0%	47	9.4
2018	476	6	1.3%	145	24

We noted that of the 10 exceptions,

- Two were each over the limit by 703 and 917 hours, respectively
- One was over the limit by 76 hours
- The remaining seven were each over the limit by less than 50 hours

There were 14 other rehired retirees that exceeded 960 hours but for each of them we verified that they had the appropriate documentation to support a COVID-19 exemption. It is possible, due to this unusual spike in retirees exceeding the limit, that their departments intended for some of these 10 audit exceptions to be classified as COVID-19 exceptions, but their departments did not comply with the steps to ensure they were classified appropriately.

Internal Audit reported all 10 exceptions noted to the Benefits and Employee Relations Division of the County’s CEO office.

Based on discussions with other peer pension systems, plan sponsors are required to report to the plan the rehired retirees’ worked hours as part of payroll. This allows the plan to warn the rehired retiree when they approach the limit and also, to either terminate retirement benefits or require repayment to prevent “double-dipping.”

**RISK**

Failure to adhere to the 960-hour limit is a violation CERL Section 31680.3, LA County PPG 505, the IRS and PEPRA. Non-compliance with CERL, IRS regulations and/or PEPRA could risk LACERA’s qualified plan status.

**RECOMMENDATION**

1. We recommend LACERA’s CEO formally request the County CEO in conjunction with the County Director of Human Resources and Auditor-Controller to prepare a corrective action plan that consolidates and actively monitors the rehired retiree (960-hour limit) reporting requirements for all County departments.

2. We recommend LACERA's Executive Office, Systems, and Benefits work with the County's CEO Office and Auditor-Controller to establish an automated feed of rehired retirees' hours as part of payroll data.
3. We recommend LACERA's Executive Office, Legal Office, and Benefits develop a policy and procedure to address both preventing overages and taking the required action on the retirement payroll of retirees that exceed the 960-hour limit.

### **MANAGEMENT'S RESPONSE**

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LACERA management supports the outlined recommendation(s) in working with the County's CEO office, Auditor Controller, and County Human Resource department to determine if we're able to obtain (preferable in an automated fashion) Rehired Retirees' hours to ensure compliance against the 960-hour limit.

In terms of actionable steps, management will set-up a meeting with County CEO, Auditor Controller, and Human Resources to explore data feed options. The County is currently in the process of a "black-out" year-end system maintenance and will not take on new data projects until mid-January 2023, as described by the Auditor Controller Division Chief. We're not able to provide an exact timeframe for when this recommendation will be implemented, since it's predicated on the County's bandwidth and willingness to provide data. We commit to engaging the County in January 2023 and providing an update by March 30, 2023.

After conferring with the County and assessing the extent of their ability to track employee time, LACERA will develop and implement a policy and set of procedures to include the normal process as well the consequences and remediation needed to ensure compliance with CERL, PEPRA and the IRS requirements.

### **TARGET COMPLETION DATE**

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To Be Determined (Update will be provided March 30, 2023).

**FINDING #2**

Lack of adherence to PEPRA’s “limited duration” language	<b>Risk Rating**</b>
	High

**OBSERVATION**

Based on available data Internal Audit received, we stratified the rehired retiree population based on continuous years worked. The following table breaks out the 408 rehired retirees by the number of consecutive years worked and identifies the average hours worked by RRs up to the most recent four years (less for those with under 4 consecutive years).

Consecutive Years RRs Worked Through FYE 2021	RR Count	Most Recent 4 Year Averaged Hours (per) RR (per) Year
1	46	131
2	71	274
3	50	449
4	43	626
5	39	606
6	40	689
7	37	693
8	19	614
9+	63	729

Of the 408 current rehired retirees (RRs), 63 (15%) have worked consecutively as rehired retirees for nine or more years, averaging 729 hours per year, per rehired retiree, over the past four years.

This situation violates PEPRA section 7522.56 (c) where it states, “A person who retires from a public employer may serve without reinstatement from retirement or loss or interruption of benefits provided by the retirement system upon appointment by the appointing power of a public employer either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited duration.”

LACERA, as benefit trust fund administrator, could proceed with recovery of trust funds for benefits paid during the period of excessive, unlawful work duration.

**RISK**

The above chart highlights a situation which could potentially lead to headline risk regarding the lack of compliance with the PEPRA laws around rehired retirees and gives the appearance of allowing “double dipping.” It also highlights a continued reliance on the rehired retiree to avert an implied risk of business disruption in their absence.

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\*\* See Appendix 2 for Finding’s Risk Rating

## **RECOMMENDATION**

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4. We recommend LACERA's Executive Office and Legal Office work with the Board of Retirement to determine a more defined "bright-line" definition of limited duration to ensure compliance with PEPRA and provide for recovery of benefits paid during periods worked in violation of PEPRA law.

## **MANAGEMENT'S RESPONSE**

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LACERA management supports the outlined recommendation in working with the Legal Office and Board of Retirement, with appropriate consultation with other stakeholders, to develop a communication and enforcement policy and procedures, including a "bright-line" definition of limited duration to ensure compliance with PEPRA and provide for steps to be taken in the case of violation, while recognizing the need for flexibility within statutorily permissible guardrails. Such a policy and procedures are in the interest of LACERA in its role in enforcing PEPRA. They are also in the interest of retirees to avoid unintended effects on their pension. Finally, they are in the interest of the County and other participating employers in ensuring that their workforce utilization complies with PEPRA.

After conferring with internal and external stakeholders to evaluate the circumstances that may require use of returning retirees and the range of duration of such use, LACERA will develop and implement a policy and set of procedures to include the normal process as well the consequences and remediation needed to ensure compliance with PEPRA, as well as CERL and IRS requirements. Actionable steps and timeline will include the development of a policy and procedures for presentation to the Operations Oversight Committee and Board of Retirement by June 30, 2023.

This work will be coordinated for consistency with development of a policy and procedures to guide LACERA in managing its own use of returning retirees to comply with the limited duration requirement.

## **TARGET COMPLETION DATE**

---

June 30, 2023

## **APPENDIX 1 AUDIT RATING SCALE**

Internal Audit issues three standard audit report evaluations as defined below:

### **Satisfactory**

The control environment is acceptable with minor issues having been identified. The overall environment contains sufficient internal controls to address key risks, and business practices generally comply with Company policies. Corrective action should be implemented to address any weaknesses identified during the audit in order to maintain or enhance the control environment.

### **Opportunities for Improvement**

The control environment has opportunities for improvement with significant issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks. Prompt corrective action should be implemented to address the weaknesses and strengthen the control environment.

### **Unsatisfactory**

The control environment is unacceptable with critical issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks and the impact may be substantial in size or nature or their effect cannot be quantified. Immediate corrective action should be implemented to address the weaknesses and strengthen the control environment.

**APPENDIX 2  
 FINDING'S RISK RATING SCALE**

Findings identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance, or reputational impact that the issue identified could have on LACERA.

<b>Rating</b>	<b>Financial</b>	<b>Internal Controls</b>	<b>Compliance</b>	<b>Reputational</b>	<b>Executive Management</b>
<b>High</b>	<p>Large financial impact to LACERA or members</p> <p>Actions not aligned with fiduciary responsibilities</p>	<p>Missing or inadequate key internal controls</p> <p>Not adequate to identify fraud, noncompliance or misappropriation</p>	<p>Non-compliance with applicable Federal or state laws or LACERA's policies</p>	<p>High probability for external audit issues and/or negative public perception</p>	<p>Important critical business process identified by Exec Office</p> <p>Requires immediate attention</p>
<b>Medium</b>	<p>Moderate financial risk to LACERA or members</p> <p>Actions could be better aligned with fiduciary responsibilities</p>	<p>Partial key internal controls</p> <p>Not adequate to identify noncompliance or misappropriation in timely manner</p>	<p>Inconsistent compliance with applicable Federal or state laws or LACERA's policies</p>	<p>Potential for external audit issues and/or negative public perception</p>	<p>Relatively important</p> <p>May or may not require immediate attention</p>
<b>Low</b>	<p>Low financial impact to LACERA or members</p>	<p>Internal controls in place but not consistently efficient/effective</p> <p>Implementing / enhancing controls could prevent future problems</p>	<p>General compliance with applicable Federal or state laws or LACERA's policies, but some minor discrepancies exist</p>	<p>Low probability for external audit issues and/or negative public perception</p>	<p>Lower significance</p> <p>Does not require immediate attention</p>



Los Angeles County Employees Retirement Association

processes, without Internal Audit assuming Management responsibility.

**Advisory:** Provide Management with informal advice.

## **Scope**

The scope of this engagement covered FYE 2021

	policy and a set of normal process procedures as well as consequences and remediation to ensure compliance with PEPRA, CERL and IRS	
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May 12, 2023

TO: 2023 Audit Committee  
Onyx Jones, Chair  
Keith Knox, Vice Chair  
Patrick L. Jones, Secretary  
Shawn R. Kehoe  
Antonio Sanchez  
Gina V. Sanchez  
Jason E. Green

Audit Committee Consultant  
Robert H. Griffin

FROM: George Lunde *GL*  
Senior Internal Auditor

FOR: June 1, 2023 Audit Committee Meeting

SUBJECT: **Los Angeles County's Compliance with Requirements for Rehired Retirees - Fiscal Year Ended June 30, 2022**

### **RECOMMENDATION**

In accordance with your current Audit Committee Charter, staff recommends that the Audit Committee review and discuss the following engagement report to take the following action(s):

1. Accept and file report,
2. Instruct staff to forward report to Boards or Committees,
3. Make recommendations to the Boards or Committees regarding actions as may be required based on audit findings, and/or
4. Provide further instruction to staff.

### **ENGAGEMENT REPORT**

Los Angeles County's Compliance with Requirements for Rehired Retirees - Fiscal Year Ending June 30, 2022 (Report Issued: April 28, 2023)

Attachments

Noted and Reviewed:

---

Richard P. Bendall  
Chief Audit Executive

GL

**ATTACHMENT E**



**LACERA INTERNAL AUDIT DIVISION**

**Los Angeles County's Compliance with  
Requirements for Rehired Retirees –  
Fiscal Year Ended June 30, 2022**

**April 28, 2023**

**AUDIT PERFORMED BY:**

**George Lunde, CIA, CISA**  
Senior Internal Auditor

## AUDIT REPORT

<b>Audit Name:</b>	Los Angeles County's Compliance with Requirements for Rehired Retirees - FYE June 30, 2022
<b>Responsible Division:</b>	Executive Office
<b>Audit Rating*:</b>	Unsatisfactory
<b>Prior Audit Rating*:</b>	Unsatisfactory
<b>Prior Report Date:</b>	November 2022

### BACKGROUND

As part of our Audit Plan, we conducted an audit of Los Angeles County's (County) compliance with requirements for hiring County retirees for fiscal year ended June 30, 2022. We perform this audit annually as failure to adhere to the regulations and requirements not only violates the state law governing retirement benefits, but it could also jeopardize the qualified tax deferred status of LACERA under federal tax law.

The State of California's County Employees Retirement Law of 1937 (CERL) and Public Employees' Pension Reform Act of 2013 (PEPRA) provides that the County has the option to employ retirees as "Rehired Retirees" subject to certain requirements. Under Government Code Section 31680.3 of CERL and Section 7522.56, Rehired Retirees may work up to 960 hours per fiscal year, on a temporary basis, without affecting their retirement status or benefits.

In addition, Internal Revenue Service (IRS) regulations require a "bona fide" break in service after retirement if the retiree is under the "normal retirement age," before the retiree can be rehired. To comply with the IRS regulation, LACERA's Board of Retirement adopted a resolution in 2006 stating that a member under the "normal retirement age" may not return to temporary County service within 90 days of his or her retirement date. All Rehired Retirees under their "normal retirement age" must comply with at least the 90-day break in service requirement, as well as the requirements of PEPRA.

"Normal retirement age," as defined by LACERA's Board of Retirement, is as follows:

- Age 57 for general members of Plan A, B, C, D, or G
- Age 65 for general members of Plan E
- Age 55 for safety members

PEPRA added additional restrictions for Rehired Retirees regarding break in service. PEPRA requires 180 continuous days separation from the date of retirement before a retiree may be rehired. PEPRA does allow the following two limited exceptions to the 180-day requirement:

- If the employer can certify it is necessary to fill a critically needed position and the hiring has been approved by the Board of Supervisors (or the Board of Retirement, for LACERA positions) in an open meeting
- If the retiree is a public safety officer or firefighter

\* See Appendix 1 for Audit Rating

Those who are eligible for the PEPRA 180-day break-in-service exceptions still must comply with the IRS's "bona fide" break-in-service of 90 days if under normal retirement age. In the event of a conflict between the CERL and PEPRA provisions, PEPRA's requirements take precedence over CERL.

PEPRA section 7522.56 (c) provides that appointing employers may only rehire retirees either during an emergency to prevent stoppage of public business or because the rehired person has skills needed to perform work of "limited duration."

On March 4, 2020, the Governor of California declared a statewide emergency due to the COVID-19 pandemic. He issued Executive Order N-25-20 on March 12, 2020, to enhance California's ability to respond to COVID-19 by suspending certain reinstatement and work hour limitations with respect to COVID-related work under PEPRA. Subsequently, he issued Executive Order N-35-20 on March 21, 2020, to extend the suspension of these limitations to local governments.

On March 30, 2020, the County Chief Executive Officer (CEO) issued a notification to Department Heads that the Governor's declarations superseded applicable portions of Countywide Policy, Procedure, and Guideline (PPG) 505 "Reinstatement of Retirees to a 120-Day Temporary Assignment."

Effective March 12, 2020 as a result of, both the State Executive Orders and the related County notification, the following compliance requirements were suspended for those Rehired Retirees working on job assignments directly related to combating the COVID-19 pandemic:

- Limitation of 960 hours per fiscal year
- 90-day break in service requirements
- 180-day PEPRA break in service requirements

The COVID-19 waivers as described above were terminated under the Governor's Executive Order N-08-21 dated June 11, 2021 and then later reinstated under Executive Order N-12-21 dated August 16, 2021, under which the waivers were in place through March 31, 2022.

## **AUDIT OBJECTIVE & SCOPE**

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For Fiscal Year Ended June 30, 2022, LACERA Internal Audit received payroll detail from the County Auditor-Controller identifying 381 retirees who worked as Rehired Retirees during that Fiscal Year.

We tested all 381 (100%) for compliance with:

- CERL's 960-hour requirement, hours worked did not exceed 960 hours for the Fiscal Year except where the Rehired Retiree's time was coded as COVID-19 related work as permitted under the Executive Orders with respect to such work performed during the Fiscal Year through March 31, 2022,

- IRS' "bona fide" break-in-service requirement, defined as 90 days by LACERA's Board of Retirement, except where the Rehired Retiree's assignment was coded as COVID-19 related work and the Rehired Retiree was hired during the Fiscal Year through March 31, 2022, and
- PEPRA's 180-day break in service requirement, except where the Rehired Retiree's assignment was coded as COVID-19 related work and the Rehired Retirees was hired during the Fiscal Year through March 31, 2022.

Additionally, to test the PEPRA requirement of "limited duration," we stratified all 381 retirees, based on continuous years worked. We used the data that we have accumulated over the last 10 years, to perform this compliance test. In performing this work, we considered that certain work was performed during the period of the COVID waivers.

**AUDIT RATING & SUMMARY OF FINDINGS**

Since we completed our audit of Fiscal Year Ended June 30, 2021, after the end of the Fiscal Year of this audit (FYE June 30, 2022), we expected that the results of this audit would be similar to the prior year and that proved true. We are hopeful that management's attention to the recommendations made for the FYE June 30, 2021 audit will affect improvement in our audit results beginning with the next audit for FYE June 30, 2023.

For this audit of FYE June 30, 2022, the audit rating remains **Unsatisfactory**, and the Findings are the same as the prior year. As a result, while we are not issuing new recommendations, the findings this year support us reiterating the recommendations issued for the prior year audit, and we requested Management update responses.

**Summary of Findings**

Finding#	Page	Description of Finding	Risk Rating**
F1	5	Continued year-over-year increase in the number of Rehired Retirees violating 960-hour limit with respect to non-COVID-related work	High
F2	8	Continued Violation of PEPRA's "limited duration" language	High

Each of the above Findings are detailed in the following pages, including our Recommendations and Management Action Plans.

We noted no issues of noncompliance with regards to the PEPRA 180-day break-in-service requirements, or the IRS 90-day break-service requirement.

**REVIEWED AND APPROVED**

  
 Richard P. Bendall  
 Chief Audit Executive

Date: April 28, 2023

\*\* See Appendix 2 for Finding's Risk Rating

**REPORT DISTRIBUTION**

2023 Audit Committee	Santos H. Kreimann, CEO
Steven P. Rice, Chief Legal Counsel	Luis A. Lugo, DCEO
Robert Griffin, Audit Committee Consultant	JJ Popowich, AEO
Internal Audit Group	Laura Guglielmo, AEO

**FINDING #1**

<b>Continued year-over-year increase in the number of Rehired Retirees violating 960-hour limit with respect to non-COVID-related work</b>	<b>Risk Level **</b> High
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**OBSERVATION**

As indicated in the table below, our testing noted an increase in the number of Rehired Retirees who exceeded the 960-hour limit for non-COVID-related work relative to prior years. Internal Audit reported all 17 exceptions noted to the Benefits and Employee Relations Division (BCOMP) of the County's CEO office.

Fiscal Year Ended June 30	Rehired Retirees	Noncompliant Rehired Retirees	Noncompliance as a Percentage	Total Overage Hours	Average Hours Over
2022	381	17	4.46%	964	57
2021	408	10	2.4%	1778	177
2020	500	1	<1.0%	414	414
2019	482	5	1.0%	47	9.4
2018	476	6	1.3%	145	24

According to BCOMP, County departments for three of the 17 staff with overage violations indicated they were on COVID related assignments, an indication their timecards were not coded properly. The remaining 14 violations were not explained. Overall selected departments were not effectively using the available, "**120-Day Retirees For FY 2022**" report to monitor Rehired Retiree employees as they approach the 960-hour policy limit. Following is the list of departments with the associated number of employees that exceeded the 960-hour limit.

Department Name	Count	Hours
Agricultural Comm/Weights	1	10
Alternate Public Defender	1	173
Assessor	1	92
Chief Executive Office	5	345
District Attorney	2	11
Fire Department	1	16
Human Resources	1	54
LAC USC Medical Center	1	11
Public Defender	2	106
Public Health Program	1	146
Superior Court Judges	1	2
<b>Total Violations FYE 2022</b>	<b>17</b>	
<b>Total Hours Over</b>		<b>964</b>

\*\* See Appendix 2 for Finding's Risk Rating

## **RISK**

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Failure to adhere to the 960-hour limit is a violation of CERL Section 31680.3, LA County PPG 505, the IRS and PEPRA for non-COVID-related work. Non-compliance with CERL, IRS regulations and/or PEPRA could risk LACERA's qualified plan status. Non-compliance also place the affected employees at risk in terms of potential impact on their pension and/or potential responsibility to repay overpaid amounts.

## **RECOMMENDATION**

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We continue with our recommendations from our previous audit report of November 4, 2022.

1. LACERA's CEO should formally request the County CEO in conjunction with the County Director of Human Resources and Auditor-Controller to prepare a corrective action plan that consolidates and actively monitors the Rehired Retiree (960-hour limit) reporting requirements for all County departments as to non-COVID-related work and properly identifies and tracks COVID-related work.
2. We recommend LACERA's Executive Office, Systems, and Benefits work with the County's CEO Office and Auditor-Controller to establish an automated feed of Rehired Retirees' hours as part of payroll data.
3. We recommend LACERA's Executive Office, Legal Office, and Benefits develop a policy and procedure to address both preventing overages and taking the required action on the retirement payroll of retirees that violate the 960-hour limit for non-COVID-related work.

## **MANAGEMENT'S RESPONSE**

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### March 2023 Update

LACERA has partnered with the Auditor Controller office to have the 120-day report automatically populate into retiree Workspace accounts. We will be programming Workspace to flag retirees that have been rehired under the 120-day program, send notification letters to inform these members of the limits of their employment, and provide warning letters to the member and department when nearing the 960-hour limit. This is scheduled to be in place on July 1, 2023.

For the current fiscal year, the Benefits division has been reaching out to members that are approaching the 960-hour limit via phone calls or emails. We have also partnered with the County's CEO office to provide the departments training on how to onboard a Rehired Retiree. This will include the consequences for violating the 960-hour limit.

Processes are currently being developed to address members that violate the 960-hour limit. These processes will include a suspension of benefits to prevent members from double dipping. Our focus will remain to educate members and their departments to avoid a suspension of benefits.

(November 4, 2022, Response)

LACERA management supports the outlined recommendation(s) in working with the County's CEO office, Auditor Controller, and County Human Resource department to determine if we're able to obtain (preferable in an automated fashion) Rehired Retirees' hours to ensure compliance against the 960-hour limit for non-COVID-related work and properly identifies and tracks COVID-related work.

In terms of actionable steps, management will set-up a meeting with County CEO, Auditor Controller, and Human Resources to explore data feed options. The County is currently in the process of a "black-out" year-end system maintenance and will not take on new data projects until mid-January 2023, as described by the Auditor Controller Division Chief. We're not able to provide an exact timeframe for when this recommendation will be implemented, since it's predicated on the County's bandwidth and willingness to provide data. We commit to engaging the County in January 2023 and providing an update by March 30, 2023.

After conferring with the County and assessing the extent of their ability to track employee time, LACERA will develop and implement a policy and set of procedures to include the normal process as well the consequences and remediation needed to ensure compliance with CERL, PEPRA and the IRS requirements.

**TARGET COMPLETION DATE**

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July 1, 2023

**FINDING #2**

<b>Continued Violation of PEPRA's "limited duration" language</b>	<b>Risk Level **</b> High
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**OBSERVATION**

Using data from the Auditor-Controller (AC), we stratified the Rehired Retiree population based on continuous years worked. The following table breaks out the 381 Rehired Retirees, who worked during FYE June 30, 2022, by the number of consecutive years worked and identifies the average hours worked by each Rehired Retiree.

Consecutive Years RRs Worked Through FYE 2022	RR Count	Averaged Hours (per) RR (per) Year
1	84	480
2	32	670
3	50	660
4	38	689
5	29	653
6	24	659
7	31	687
8	27	731
9	16	512
10+	50	737

\*\* See Appendix 2 for Finding's Risk Rating

The following table breaks down the 381 Rehired Retirees, who worked during FYE June 30, 2022, by department.

Department Name / RR Count	Consecutive Years										Total
	1	2	3	4	5	6	7	8	9	10+	
Alternate Public Defender	4										4
Chief Executive Office		12	4		1		1			2	20
Assessor	6			2	1			1		3	13
Auditor-Controller	1	1	1								3
Agricultural Comm/Weights			1								1
Beaches and Harbor								1			1
Board of Supervisors	1	3					1	1		2	8
Consumer Affairs										1	1
County Counsel		2									2
Children and Family Services	19		15	11	11	2	2	6	4	20	90
Community Services	1		1	1							3
District Attorney	14		3	3		1	1	1	4		27
Fire Department					1		1			2	4
LAC USC Medical Center		1									1
Human Resources	1	3	1			2	2	1		1	11
Ambulatory Care Network	1										1
Health Services Administration			1					1			2
Internal Services				1	1				2		4
Chief Medical Examiner Coroner							1		1		2
Mental Health	1										1
LACERA	1	2	1							1	5
Probation		1		1	1	1					4
Public Defender	15	1		2	1						19
Public Health Program	1	2	6		4	2	3	1			19
Parks and Recreation	1		1	1							3
Public Works	1						1				2
Registrar-Recorder	1										1
Superior Court	8	2	2		1	1		3		1	18
Sheriff	7	2	13	16	7	15	18	11	5	17	111
Grand Total	84	32	50	38	29	24	31	27	16	50	381

Of the 381 current Rehired Retirees, 50 (13%) have worked consecutively as Rehired Retirees for ten or more years, averaging 737 hours each, per year, over the past five years.

This situation violates PEPR section 7522.56 (c) where it states, “A person who retires from a public employer may serve without reinstatement from retirement or loss or interruption of benefits provided by the retirement system upon appointment by the appointing power of a public employer either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of **limited duration.**” LACERA, as benefit trust

fund administrator, could proceed with recovery of trust funds for benefits paid during the period of excessive, unlawful work duration.

## **RISK**

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The above chart highlights a situation which could potentially lead to headline risk regarding the lack of compliance with the PEPRA laws around the use of Rehired Retirees and gives the appearance of allowing “double dipping.” It also highlights a continued reliance on the Rehired Retiree to avert an implied risk of business disruption in their absence.

## **RECOMMENDATION**

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We continue with our recommendation from our previous audit report of November 4, 2022.

4. We recommend LACERA's Executive Office and Legal Office work with the Board of Retirement to determine a more defined “bright-line” definition, tracking, and annual review of limited duration to ensure compliance with PEPRA and provide for recovery of benefits paid during periods worked in violation of PEPRA law.

## **MANAGEMENT'S RESPONSE**

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### March 2023 Update

We have been in contact with CalPERS and are monitoring their efforts to regulate limited duration employment for Rehired Retirees. CalPERS is developing updated regulations that they expect to submit to their Board for approval. LACERA is monitoring their process and may develop similar regulations that will generally limit re-employment to a two-year period.

**LACERA's Legal Office was provided the proposed regulations and are monitoring CalPERS' progress. The Legal and the Executive Office will make a determination if LACERA will develop similar regulations by June 2023 or propose a different alternative.**

(November 4, 2022, Response)

The current LACERA policy allows for a broad definition of limited duration for non-COVID-related work. We believe that most CERL systems have not yet “defined” limited duration in terms of a specified timeline regarding Rehired Retirees, instead they focus on ensuring Retirees are meeting the annual 960-hour compliance.

For an employer as large as the County of Los Angeles, it's difficult to determine a one size fits all definition for “limited duration” due to the workforce complexities of the various departments (Sheriffs, Dept. of Health, Dept. Human Services, etc.). Instead, our revised recommendation is to provide the County CEO's office with education around PEPRA's intent behind limited duration for Rehired Retirees.

## **TARGET COMPLETION DATE**

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June 30, 2023.

## **APPENDIX 1 AUDIT RATING SCALE**

Internal Audit issues three standard audit report evaluations as defined below:

### **Satisfactory**

The control environment is acceptable with minor issues having been identified. The overall environment contains sufficient internal controls to address key risks, and business practices generally comply with Company policies. Corrective action should be implemented to address any weaknesses identified during the audit in order to maintain or enhance the control environment.

### **Opportunities for Improvement**

The control environment has opportunities for improvement with significant issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks. Prompt corrective action should be implemented to address the weaknesses and strengthen the control environment.

### **Unsatisfactory**

The control environment is unacceptable with critical issues, individually or in the aggregate, having been identified or major noncompliance with Company policies. The overall environment contains insufficient internal controls to address key risks and the impact may be substantial in size or nature or their effect cannot be quantified. Immediate corrective action should be implemented to address the weaknesses and strengthen the control environment.

**APPENDIX 2  
 FINDING'S RISK RATING SCALE**

Findings identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance, or reputational impact that the issue identified could have on LACERA.

<b>Rating</b>	<b>Financial</b>	<b>Internal Controls</b>	<b>Compliance</b>	<b>Reputational</b>	<b>Executive Management</b>
<b>High</b>	<p>Large financial impact to LACERA or members</p> <p>Actions not aligned with fiduciary responsibilities</p>	<p>Missing or inadequate key internal controls</p> <p>Not adequate to identify fraud, noncompliance, or misappropriation</p>	<p>Non-compliant with applicable Federal or state laws or LACERA's policies</p>	<p>High probability for external audit issues and/or negative public perception</p>	<p>Important critical business process identified by Exec Office</p> <p>Requires immediate attention</p>
<b>Medium</b>	<p>Moderate financial risk to LACERA or members</p> <p>Actions could be better aligned with fiduciary responsibilities</p>	<p>Partial key internal controls</p> <p>Not adequate to identify noncompliance or misappropriation in timely manner</p>	<p>Inconsistent compliance with applicable Federal or state laws or LACERA's policies</p>	<p>Potential for external audit issues and/or negative public perception</p>	<p>Relatively important</p> <p>May or may not require immediate attention</p>
<b>Low</b>	<p>Low financial impact to LACERA or members</p>	<p>Internal controls in place but not consistently efficient/effective</p> <p>Implementing / enhancing controls could prevent future problems</p>	<p>General compliance with applicable Federal or state laws or LACERA's policies, but some minor discrepancies exist</p>	<p>Low probability for external audit issues and/or negative public perception</p>	<p>Lower significance</p> <p>Does not require immediate attention</p>



**Los Angeles County's Compliance with  
Requirements for Rehired Retirees – Fiscal Year  
Ended June 30, 2022**

**Audit Report Date: April 28, 2023**

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**Prepared By: George Lunde, Senior Auditor**

# Summary of Engagement



Responsible Division:	<b>Executive Office</b>
Type of Engagement:	Assurance
Audit Rating:	Unsatisfactory
Prior Audit Rating:	Unsatisfactory

## Type of Engagements

**Assurance:** Provide an objective examination of evidence for the purpose of providing an independent assessment to Management and the Audit Committee on governance, risk management, and control processes for LACERA.

**Consulting:** Collaborate with Management to provide formal assessments and advice for improving LACERA's governance, risk management, and control processes, without Internal Audit assuming Management responsibility.

**Advisory:** Provide Management with informal advice.

# Background, Scope, Objective



**Background:** We perform this audit annually as failure to adhere to the regulations and requirements not only violates state law governing retirement benefits, but it could also jeopardize the qualified tax deferred status of LACERA under federal tax law



**Scope:** Internal Audit received payroll detail from the County Auditor-Controller identifying 381 retirees who worked as Rehired Retirees during the 2022 Fiscal Year

**Objective:**

Determine compliance with:

- CERL's 960-hour work limit requirement
- IRS' "bona fide" break-in-service requirement
- PEPRA's 180-day break in service requirement
- PEPRA requirement of "limited duration"

# Summary of Findings



Finding #	Title of Finding	Rating	Management Response
1	Continued year-over-year increase in the number of Rehired Retirees violating 960-hour limit with respect to non-COVID-related work	High	Agree. Partnering with Auditor Controller for data to monitor hours
2	Continued Violation of PEPRAs “limited duration” language	High	Agree. Working with County CEO and BOR to establish guard rails and consequences

# Thank You



We would like to thank the Executive Office and the Legal Office for their cooperation on this engagement and invite them to provide any comments.

**QUESTIONS?**



**POST RETIREMENT EMPLOYMENT POLICY**

**Authorizing Manager:** Director of Human Resources

**Effective Date:** \_\_\_\_\_, 2023

**Last Updated:** November 4, 2020

**Mandatory Review:** Every Three Years

**Policy Type:** Board of Retirement

**Approval Level:** Board of Retirement

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**1. PURPOSE**

The purpose of the Post Retirement Employment Policy (“Policy”) is to set forth the legal requirements for LACERA’s employment of or acceptance of contract work from members who have retired from any participating employers in LACERA and are receiving a pension from LACERA (referred to as “retired annuitants”). The goals of this Policy are to:

- Comply with relevant state and federal laws and other plan documents for the rehiring of retired annuitants and the use of retired annuitants by bona fide independent contractors while receiving a retirement benefit from LACERA;
- State the requirements for retired annuitants to (1) be rehired by LACERA for a limited duration, (2) be rehired by LACERA for emergency circumstances to prevent stoppage of LACERA business, or (3) work as the employee of a vendor under the vendor’s bona fide independent contract with LACERA, and establish a request, approval, and monitoring process for each of these three methods; and
- Establish a process to address violations of the Policy.

**2. SCOPE**

This Policy applies to LACERA’s hiring of retired annuitants from any participating employer in LACERA or acceptance of services from retired annuitants to meet business needs in accordance with California Government Code Sections 31680, 31680.2, 31680.6, and 7522.56, the Internal Revenue Code and IRS regulations, and LACERA’s Board of Retirement Regulations. This Policy does not apply to employment of retirees or other acceptance of services from retirees by the County of Los Angeles or other participating employers.

To the extent that state law or federal law provides for additional restrictions or conflicts with this Policy, the law shall prevail over this Policy.

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### **3. LEGAL AUTHORITY**

This Policy is adopted pursuant to the Board of Retirement's plenary authority and exclusive fiduciary responsibility for administration of the system (Cal. Const., art. XVI sec 17) to facilitate LACERA's compliance with Sections 31680, 31680.2, and 31680.6 of the County Employees Retirement Law of 1937 (CERL), Section 7522.56 of the Public Employees' Pension Reform Act of 2013 (PEPRA), and other applicable law and LACERA governing documents and policy.

### **4. DEFINITIONS**

**4.1 960 hours** means 960 hours or equivalent limit of worked time and refers to the maximum permitted number of hours per fiscal year of all work performed by a retired annuitant rehired by LACERA and other participating employers as described in Section 6 of this Policy.

**4.2 Normal Retirement Age** is the age determined according to California Government Code Section 31485.21 of CERL, Internal Revenue Code Section 401(a), and Board of Retirement Regulation XV, which for LACERA members is currently:

Age 57 for general members of Plan A, B, C, D, or G

Age 65 for general members of Plan E

Age 55 for safety members

**4.3 Participating employers** refers to those agencies that participate in LACERA: the County of Los Angeles, LACERA, Los Angeles County Superior Court, Local Agency Formation Commission for the County of Los Angeles, Los Angeles County Office of Education, and South Coast Air Quality Management District.

**4.4 Retired annuitant** means a retiree from any participating employer in LACERA rehired as an at-will employee by LACERA without reinstatement from retirement or working under a vendor's bona fide independent contract with LACERA. Retired annuitants do not accrue service credit or otherwise acquire any additional retirement benefits as a result of work performed under this Policy.

### **5. POLICY STATEMENT**

Under Government Code Section 31680, 31680.2, and 31680.6, retired annuitants may be approved to be rehired by LACERA for no more than 960 hours per fiscal year, on a temporary basis, without affecting their retirement status or benefits. Section 31680(b) provides, in pertinent part, that "services rendered . . . shall not refer to services performed by a retired officer or employee as an independent contractor engaged by a county or district under a bona fide contract for services within the purview of Section 31000 of this code."

California Government Code Section 7522.56 adds additional restrictions on the ability of a retired annuitant to work for an employer in a retirement system while also collecting a pension from that system. Section 7522.56 provides that a retired annuitant may be approved to be rehired by LACERA at will on a temporary basis while continuing to receive retirement benefits under the following circumstances:

- LACERA determines that the retired annuitant has skills based on their prior job classification needed to perform work of limited duration; or
- LACERA determines it is necessary to hire the retired annuitant during an emergency to prevent stoppage of LACERA's public business.

A retired annuitant returning for either of these two reasons shall not be eligible to be employed pursuant to this policy for a period of 180 days following the date of retirement unless the Board of Retirement determines the appointment is necessary to fill a critically needed position before 180 days have passed, in which case a break in service requirement of 90 days shall still apply if the retired annuitant is under Normal Retirement Age.<sup>1</sup>

Unlike Section 31680, Section 7522.56 does not address independent contractors directly. However, Section 7522.56's prohibitions apply only to retiree annuitants who "serve," are "employed by," or who are "employed through a contract directly by," the same public retirement system from which the retiree receives a benefit. LACERA interprets Section 7522.56 consistent with Section 31680, so as to exempt retiree annuitants who work for LACERA as an independent contractor engaged by LACERA under a bona fide independent contract for services within the purview of LACERA's authority, provided, however, that such contract must comply with the terms of this Policy.

Failure of a retired annuitant to comply with applicable law and this Policy in connection with their post retirement employment, including rehire by LACERA or contract work, may have adverse consequences on their retirement and benefits as described in this Policy.

This entire Policy must be read as a whole to understand all its requirements and other provisions.

## **6. REHIRE FOR 960 HOUR TEMPORARY ASSIGNMENTS**

### **6.1 Rehire When the Retired Annuitant has Special Skills to Perform Work of Limited Duration**

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<sup>1</sup> The 180 day waiting period does not apply to a public safety officer or firefighter hired to perform a function or functions performed by a public safety officer or firefighter. However, the 90-day break in service may still apply. LACERA does not expect to hire such retired annuitants for such work.

Subject to this section and the common requirements stated in Section 6.3 and completion of the request and approval process described in Section 6.4, retired annuitants may be rehired by LACERA without affecting their retirement status or benefits when they have special skills based on their prior job classification to perform work of limited duration. Assignments under this section shall be terminated upon completion of the work of limited duration for which they were rehired.

**6.1.1 Special Skills** means a demonstrated ability, based on the retired annuitant's prior job classification and work history, to perform the work for which the retired annuitant is being rehired at a high level without additional training and that cannot be performed by existing permanent staff members.

**6.1.2 Limited duration** is determined on a case-by-case basis subject to the limits in this subsection, but it is always expected to be the minimum period required to complete necessary work. The services must terminate when the limited-duration work is completed. Examples of necessary work of limited duration include but are not limited to the following circumstances: alleviating a backlog, working on a special project where the retired annuitant has special knowledge and skills, and transferring specialized knowledge and skills to permanent staff members. Limited-duration work must be necessary work in excess of what existing staff members are able and available to perform but that cannot be postponed until staff members are able and available.

Limited-duration work may be approved annually by the Executive Office for work totaling a maximum of two fiscal years. ~~–The Board of Retirement has the authority to approve a~~Additional work beyond two fiscal years; ~~such approval must be given on an annual basis must be approved annually by the Board of Retirement~~ upon a finding by the Board of exceptional circumstances to meet a critical LACERA need; ~~provided that the Board will not approve additional work beyond two additional one fiscal year increments, resulting in a maximum total employment period of four fiscal years for the retired annuitant.~~ Exceptional circumstances require a memo of a explanation from the Executive Office to the Board of the critical need that supports the retired annuitant's continued employment, why the transition of knowledge and planned work was not completed during previously approved periods, why permanent staff cannot meet the critical need, and a plan for completing the transition and work in the additional requested year. The years permitted under this subsection need not be continuous.

## **6.2 Rehire Necessary During an Emergency**

Subject to this section and the common requirements stated in Section 6.3 and completion of the request and approval process described in Section 6.4, retired annuitants may be rehired by LACERA without affecting their retirement status or benefits when necessary during an emergency to prevent stoppage of LACERA's public business. Assignments under this section shall be terminated when the retired annuitant's work to address the threat of stoppage of public business is completed.

An emergency means urgent and unforeseen circumstances outside those arising in the normal course of LACERA's business. To provide cause for rehire of a rehired annuitant under this subsection, existing staff must be unable to address the emergency and the rehire of the required annuitant must be necessary to prevent the stoppage of part of LACERA's public business, such as inability to serve members, pay benefits, invest funds, or meet other legal requirements that are part of LACERA's fiduciary duty. A retired annuitant rehired under this section must possess the demonstrated ability, based on the retired annuitant's work history, to assist LACERA in meeting the emergency and prevent the stoppage of public business.

### **6.3 Common Requirements**

In order for LACERA to rehire retired annuitants under Sections 6.1 and 6.2, the following additional requirements must be met:

#### **6.3.1 Work Hour Limitation (960 Hours)**

Retired annuitants may not work a combined total of more than 960 hours for LACERA and all other participating employers in any July 1 – June 30 fiscal year. Once the 960 hours limit is reached, a retired annuitant is not permitted to provide any additional services to LACERA or any other participating employer or to receive any additional compensation for such work for the remainder of the fiscal year.

#### **6.3.2 Retired Annuitant's Compensation**

The rate of pay for the employment of retired annuitants cannot be less than the minimum, nor exceed the maximum, paid by LACERA to staff performing comparable duties. Retired annuitants cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly rate.

#### **6.3.3 No Unemployment Benefits**

Retired annuitants are not permitted to be rehired by LACERA if, during the 12 month period prior to the temporary appointment date, they received unemployment insurance payments arising from prior employment under Section 7522.56 with any public employer. A retired annuitant who accepts employment under this Policy after receiving unemployment insurance compensation as described in this subsection

shall terminate that employment as soon as practicable, and not later than the last day of the pay period after receiving notice from LACERA of this prohibition and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

##

#### **6.3.4 Waiting Period for Post-Retirement Employment**

Retired annuitants must wait 180 days from their date of retirement before returning to work at LACERA on a temporary basis, except if it is necessary to fill a critically needed position and the hiring has been approved by the Board of Retirement in an open meeting on a non-consent item, in which case the retired annuitant may return earlier than 180 days. The approval may not be placed on the Board's consent calendar.<sup>2</sup>

If a retired annuitant who is hired to fill a critically needed position is under the Normal Retirement Age, a continuous 90-day waiting period nevertheless applies, subject to advice from tax counsel. This is a federal tax law requirement, included in the Board of Retirement Regulations.

#### **6.3.5 No Prearranged Agreement**

LACERA members who retire before reaching Normal Retirement Age cannot have a prearranged agreement, either orally or in writing, before commencing retirement to return to work at LACERA in a position previously held prior to retirement or any other position.

#### **6.3.6 Limitations if Retired Under Incentive Arrangement**

A retired annuitant who accepted a retirement incentive upon retirement shall not be eligible to be employed under this Policy, even for a critically needed position, for a period of 180 days following the date of retirement. The exceptions, including critical need, stated in Section 6.3.4, do not apply in this circumstance.

### **6.4 Request, Approval, and Monitoring Process**

#### **6.4.1 Request**

Managers are required to submit requests and renewal requests to the Human Resources Division to rehire retired annuitants for a 960 hour temporary assignment using the applicable Request form attached hereto based on whether the assignment is for limited duration or to

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<sup>2</sup> See footnote 1 with respect to a public safety officer or firefighter hired to perform a function or functions performed by a public safety officer or firefighter.

address an emergency (the “960 Hour Request”). The 960 Hour Request must include a full and complete description of the project, the retired annuitants’ skills and abilities based on their prior job classification, a description of the plan to complete the retiree’s work or transition it to a current staff member, the expected limited duration of the work, and when applicable, an explanation of the emergency that necessitated the hiring of the rehired retiree to prevent stoppage of LACERA's public business, and such other information as is required under Section 6.1, 6.2, and 6.3. Renewal requests must include an explanation on the 960 Request Form as to the continuing need and why the work was not completed during the prior period.

If the retired annuitant retired fewer than 180 days before the Request (as limited by the required 90-day period if the retired annuitant is under Normal Retirement Age), the 960 Hour Request must also include an explanation of the critical need that must be met and the retired annuitant’s relevant skills based on their work history.

All 960 Hour Requests must include the signed applicable Conditions and Waiver form (“Conditions”), attached to this Policy, acknowledging the retired annuitant’s understanding of and agreement to this Policy and its requirements, including the consequences for violation. The Conditions shall also confirm that they will comply with all other LACERA policies, including but not limited to conflict, ethics, and Human Resources policies. All 960 Hour Request and Conditions forms shall be maintained by the Humans Resources Division.

#### **6.4.2 Approval and Offer of Employment**

Prior to offering employment, the 960 Hour Request must be approved by the Division Manager, Assistant Executive Officer, Human Resources Director, and the Chief Executive Officer or Deputy Chief Executive Officer. No approvals shall be granted for a period in excess of ~~not to exceed~~ 960 hours in one fiscal year. All requests are subject to renewal every fiscal year, submission of a new and updated 960 Hour Request form, and re-approval, subject to the limits of Section 6.1.2 of this Policy. 960 Hour Requests may be renewed by management only upon good cause, including a showing that there was compliance with the terms of this Policy during the prior period and that the retired annuitant has skills based on their prior job classification needed to perform additional work of limited duration that cannot be performed by permanent staff members or the appointment is needed during an emergency to prevent stoppage of LACERA’s public business.

Offers of employment, including renewal offers, may only be communicated to retired annuitants by the Human Resources Division.

#### **6.4.3 Board Approval**

All 960 Hour Requests for more than two fiscal years must be approved annually by the Board of Retirement in open session on the non-consent calendar on an annual basis, subject to ~~the limit stated in~~ Section 6.1.2. Board approval must be based on a finding that grounds continue to exist for continued appointment under Sections 6.1 and 6.2. Board approval of an exemption from the 180-day waiting period shall be made as described in Section 6.3.4.

#### **6.4.4 Monitoring**

LACERA, including through the requesting Division Manager and the Benefits and Systems Divisions, is responsible for monitoring and tracking compliance of retired annuitants approved under a 960 Hour Request with the legal requirements set forth in this Policy. Monitoring shall include review of a retired annuitant's worked hours on at least a monthly basis throughout the retired annuitant's employment based on the most recent pay records and timesheets and regular communication with the retired annuitant about the progress of their work and hours spent. Once a retired annuitant has worked 700 hours in a fiscal year, hours worked shall be monitored on at least a weekly basis, and there shall be communication on a weekly basis between the retired annuitant and their Division Manager regarding completion of work within the 960 hour limit and the need to stop work when the limit is met. Any non-compliance shall be reported to the Chief Executive Officer, Deputy Chief Executive Officer, and Human Resources Director.

The Executive Office shall ensure that the Board of Retirement is provided with an annual report at the end of each fiscal year of all retired annuitants working under 960 Hour Requests, including the name, the number of fiscal years of post retirement employment with LACERA, summary of limited duration work performed, estimated completion date, status of transition plan, status of any emergency or critical need that the retired annuitant was rehired to address, and the history of hours performed in each fiscal year of employment.

#### **6.4.5 Retired Annuitant's Responsibility**

The retired annuitant has the responsibility, as stated in the Conditions and Waiver form they sign before beginning employment, to have truthfully made the representations stated in the Conditions form and to adhere to the requirements of this Policy, including but not limited to the responsibility to monitor their work so that it is no more than 960 hours in a fiscal year, and all other LACERA policies, including but not limited to conflict, ethics, and Human Resources policies.

## **7. WORK UNDER A BONA FIDE INDEPENDENT CONTRACT**

A retired annuitant's work as the employee of a vendor under a bona fide independent contract is not subject to the provisions and limitations stated in Section 6 if the contract and the retired annuitant comply with this section and will not affect their LACERA pension and benefits. Work under a contract in violation of this section may subject the retired annuitant to consequences under Section 8.

### **7.1 Standard**

A retired annuitant may not perform work pursuant to a contract unless, in LACERA's discretion: the retired annuitant is approved to perform work under a bona fide independent contract; the proposed scope of work is not a continuation of the retired annuitant's work as an employee of a participating employer before retirement; the terms of employment, means and methods of the retired annuitant's work, and supervision of the work is controlled by the contractor, not LACERA; the contracting entity is substantial in terms of its business, history, and make up to demonstrate that the entity is legitimate; the contract is not proposed to evade the 960 hour and other limits of Sections 7522.56 and 31680.6, or other applicable law; the retired annuitant's role in the contract will not violate conflict of interest and ethics laws, regulations, and policies; and, if the retired annuitant was under Normal Retirement Age at the time of their retirement, there was no prearranged agreement that the retired annuitant would become employed by the contractor for the purpose of performing work on a contract with LACERA. Contracts directly with a retired annuitant or with a business entity controlled, directly or indirectly, in whole or in part, by a retired annuitant are prohibited. Work for LACERA under a contract that does not comply with this subsection are not permitted because they are deemed by LACERA to not be bona fide independent contracts.

### **7.2 Request and Management Approval**

Managers are required to submit requests for retired annuitants to perform work under a bona fide independent contract using the attached Contract Request form. The Contract Request must be approved by the Division Manager, Assistant Executive Officer, Human Resources Director, and the Chief Executive Officer or Deputy Chief Executive Officer. If approved, it is the responsibility of the manager to ensure that the retired annuitant does not perform any work for LACERA except under the contract.

### **7.3 Limitations**

A retired annuitant's work under a bona fide independent contract shall be limited to the scope of work described in the contract; no work for LACERA outside of the contract is permitted. Retired annuitants working under a Contract Request must sign the attached Conditions and Waiver form in which the retired annuitants accept the requirements of this Policy and truthfully represent the facts needed to demonstrate compliance with this section. All

Contract Request and Conditions forms shall be maintained by the Human Resources Division.

## **8. ENFORCEMENT**

The scope of this Section 8 is limited to enforcement of Sections 7522.56 and 31680.6, and other applicable law, with respect to the eligibility under that statute of a retired annuitant, in accordance with and subject to and in compliance with this Policy, to provide service to LACERA and the consequences for violation as described in Section 8.2. This section does not address other matters arising from the employment of a retired annuitant or their work for LACERA. Issues relating to all other employment matters, including but not limited to job duties and assignments, compensation, performance evaluation, compliance with other LACERA policies and procedures, and discipline, up to and including termination, remain the responsibility of the Chief Executive Officer, the Deputy Chief Executive Officer, the Human Resources Director, or their designees.

### **8.1 Standard**

California Government Code Section 7522.56 provides that a retired annuitant shall not serve or, be employed by, or be employed through a contract directly by, an employer in the same public retirement system from which the retiree receives a benefit without reinstatement from retirement, except as provided in that section. California Government Code Sections 31680, 31680.2 and 31680.6 may also impose requirements on retired annuitants. LACERA's standards with respect to retired annuitants performing work under a 960 Hour Request or a Contract Request are set forth in this Policy and are intended to be consistent with and not in conflict with applicable state and federal law, which shall control this Policy.

### **8.2 Notice of Violation and Consequences**

If a retired annuitant works in violation of this Policy, LACERA shall provide the person with notice of violation and recommended consequences, which will include, as LACERA determines is appropriate given the nature of the violation, reinstatement from retirement, offset, loss, or interruption of retirement benefits, recovery of improperly paid benefits, benefit adjustments or other methods to collect overpaid salary in excess-violation of the 960 hour limit, the hourly rate limit, and any other appropriate action. The notice of violation shall include all documents supporting the violation and recommended consequences.

### **8.3 Appeal**

If the retired annuitant disagrees with the consequences determined and imposed by staff, they may seek review under LACERA's Administrative Appeal Procedure for Retirement Benefits.

## **9. EFFECTIVE DATE AND APPLICATION**

This Policy shall be effective immediately upon approval by the Board of Retirement.

This Policy shall be applicable to all retired annuitants employed by LACERA as of the effective date ("Existing Retired Annuitants") based on their years of such employment as of that date. If an Existing Retired Annuitant's total period of employment by LACERA as of the effective date for special skills to perform work of limited duration exceeds the four fiscal year maximum permitted under Section 6.1.2, the Board of Retirement may annually grant an extension in one fiscal year increments ~~totaling no more than two additional fiscal years~~ based on an annual explanation by the Executive Office of exceptional circumstance as defined in Section 6.1.2.

## **10. REFERENCES**

These references are intended to help explain this policy and are not an all-inclusive list of policies, procedures, laws, and requirements. The following information complements and supplements this document:

### **Related Policies:**

- Administrative Appeal Procedure for Retirement Benefits

### **Related Procedures:**

- Retired Annuitant Hours Tracking Method

### **Related and Conditions Forms/Templates:**

- Request for Employment of Retiree for a Limited Duration 960 Hour Temporary Assignment Form
- Conditions of Post Retirement Employment and Waiver Form for a Limited Duration 960 Hour Temporary Assignment
- Request for Post Retirement Work Under a Bona Fide Independent Contract Form
- Conditions of Post Retirement Work and Waiver Form Under a Bona Fide Independent Contract

### **Other Related Information:**

- Request for Post Retirement Work Under a Bona Fide Independent Contract
- Conditions of Post Retirement Work Under a Bona Fide Independent Contract
- California Government Code Section 7522.56
- California Government Code Section 31680, 31680.2, and 31680.6
- Board of Retirement Regulation XV

Human Resources Division shall revise its procedures consistent with this Policy.

**11. VERSION HISTORY**

**Policy Issue Date:** First approved by the Board of Retirement on November 4, 2020, with an immediate Effective Date.

Reviewed and current revised version approved and effective on \_\_\_\_\_, 2023.

##

**12. POLICY REVIEW AND APPROVAL**

This Policy is effective on the day adopted by the Board of Retirement. This Policy shall be reviewed by the Board every three years.

**Attachments:**

1. Request for Employment of Retiree for a Limited Duration 960 Hour Temporary Assignment Form
2. Conditions of Post Retirement Employment and Waiver Form for a Limited Duration 960 Hour Temporary Assignment
3. Request for Post Retirement Work Under a Bona Fide Independent Contract Form
4. Conditions of Post Retirement Work and Waiver Form Under a Bona Fide Independent Contract



**REQUEST FOR EMPLOYMENT OF RETIREE TO A 960 HOUR  
TEMPORARY ASSIGNMENT**

RETIREE NAME:

EMPLOYEE NUMBER:

Date of Birth:

DIVISION:

SECTION:

PAYROLL TITLE:

ASSIGNED SUPERVISOR:

START DATE OF ASSIGNMENT:

END DATE OF ASSIGNMENT:

ESTIMATED HOURS:

*Attach additional pages for each section below, as necessary*

DESCRIPTION OF WORK OF LIMITED DURATION (OR EMERGENCY TO PREVENT STOPPAGE OF LACERA BUSINESS) & EXPLANATION OF WHY WORK CANNOT BE PERFORMED BY A PERMANENT STAFF MEMBER AND STATE HOW MANY HOURS ARE REQUIRED TO COMPLETE THE WORK:

RETIREE'S APPLICABLE KNOWLEDGE, SKILLS AND ABILITIES, BASED ON THEIR PRIOR JOB CLASSIFICATION AND WORK HISTORY, NEEDED FOR THE WORK AND PLAN TO TRANSITION KNOWLEDGE TO PERMANENT STAFF:

DESCRIPTION OF WORK OF LIMITED DURATION (OR EMERGENCY TO PREVENT STOPPAGE OF LACERA BUSINESS) AND PLAN TO COMPLETE THE WORK, INCLUDING EXPLANATION AS TO WHY WORK WAS NOT ALREADY COMPLETED IF THE REQUEST IS FOR A RENEWAL, IF THE REQUEST REQUIRES BOARD APPROVAL, DESCRIBE THE GOOD CAUSE OR EXCEPTIONAL CIRCUMSTANCES:

IF THIS IS A RENEWAL, EXPLAIN WHY THE WORK WAS NOT COMPLETED DURING THE PRIOR APPROVAL PERIOD:

IF THERE IS A CRITICAL NEED THAT SUPPORTS AN EXCEPTION TO THE 180-DAY WAITING PERIOD AFTER THE RETIREE'S RETIREMENT, EXPLAIN IN FULL:

REQUIRED APPROVAL

DIVISION MANAGER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
ASSISTANT EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
HUMAN RESOURCES DIRECTOR	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
CHIEF EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED

HR STAFF ONLY:

HR STAFF REVIEW:	DATE PROCESSED:
DATE REVIEWED:	DIVISION NOTIFIED:
DATE OF RETIREMENT:	CALCULATED ON CALENDAR DAYS:
REMARKS:	

**CONDITIONS OF POST RETIREMENT EMPLOYMENT AND WAIVER  
FOR 960 HOUR TEMPORARY ASSIGNMENT**

**Retiree Name:**

**Employee Number:**

I, \_\_\_\_\_, retired on \_\_\_\_\_ from \_\_\_\_\_, a participating employer in LACERA. I desire to perform post-retirement work for LACERA as provided in Government Code Section 7522.56 and other applicable law and LACERA policies while remaining on retired status. During this employment with LACERA, there will be no suspension or termination of my LACERA retirement allowance and benefits if I comply with the requirements of LACERA's Post Retirement Employment Policy. As conditions of my post retirement employment, I understand and acknowledge as follows: **(Each line must be initialed to indicate understanding and agreement with these conditions.)**

\_\_\_\_\_ 1. That the duration of this employment with LACERA is limited to a maximum of 960 hours during the fiscal year ended June 30, \_\_\_\_, and that I will monitor my own compliance with this limit on a regular and ongoing basis so that my work does not exceed the limit by any amount of time.

\_\_\_\_\_ 2. That I have no right to continued employment and that my employment may be terminated by LACERA at any time without cause.

\_\_\_\_\_ 3. That I will not accrue service credit or otherwise acquire any additional retirement benefits from the employment, and I will not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly rate I am paid for my work.

\_\_\_\_\_ 4. That violation of the 960 hour work hour limit and other provisions of the Policy and applicable law may cause reinstatement from retirement, the suspension of my LACERA retirement allowance and healthcare benefits, and collection of amounts by which I have been overpaid over the 960 hour limit.

\_\_\_\_\_ 5. That I have no right to continued employment and that my employment may be terminated by LACERA at any time without cause.

\_\_\_\_\_ 6. That, as a condition of this post retirement employment, I certify that I have not received any unemployment insurance benefits within the last 12 months resulting from prior employment as a retiree with LACERA. If I have received such benefits, I shall immediately resign and will not be eligible for reappointment for 12 months.

\_\_\_\_\_ 7. That, if I retired before reaching Normal Retirement Age, I did not have a prearranged agreement, either orally or in writing, before commencing retirement to return to work at LACERA in a position previously held prior to retirement or any other position.

\_\_\_\_\_ 8. That I received, read, understand, and will abide by LACERA's Post Retirement Employment Policy and LACERA's other policies, including conflict, ethics, and Human Resources policies.

\_\_\_\_\_ 9. That I did not receive an incentive upon retirement.

I have received and read, understand, and agree to LACERA's Post Retirement Employment Policy and the above conditions of my rehire by LACERA. The statements herein are all true and correct. I understand the consequences of violating the Policy.

\_\_\_\_\_  
Employee Signature

Print Name \_\_\_\_\_

\_\_\_\_\_  
Date



**REQUEST FOR POST RETIREMENT WORK  
UNDER A BONA FIDE INDEPENDENT CONTRACT**

RETIREE NAME:

EMPLOYEE NUMBER:

DIVISION:

SECTION:

PAYROLL TITLE:

ASSIGNED CONTRACT SUPERVISOR:

INDEPENDENT CONTRACTOR NAME:

ATTACH COPY OF ENTIRE CONTRACT WITH INDEPENDENT CONTRACTOR, INCLUDING SCOPE OF WORK, IF SEPARATE

*Attach additional pages for each section below, as necessary*

DESCRIPTION OF WORK TO BE PERFORMED BY RETIREE, INCLUDING AN EXPLANATION AS TO HOW THE RETIREE'S WORK UNDER THE CONTRACT WILL BE SUBSTANTIALLY DIFFERENT FROM THEIR WORK AS AN EMPLOYEE BEFORE RETIREMENT, AND THAT THIS REQUEST IS NOT TO EVADE THE 960 HOUR LIMIT FOR REHIRED RETIREES :

CONFIRM THAT THE TERMS OF THE RETIREE'S EMPLOYMENT, THE MEANS AND METHODS OF THE RETIREE'S WORK, AND SUPERVISION OF THE WORK WILL BE CONTROLLED BY THE CONTRACTOR, NOT LACERA:

CONFIRM THAT THE RETIREE DOES NOT CONTROL OR OWN THE INDEPENDENT CONTRACTOR, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART:

EXPLAIN HOW THE INDEPENDENT CONTRACTOR WAS SELECTED, AND PROVIDE INFORMATION SHOWING THAT THE CONTRACTOR IS SUBSTANTIAL IN TERMS OF ITS BUSINESS, HISTORY, AND MAKE UP:

REQUIRED APPROVALS

DIVISION MANAGER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
ASSISTANT EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
HUMAN RESOURCES DIRECTOR	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
CHIEF EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED

FOR HR USE ONLY:

HR STAFF REVIEW:	DATE PROCESSED:
DATE REVIEWED:	DIVISION NOTIFIED:
DATE OF RETIREMENT:	CALCULATED ON CALENDAR DAYS:
REMARKS:	



**CONDITIONS OF POST RETIREMENT WORK AND WAIVER  
UNDER A BONA FIDE INDEPENDENT CONTRACT**

**Retiree Name:** \_\_\_\_\_

**Employee Number:** \_\_\_\_\_

I, \_\_\_\_\_, retired on \_\_\_\_\_ from \_\_\_\_\_, a participating employer in LACERA. I desire to work on LACERA's contract with \_\_\_\_\_ (the "Independent Contractor") as an employee of the Independent Contractor. During this contract work, there will be no suspension or termination of my LACERA retirement allowance and benefits if my contract work complies with the requirements of LACERA's Post Retirement Employment Policy. As conditions of my contract work, I understand and acknowledge as follows: **(Each line must be initialed to indicate understanding and agreement with these conditions.)**

\_\_\_\_\_ 1. That LACERA's contract with the Independent Contractor is a bona fide independent contract under California law, such that the terms of my employment, the means and methods of my work, and supervision of the work must be controlled by the contractor, not LACERA, and that the Independent Contractor is substantial in terms of its business, history, and make up so as to demonstrate that the entity is legitimate. I will not accept non-contract work directly from LACERA.

\_\_\_\_\_ 2. That I will not receive any compensation or benefits directly from LACERA for my work on LACERA's contract with the Independent Contractor, and I will be compensated by the Independent Contractor.

\_\_\_\_\_ 3. That my work under LACERA's contract with the Independent Contractor is not intended to evade the 960 hour and other limits of California Government Code Sections 7522.56 and other applicable law, and that my work under the contract is not a continuation of my work as an employee for a participating employer in LACERA.

\_\_\_\_\_ 4. That my work under LACERA's contract with the Independent Contractor will not violate conflict of interest and ethics laws, regulations, and policies.

\_\_\_\_\_ 5. That I do not control or own the Independent Contractor, directly or indirectly, in whole or in part.

\_\_\_\_\_ 6. That, if I was under Normal Retirement Age at the time of my retirement, there was no prearranged agreement that I would become employed by the contractor to perform on a contract with LACERA.

\_\_\_\_\_ 7. That, if any of the conditions stated above are not true or if my contract work for any reason does not meet the requirements of employment for a bona fide independent contractor, it may cause reinstatement from retirement, the suspension of my LACERA retirement allowance and healthcare benefits, and collection, including offset of my LACERA benefit payments for amounts due for work in violation of the law.

I have received and read, understand, and agree to LACERA's Post Retirement Employment Policy and the above conditions of work for the Independent Contractor. The statements herein are all true and correct. I understand the consequences of violating the Policy.

\_\_\_\_\_  
Employee Signature  
Print Name \_\_\_\_\_

\_\_\_\_\_  
Date

June 27, 2023

TO: Each Trustee,  
Board of Retirement  
Board of Investments

FROM: Steven P. Rice, *SPR*  
Chief Counsel

FOR: July 6, 2023 Board of Retirement Meeting  
July 12, 2023 Board of Investments Meeting

SUBJECT: Approval of Revised AB 2449 Teleconference Policy

**RECOMMENDATION**

That the Board of Retirement and Board of Investments each separately adopt the proposed revised AB 2449 Teleconference Policy.

**LEGAL AUTHORITY**

Under Article XVI, Section 17 of the California Constitution, the Board of Retirement and Board of Investments have plenary authority and exclusive fiduciary responsibility for administration of the system. *See also* Cal. Gov't Code §§ 31520, 31520.1, 31520.2, and 31595 of the County Employees Retirement Act of 1937 (CERL). This authority includes the ability of the Boards to manage their meetings under the Brown Act and establish policies for meetings, such as how to administer teleconferencing under AB 2449.

**DISCUSSION**

At their June 6 and 13, 2023 meetings, the Board of Retirement and Board of Investments approved a revised AB 2449 Teleconference Policy. However, both Boards directed that a change be made to clarify new language in Section 5.5 relating to the teleconference limit for Board and Committee meetings. The Boards further directed that this revision be brought back to the Boards on their July Consent agendas. Finally, the Boards directed that future changes to the Policy be brought first to the Joint Organizational Governance Committee (JOGC) for review and recommendation.

Attached to this memo is a redlined version of the Policy revising Section 5.5 to clarify that separate and independent teleconference limits will apply to meetings of the Boards and each Committee and that the same limit for Committee meetings applies to both Committee members and non-Committee Board Trustees.

Trustees requested a chart summarizing the applicable limits. The tables below present the AB 2449 limits for the Board of Retirement and its Committees and the Board of

Investments and its Committees. These chart state the default limits that will generally apply under AB 2449 and LACERA's policy. The Committee limits in these charts apply to both Committee member and non-Committee Trustees. In addition to the limits stated in the charts, there may be exceptions that will allow additional AB 2449 teleconference use in certain circumstances; these will be rare.

Board of Retirement:

BOR	Maximum of two teleconference meetings/Trustee/year
IBLC	Maximum of two teleconference meetings/Trustee/year
OOC	Maximum of two teleconference meetings/Trustee/year
JOGC	Maximum of two teleconference meetings/Trustee/year
Audit	Maximum of two teleconference meetings/Trustee/year

Board of Investments:

BOI	Maximum of two teleconference meetings/Trustee/year
Corporate Governance	Maximum of two teleconference meetings/Trustee/year
Credit	Maximum of two teleconference meetings/Trustee/year
Equity	Maximum of two teleconference meetings/Trustee/year
Real Assets	Maximum of two teleconference meetings/Trustee/year
JOGC	Maximum of two teleconference meetings/Trustee/year
Audit	Maximum of two teleconference meetings/Trustee/year

In addition to the AB 2449 teleconference option, the traditional method under the Brown Act of noticing public teleconference locations on the agenda is available without any limits.

**CONCLUSION**

For these reasons, it is recommended that the Board of Retirement and Board of Investments each separately adopt the proposed revised AB 2449 Teleconference Policy with the revision described in this memo.

Attachment

c: Santos H. Kreimann  
Jonathan Grabel

Re: Approval of Revised AB 2449 Teleconference Policy

June 27, 2023

Page 3 of 3

JJ Popowich

Laura Guglielmo

Barry Lew

Board Office

## **AB 2449 TELECONFERENCE POLICY**

**Authorizing Manager:** Chief Counsel

**Effective Date:** February 8, 2023

**Last Updated:** ~~June 7 and 14~~ July, 2023

**Mandatory Review:** Before January 1, 2026

**Policy Type:** Joint Board Policy

**Approval Level:** Board of Retirement and Board of Investments

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### **1. PURPOSE**

The purpose of this AB 2449 Teleconference Policy (Policy) is to establish a process (1) for Trustees to request Teleconference attendance at a publicly noticed Board and Committee meeting under the Act for Just Cause or Emergency Circumstances, and (2) to select Trustees who shall be permitted under the Act to attend a meeting by Teleconference, including when more than the maximum number of Trustees (which is one less than the number constituting a quorum allowed of the Board or any Committee) make a request for the same meeting.

### **2. SCOPE**

This Policy applies only to Teleconference attendance at publicly noticed Board and Committee meetings for Trustees who request it based on a showing of Just Cause or Emergency Circumstances under AB 2449 (which enacted California Government Code Section 54953(f) for meetings until January 1, 2024, and Section 54953(e) for meetings from January 1, 2024 until January 1, 2026). This Policy expires and has no effect for meetings on and after January 1, 2026, unless extended.

The Policy does not apply to (1) teleconference meetings when the Board or Committee makes the findings required under California Government Code Section 54953(e) (applicable for meetings until January 1, 2024 during a proclaimed state of emergency), (2) teleconference meetings agendaized under Section 54953(b) (which requires that all teleconference locations be identified on the agenda, open to the public, and ADA-compliant), or (3) to meetings that are not publicly noticed under the Brown Act. The Board of Retirement and Board of Investments' separate Teleconference Meeting Policies previously adopted shall continue to apply to requests for teleconference meetings under Government Code Section 54953(b).

To the extent that state law or federal law provides for additional restrictions or conflicts with this Policy, the law shall prevail over this Policy.

### **3. LEGAL AUTHORITY**

This Policy is adopted pursuant to the plenary authority of the Board of Retirement and Board of Investments over the administration of the system (Cal. Const., art. XVI, sec 17), the County Employees Retirement Law of 1937 (CERL), including California

Government Code Sections 31520, 31520.1, 31520.2, and 31595, and other governing law. The authority of both Boards includes the ability to establish policies to implement the Brown Act (California Government Code Section 54950 *et seq.*), including AB 2449.

#### 4. **DEFINITIONS**

**4.1 Just Cause** means any of the following:

- (A) Childcare or caregiving needs of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires a Trustee to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Government Code Section 12945.2;
- (B) A contagious illness that prevents a Trustee from attending in person;
- (C) A need related to a physical or mental disability as defined in California Government Code Sections 12926 and 12926.1, to the extent not otherwise accommodated under this Policy; or
- (D) Travel while on official business of LACERA or another state or local agency.

**4.2 Emergency Circumstances** means a physical or family medical emergency that prevents a Trustee from attending a meeting in person.

**4.3 Teleconference** means both audio and on camera visual participation throughout a meeting.

#### 5. **LEGAL REQUIREMENTS AND PROCESS FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449**

##### **5.1 Teleconference Meeting Requests**

Subject to the other requirements of this Policy, a Trustee shall be eligible to attend a meeting by Teleconference if one of the following circumstances apply:

- (A) A Trustee submits an email request to attend by Teleconference for Just Cause to the Executive Board Assistants, at [boardoffices@lacera.com](mailto:boardoffices@lacera.com), as soon as possible prior to a Board or Committee meeting, but no later than the start of a meeting. The request must include a general description that need not exceed 20 words relating to their Just Cause. No action by the Board or Committee is required to approve a request based on Just Cause; or
- (B) A Trustee submits an email request to attend by Teleconference due to Emergency Circumstances to the Executive Board Assistants, at [boardoffices@lacera.com](mailto:boardoffices@lacera.com), as soon as possible prior to a Board or Committee meeting, but no later than the start of a meeting. The request must include an email statement that need not exceed 20 words of the Emergency Circumstances. The Board or Committee must take action to approve the request. If a request is not submitted in time for it to be placed on the noticed

agenda, a Board or Committee may take action at the beginning of the meeting under Government Code Section 54954.2(b).

The required email statement of Just Cause or Emergency Circumstance shall not disclose any medical diagnosis or disability, or any medical or private information exempt under applicable law, including the Confidentiality of Medical Information Act (California Civil Code Section 56 *et seq.*). However, it shall provide sufficient non-confidential information to provide a general description of the basis for the Just Cause or Emergency Circumstances and allow the request to be evaluated for compliance with the definitions of Just Cause or Emergency Circumstances.

## **5.2 Process for Deciding and Allocating Teleconference Requests**

In conjunction with the Board or Committee Chair, the Executive Board Assistants shall advise Trustees as soon as possible upon completion of the process described in this Section 5.2 as to whether their Teleconference request is allowed or denied or, in the case of a request based on Emergency Circumstances, recommended for approval or denial to a Board or Committee.

When less than a quorum of a Board or Committee request to attend a meeting via Teleconference, all requests shall be allowed if they are based on Just Cause and comply with this Policy, and all requests shall be recommended for approval by the Board or Committee if they are based on Emergency Circumstances and comply with this Policy.

When a quorum or more of a Board or Committee request to attend a meeting via Teleconference, attendance for Trustees whose requests comply with this Policy shall be allowed in the case of Just Cause or recommended in the case of Emergency Circumstances on a first come, first served basis based on the time the requests were first received by the Executive Board Assistants, including the statement describing Just Cause or Emergency Circumstances. Requests based on the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) (ADA) shall be given priority, notwithstanding when submitted.

In all cases, the Executive Board Secretaries shall review Teleconference requests for compliance with this Policy. They shall then submit all requests to the Chair of the Board or Committee and include information regarding compliance of each request with this Policy and recommendations as to which requests are proposed to be granted or denied. The Chair of the Board or Committee shall oversee the allocation process, including the final decision as to which requests are granted or denied, or recommended to be granted or denied in the case of Emergency Circumstances which require Board or Committee

approval, and to ensure that requests based on the ADA are given proper accommodation and priority.

As a condition of Teleconference meeting attendance that is allowed, at the beginning of a Teleconference meeting and, for requests based on Emergency Circumstances, before a Teleconference request is approved or acted upon, the Trustee shall publicly disclose whether any other individuals 18 years of age or older are present in the room from which the Trustee remotely attends, and the general nature of the Trustee's relationship with any such individuals. This information must be updated by each Trustee attending by Teleconference as needed during the meeting if other such individuals join the Trustee's meeting room.

Board and Committee agendas will include, at the beginning of each agenda, an item where those participating for Just Cause will be identified, for action regarding those requesting to attend for Emergency Circumstances, and the required statement as to other persons present in the room with Teleconference participants may be made.

If a Teleconference request is granted, the Trustee must participate by audio and on camera visual technology throughout a meeting, provided, however, that such Trustee may mute their audio and/or turn off their video when they are not speaking or voting, and on an incidental and minimal basis, so as to avoid undue disruption of the meeting.

### **5.3 A Quorum Must be Physically Present for the Entire Meeting**

A quorum of Trustees of a Board or Committee must be physically present together for the entire Teleconference meeting at the same single location in the County of Los Angeles stated in the meeting agenda and open to the public in order for Teleconference attendance under this Policy to be allowed. A physical quorum can be established through the in-person attendance of alternate members of a Board or Committee. No action can be taken by a Board or Committee if there is not a physical quorum or if the quorum is lost during the meeting, provided, however, that if a Committee meeting is agendized, and non-Committee Board members attend that meeting, such non-Committee Board members will not be counted for purposes of determining whether a quorum of the Board is physically present for purposes of the Teleconferencing meeting, because such non-Committee Board members are not permitted to take action on any Committee agenda items during that meeting.

### **5.4 Public Participation**

At any meeting of a Board or Committee at which Teleconference attendance is permitted under this Policy, the meeting must provide in-person attendance at the noticed location and one of the following means for the public to remotely hear

and visually observe the meeting, and remotely address the meeting:

- (A) A two-way audiovisual platform; or
- (B) A two-way telephonic service and a live webcasting of the meeting.

The meeting agenda shall state the in-person and remote methods for the public to observe and participate in the meeting and provide instructions. Public comments must be allowed in real time up until the end of the Public Comment section on the meeting agenda in the case of oral comment or until the end of the meeting in the case of written comment. If there is a technological disruption in the method for the public to remotely observe and participate, no further action may be taken by the Board or Committee until remote access is fully restored.

### **5.5 Limitation on Trustee Teleconference Attendance**

No more than two requests based on Just Cause may be granted per calendar year, whether the meetings are regular or special.

As to requests based on either Just Cause or Emergency Circumstances, the following limitations apply and will be monitored by the Executive Board Assistants:

- (A) Subject to (B) and (C), no more than three consecutive meetings, whether regular or special, of a Board or Committee within a calendar year, of which no more than two may be regular or special meetings for Just Cause;
- (B) Subject to (C), no more than 20% of the regular meetings of a Board or Committee within a calendar year, of which no more than two may be regular or special meetings for Just Cause; and
- (C) If a body meets regularly less than 10 times per calendar year, no more than two meetings, regular and special, per calendar year.

~~Following the method applicable under this section, a Teleconference limit will apply to meetings noticed only of the Board or Boards. A separate and independent limit will apply for each Committee, which will be the same for both Committee members and non-Committee Board Trustees who attend a Committee meeting by Teleconference. For meetings attended by Trustees as a member of a Board, a separate limit will apply under the above provisions for meetings noticed only for the Board (including the joint Boards) and for meetings noticed for each Committee that are also noticed as meetings of the Board where Board members may observe and participate in discussion but may not make or second motions, vote, or take other action or provide direction. For Committee members, a separate limit will apply for each Committee of which a Trustee is a member, and attendance by Committee members at Committee meetings will not affect such Trustees' Board meeting limit. Under this section, for each Committee, Committee members and non-Committee members will all have the~~

~~same Teleconference meeting limit.~~

**6. REFERENCES**

Ralph M. Brown Act ([California Government Code Section 54950 et seq.](#))

[AB 2449](#) California Government Code Section 54953(f) for meetings until January 1, 2024 and Section 54953(e) for meetings from January 1, 2024 until January 1, 2026).

[Americans With Disabilities Act of 1990 \(42 U.S.C. § 12132\).](#)

[Confidentiality of Medical Information Act](#) (California Civil Code Section 56 et seq.) and other applicable privacy and medical confidentiality laws.

[Board of Retirement Teleconference Meeting Policy.](#)

[Board of Investments Teleconference Meeting Policy.](#)

**7. VERSION HISTORY**

First approved by the Board of Retirement on February 1, 2023, and by the Board of Investments on February 8, 2023. Revised by the Board of Retirement on June --, 2023, and by the Board of Investments on ~~June 7 and 14~~ July, 2023.

**8. POLICY REVIEW AND APPROVAL**

This Policy is effective retroactive to the day first adopted by the Board of Retirement and Board of Investments. This Policy shall expire on January 1, 2026 and shall be reviewed by the Boards prior to that date in order to address legislative changes.

June 15, 2023

TO: Each Member  
Board of Retirement

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

FOR: July 6, 2023 Board of Retirement Meeting

SUBJECT: **Legislative Proposal—Compliance Requirements for Rehired Retirees**

## **RECOMMENDATION**

That the Board of Retirement approve submission of a legislative proposal for inclusion in the SACRS 2024 Legislative Platform that would offset the retirement allowance of retirees who exceed the maximum allowable hours in their post-retirement employment.

## **SACRS LEGISLATIVE PLATFORM**

Each year, the 20 retirement systems operating under the County Employees Retirement Law of 1937 (CERL) are asked to submit proposals to the Legislative Committee of the State Association of County Retirement Systems (SACRS) for sponsorship in the upcoming SACRS legislative platform. The items submitted should have applicability to all CERL systems rather than an individual system; they should not propose new benefits that will be paid for by the plan sponsor; and they should not create major issues, such as conflicts with Proposition 162 or with any of the 19 other CERL retirement systems.

## **BACKGROUND**

CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA) provide that retired members may be employed by the county or district without reinstatement to active membership in a position requiring special skills or knowledge for a period not to exceed 120 days or 960 hours in a fiscal or calendar year.

At LACERA's Audit Committee meeting on August 18, 2022, Internal Audit Division released its *Audit of LACERA's Rehired Retiree Program*. The report reviewed LACERA's rehired retiree program and provided an audit rating of "Unsatisfactory." One of the report's findings related to noncompliance with the 960-hour limit requirement and noted that one retired rehire worked 1,019 hours, which is an excess of 59 hours for that fiscal year.

This finding received a risk rating of "High" because of noncompliance with CERL and PEPRA, potential jeopardy to LACERA's tax-qualified status, and adverse tax consequences for active and retired County employees. The finding also noted that LACERA's Post-employment Policy and HR procedure does not address the action

LACERA must take to remedy these overages and that LACERA has not taken any action to address 960-hour overages. Staff will separately present to the Operations Oversight Committee and the Board a revised Post-Retirement Employment Policy to add language regarding enforcement, address other audit findings not mentioned here, and enhance the Policy in other ways with respect to LACERA's use of retirees.

At LACERA's Audit Committee meeting on November 4, 2022, Internal Audit Division released its audit report *Los Angeles County's Compliance with Requirements for Rehired Retirees—Fiscal Year Ended June 30, 2021*. The report reviewed Los Angeles County's compliance with the requirements for rehiring retired members and provided an audit rating of "Unsatisfactory." One of the report's findings noted a spike in the number of retired retirees exceeding the 960-hour limit. For the fiscal year ended June 30, 2020, there was 1 retiree with an overage of 414 hours. For the fiscal year ended June 30, 2021, there were 10 retirees with a total overage of 1,778 hours. Of the 10 retirees, 2 of them were over the limit by 703 and 917 hours, respectively.

This finding received a risk rating of "High." One of the recommendations was that LACERA develop a policy and procedure to address preventing the overages and taking the required action on the retirement payroll of retirees that exceed the 960-hour limit. Staff intends to communicate with the County regarding its practices in this area and to develop a policy regarding the use of retirees by the County and all participating employers in LACERA.

### **LEGISLATIVE POLICY STANDARD**

The Board of Retirement's legislative policy standard is to support proposals that correct structural deficiencies in plan design (Legislative Policy, page 6).

### **CURRENT LAW**

Government Code Sections 7522.56, 31680.2, 31680.3, and 31680.6 provide for the employment of retired members by a county or district without reinstatement to membership. If the retired member meets the requirements for employment, they cannot work more than 960 hours in a fiscal or calendar year. Sections 7522.56 and 31680.6 apply to LACERA and its participating employers.

### **ISSUE**

Although the Government Code Sections related to post-retirement employment specify that retired members cannot work more than 960 hours in a fiscal or calendar year, they do not specify what actions are necessary if retired members work in excess of 960 hours.

### **PROPOSED SOLUTION**

Retired members who are employed by a county or district receive wages for the services they perform. If they were to work and consequently provide service for more than 960 hours in a fiscal or calendar year, it would be problematic to not pay their wages for services performed.

A more feasible solution would be to consider the retirement allowance as an overpayment to the extent it is payable during any period in which the retired member is employed and paid for that employment in excess of 960 hours. Offsetting the retirement allowance by the excess hours paid would ensure that the retired member is not receiving *a pension and a salary* outside of the prescribed limit.

This proposed solution would be in alignment with the public policy behind Governor Brown's *Twelve Point Pension Reform Plan* that was the basis for the enactment of PEPRA. Specifically, one of the points in the plan proposed to limit post-retirement employment for the reason that "Retirement with a pension should not translate into retiring on a Friday, returning to full-time work the following Monday, and collecting **a pension and a salary** [emphasis added]."

CERL and PEPRA contain provisions that a retired member must comply with to be employed without reinstatement to membership and thereby collect a pension and a salary under limited circumstances, specifically that they cannot work in excess of 960 hours. In comparison, a retired member who does reinstate to membership has their retirement allowance cancelled such that they do not receive a pension and salary concurrently, and the retirement allowance is resumed only upon subsequent termination of employment.

The offset of the retirement allowance that is payable during any period that is concurrent with the period in which hours in excess of 960 hours are paid would ensure that rehired retired members comply with the 960-hour limit and not receive a pension and salary at the same time if their work hours are over this limit.

If the proposal was ultimately signed into law, it would be effective on January 1, 2025, or an earlier date if it is passed as urgency legislation.

**IT IS THEREFORE RECOMMENDED THAT THE BOARD** approve submission of a legislative proposal for inclusion in the SACRS 2024 Legislative Platform that would offset the retirement allowance of retirees who exceed the maximum allowable hours in their post-retirement employment.

### **Attachment**

SACRS 2024 Legislative Platform Worksheet

cc: Santos H. Kreimann                      Carly Ntoya  
Luis Lugo    Louis Gittens  
JJ Popowich  
Laura Guglielmo  
Steven P. Rice  
Richard Bendall

## 2024 SACRS LEGISLATIVE PLATFORM WORKSHEET

Title of Issue: 960-Hour Limitation for Rehired Retirees

Association: LACERA

Contact Person: Barry Lew ([blew@lacera.com](mailto:blew@lacera.com))

Phone #: 626-564-2370

Fax #: N/A

Please answer the following questions as fully as possible:

1. Description of issue.

Retired members may be reemployed by their county or district without reinstatement to membership under specified conditions. One of the conditions is that they do not work more than 960 hours in a fiscal or calendar year.

Although CERL specifies that retired members cannot work more than 960 hours in a fiscal or calendar year, it does not specify what actions are necessary if retired members work in excess of 960 hours.

2. Recommended solution.

The retirement allowance should be considered an overpayment to the extent it is payable during any period in which the retired member is employed and paid for that employment in excess of 960 hours. Offsetting the retirement allowance by the excess hours paid would ensure that the retired member is not receiving *a pension and a salary* outside of the prescribed limit.

3. Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers.

See attached.

4. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?

The 960-hour limitation applies to all SACRS member systems.

5. Do you anticipate that the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?

It should not create any problems since the proposal enables the SACRS member systems to comply with the 960-hour limitation.

6. Who will support or oppose this proposed change in the law?

SACRS member systems that want a mechanism to comply with the 960-hour limitation will support.

7. Who will be available from your association to testify before the Legislature?

Barry Lew from LACERA and LACERA's legislative advocate Naomi Padron from McHugh Koepke Padron Government Relations.

Email or mail your legislative proposals to:

Mike Robson and Trent Smith  
Edelstein, Gilbert, Robson, & Smith LLC  
1127 11<sup>th</sup> Street, Suite 1030  
Sacramento, CA 95814

Email to both:

[Mike@EGRSlobby.com](mailto:Mike@EGRSlobby.com)

[Trent@EGRSlobby.com](mailto:Trent@EGRSlobby.com)

2024 SACRS LEGISLATIVE PLATFORM WORKSHEET  
ATTACHMENT FOR ITEM 3

**Government Code Section 31680.2 (Amend)**

(a) Any person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing them, for a period of time not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend their retirement allowance, and no deductions shall be made from their salary as contributions to this system.

(b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(3) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail, except that the limit on postretirement employment provided in subdivision (a) to the greater of 90 working days or 720 hours shall remain effective.

(c) Notwithstanding subdivision (a), the retired person's retirement allowance shall be considered an overpayment to the extent it is payable during any period in which the retired person is employed and paid for that employment in excess of 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors. Such overpayment shall be subject to collection by the retirement system.

**Government Code Section 31680.3 (Amend)**

(a) Notwithstanding Section 31680.2, any member who has been covered under the provisions of Section 31751 and has retired may be reemployed in a position requiring special skills or knowledge, as determined by the county or district employing the member, for a period of time not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend the person's retirement allowance, and no deductions shall be made from the person's salary as contributions to this system.

(b) (1) This section shall not apply to any retired member who is otherwise eligible for reemployment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment

insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(c) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail.

(d) Notwithstanding subdivision (a), the retired member's retirement allowance shall be considered an overpayment to the extent it is payable during any period in which the retired member is employed and paid for that employment in excess of 120 working days or 960 hours, whichever is greater, in any one fiscal year. Such overpayment shall be subject to collection by the retirement system.

### **Government Code Section 31680.6 (Amend)**

(a) Notwithstanding Section 31680.2, any county subject to Section 31680.2 may, upon adoption of a resolution by a majority vote by the board of supervisors, extend the period of time provided for in Section 31680.2 for which a person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing him or her, not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend his or her retirement allowance, and no deductions shall be made from his or her salary as contributions to this system.

(b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(c) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail.

(d) Notwithstanding subdivision (a), the retired person's retirement allowance shall be considered an overpayment to the extent it is payable during any period in which the retired person is employed and paid for that employment in excess of 120 working days or 960 hours, whichever is greater, in any one fiscal year of any other 12-month period designated by the board of supervisors. Such overpayment shall be subject to collection by the retirement system.

**Government Code Section 31680.9 (Add)**

A retired member who is employed pursuant to Section 7522.56 shall have their retirement allowance be considered an overpayment to the extent it is payable during any period in which the retired member is employed and paid for that employment in excess of 960 hours or other equivalent limit in a calendar year or fiscal year. Such overpayment shall be subject to collection by the retirement system.



June 27, 2023

**TO:** Trustees, Board of Retirement

**FOR:** Board of Retirement Meeting on July 6, 2023

**SUBJECT:** Ratification of Service Retirement and Survivor Benefit Application Approvals

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

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
TIMOTHY R. ALSKY	SHERIFF Dept.#SH	07-29-2023	34 YRS 01 MOS
MANUEL ARMAS	SHERIFF Dept.#SH	07-28-2023	31 YRS 10 MOS
BRUCE M. CAMERON	SHERIFF Dept.#SH	08-21-2023	16 YRS 07 MOS
PATRICK J. COUSSA	SHERIFF Dept.#SH	07-28-2023	28 YRS 04 MOS
MANUEL CUEVA JR	SHERIFF Dept.#SH	07-29-2023	34 YRS 00 MOS
LELAND M. DELANEY	LA COUNTY FIRE DEPT Dept.#FR	07-31-2023	34 YRS 07½ MOS
TIMOTHY P. DIXON	LA COUNTY FIRE DEPT Dept.#FR	06-01-2023	31 YRS 07½ MOS
CHAD W. DOWDY	SHERIFF Dept.#SH	07-29-2023	26 YRS 05 MOS
WINSTON A. GRANT	SHERIFF Dept.#SH	07-29-2023	34 YRS 01 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JEFFREY A. JAMES	L A COUNTY FIRE DEPT Dept.#FR	06-18-2023	02 YRS 08 MOS
ERICA F. LOZANO-LOPEZ	SHERIFF Dept.#SH	07-13-2023	13 YRS 08½ MOS
GARY J. MILLER	SHERIFF Dept.#SH	06-30-2023	36 YRS 06 MOS
WILLETTE MITCHELL	SHERIFF Dept.#SH	07-05-2023	31 YRS 07½ MOS
ALMA D. ORTEGA	L A COUNTY FIRE DEPT Dept.#FR	06-30-2023	26 YRS 11 MOS
MICHAEL C. ORTIZ	SHERIFF Dept.#SH	07-31-2023	36 YRS 02½ MOS
SEAN C. ROBINSON	DISTRICT ATTORNEY Dept.#DA	07-29-2023	24 YRS 00 MOS
PAUL J. STATSMANN	SHERIFF Dept.#SH	07-31-2023	25 YRS 00 MOS
JOSIE S. WOOLUM	SHERIFF Dept.#SH	07-29-2023	28 YRS 04 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ANTHONY E. ADAMS	PROBATION DEPARTMENT Dept.#PB	05-30-2023	19 YRS 08 MOS
PURITA I. AGANON	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-31-2023	17 YRS 06 MOS
MARIA M. AGOSTO	PUBLIC HEALTH PROGRAM Dept.#PH	07-28-2023	41 YRS 02 MOS
THERESA M. AJAB	CORRECTIONAL HEALTH Dept.#HC	07-31-2023	17 YRS ½ MOS
PAUL O. AKAMNONU	PUBLIC WORKS Dept.#PW	06-30-2023	34 YRS 03 MOS
JANE ALANIZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-29-2023	32 YRS 05 MOS
EVA MARIA ALBA	PUBLIC DEFENDER Dept.#PD	06-30-2023	22 YRS 11 MOS
DOLORES M. ALCARAZ	HEALTH SERVICES ADMINISTRATION Dept.#HS	06-30-2023	43 YRS 11 MOS
JOSEPH S. ALLETTO	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-01-2023	00 YRS 06 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JORGE L. ALVAREZ	DISTRICT ATTORNEY Dept.#DA	07-28-2023	22 YRS 02 MOS
VARUSH AMBARCHYAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-01-2023	18 YRS 01½ MOS
TONNIE M. ANDERSON	SHERIFF Dept.#SH	07-31-2023	35 YRS 09 MOS
ANNA M. ARMENTA-RIGO	PUBLIC DEFENDER Dept.#PD	08-01-2023	34 YRS 01½ MOS
MARIA E. ARVIZO	SUPERIOR COURT/COUNTY CLERK Dept.#SC	07-31-2023	27 YRS 02½ MOS
INEZ BECKON-ENGLI	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-15-2023	36 YRS 05½ MOS
SANDRA BECTON	CHILDREN & FAMILY SERVICES Dept.#CH	06-30-2023	45 YRS 02 MOS
JOHANA D. BONILLAS	SHERIFF Dept.#SH	07-31-2023	33 YRS 03½ MOS
VERONICA D. BROADWAY	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-28-2023	36 YRS 08 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
TIMOTHY F. BRYANT	PROBATION DEPARTMENT Dept.#PB	06-30-2023	45 YRS 07 MOS
ROSEMARY BUSTAMANTE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-28-2023	42 YRS 07 MOS
CHRISTINE A. CAI	REG-RECORDER/COUNTY CLERK Dept.#RR	09-01-2023	17 YRS 06½ MOS
MERCEDES D. CALDERON-ROD	CHILDREN & FAMILY SERVICES Dept.#CH	06-30-2023	39 YRS 00 MOS
RHONDA CALVERT-ODEN	PROBATION DEPARTMENT Dept.#PB	07-31-2023	35 YRS 03½ MOS
YOLANDA CARDENAS	SHERIFF Dept.#SH	07-29-2023	41 YRS 09 MOS
LUPE CARRILLO	SHERIFF Dept.#SH	06-01-2023	21 YRS 06½ MOS
BEVERLY L. CASSANOVA	PROBATION DEPARTMENT Dept.#PB	05-24-2023	33 YRS ½ MOS
YVONNE M. CASTILLO	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-30-2023	10 YRS 00 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ESTHER CHAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-28-2023	29 YRS 07 MOS
BECKY P. CHANG	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-01-2023	33 YRS 01½ MOS
HSIANG CHI CHANG	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-28-2023	15 YRS 01 MOS
VIGEN CHOLAKIANS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-28-2023	16 YRS 08 MOS
BRIAN T. CHU	COUNTY COUNSEL Dept.#CC	08-01-2023	24 YRS 02½ MOS
JOANNE K. COCO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2023	33 YRS 00 MOS
JEANETTE Y. COMER	PUBLIC DEFENDER Dept.#PD	04-11-2023	32 YRS 07½ MOS
SANDY CONNERS	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	06-17-2023	40 YRS 04 MOS
TAMMY L. CRISS	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-14-2023	14 YRS 07½ MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ROSARIO CRUZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-25-2023	11 YRS 03 MOS
ALFONSO CUADRA JR	CHILDREN & FAMILY SERVICES Dept.#CH	06-16-2023	27 YRS 04 MOS
LAWRENCE DARDEN	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	07-01-2023	27 YRS 10 MOS
JACQUELINE I. DAVIS	AGING DEPARTMENT Dept.#AG	07-31-2023	17 YRS 01 MOS
MARIETTA Y. DEALDAY	AMBULATORY CARE NETWORK Dept.#HN	06-30-2023	17 YRS 03 MOS
VICTORIA DEL AGUILA	PUBLIC HEALTH PROGRAM Dept.#PH	08-01-2023	36 YRS 01½ MOS
GERMAN DELA CRUZ JR	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	07-01-2023	37 YRS 08½ MOS
MICHAEL E. DEMANIA	SHERIFF Dept.#SH	08-31-2023	19 YRS 02 MOS
AYUMI T. DICKSON	PUBLIC WORKS Dept.#PW	07-05-2023	14 YRS 09½ MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
STEVEN R. DICKSON	PUBLIC WORKS Dept.#PW	07-05-2023	30 YRS ½ MOS
ARPIK DILANIAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-28-2023	22 YRS 01 MOS
DUKE DOAN	CHIEF EXECUTIVE OFFICE Dept.#AO	08-31-2023	31 YRS 02½ MOS
SUZETTE M. DOMINGUE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-01-2023	11 YRS 05½ MOS
SERENA N. DONG	PUBLIC HEALTH PROGRAM Dept.#PH	07-22-2023	24 YRS 00 MOS
ELAYNE DOUCETTE	BEACHES & HARBORS Dept.#BH	07-28-2023	27 YRS 10½ MOS
PATRICIA G. EVANS	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	06-30-2023	25 YRS 08½ MOS
MARIA E. EXIGA	CHILD SUPPORT SERVICES Dept.#CD	07-28-2023	30 YRS 00 MOS
LORI B. FELDMAN	CHILDREN & FAMILY SERVICES Dept.#CH	06-22-2023	14 YRS 00 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
LORNA D. FIBUS	CHILDREN & FAMILY SERVICES Dept.#CH	07-29-2023	35 YRS 06 MOS
MARIA FLORES	CHILDREN & FAMILY SERVICES Dept.#CH	05-31-2023	30 YRS 02½ MOS
SIU WAI B. FOK LEE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-29-2023	21 YRS 10½ MOS
PETA S. FOSTER	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-29-2023	25 YRS 04 MOS
SCHENELL M. FULMORE	PUBLIC HEALTH PROGRAM Dept.#PH	05-31-2023	31 YRS 08½ MOS
NANCY L. GONZALEZ	INTERNAL SERVICES Dept.#IS	05-31-2023	34 YRS 06½ MOS
ADRIAN G. GRAGAS	COUNTY COUNSEL Dept.#CC	08-01-2023	24 YRS 02½ MOS
LYDIA C. GUTIERREZ	AMBULATORY CARE NETWORK Dept.#HN	07-29-2023	26 YRS 04 MOS
ALBERT M. HAKOPIAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-30-2023	28 YRS 05 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
FLORA J. HARRIS	MENTAL HEALTH Dept.#MH	08-30-2023	05 YRS ½ MOS
CANDACE J. HENRY	SUPERIOR COURT/COUNTY CLERK Dept.#SC	07-01-2023	25 YRS ½ MOS
STEVEN E. HENRY	COUNTY COUNSEL Dept.#CC	08-09-2023	23 YRS 03½ MOS
CHARLENE HO	CORRECTIONAL HEALTH Dept.#HC	07-31-2023	41 YRS 06 MOS
GUEYING HOANG	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-27-2023	18 YRS 00 MOS
CARMEN HOLGUIN	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	06-15-2023	41 YRS 10½ MOS
STEVE R. HOLTON	PUBLIC WORKS Dept.#PW	06-30-2023	31 YRS 10½ MOS
CLARO VIC V. IGNACIO	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	08-30-2023	26 YRS 07 MOS
KEVIN J. ISAGO	SHERIFF Dept.#SH	05-26-2023	12 YRS 00 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MARY ANN Y. JABAT	CORRECTIONAL HEALTH Dept.#HC	07-01-2023	15 YRS 06 MOS
CHAUNTE JACKSON	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2023	30 YRS 02 MOS
JEAN I. JAMES	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	07-29-2023	25 YRS 05 MOS
GREGORY D. JEFFERSON	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-12-2023	29 YRS 09½ MOS
STEPHANIA L. JEFFLO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-29-2023	34 YRS 06 MOS
MARK JERRICKS	PUBLIC WORKS Dept.#PW	07-29-2023	36 YRS 00 MOS
ELISAA. JOHNSON	SHERIFF Dept.#SH	06-23-2023	35 YRS 04 MOS
SHIRLEY J. JONES	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-17-2023	33 YRS 06 MOS
SUN JU	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-30-2023	28 YRS 06 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JENNIFER KERR	CHILDREN & FAMILY SERVICES Dept.#CH	06-30-2023	32 YRS 01 MOS
NARINE KHARBERTYAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-08-2023	16 YRS 09 MOS
STEPHEN S. LAI	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2023	11 YRS 11 MOS
ABBE S. LAND	DEPARTMENT OF HUMAN RESOURCES Dept.#HM	06-30-2023	05 YRS 02 MOS
KENNETH K. LEE	SHERIFF Dept.#SH	06-30-2023	34 YRS 05 MOS
ANNE M. LEROY	L A COUNTY FIRE DEPT Dept.#FR	07-29-2023	43 YRS 06 MOS
KIMBERLY LIGGINS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-17-2023	32 YRS 05 MOS
JOSE M. LINARES	PROBATION DEPARTMENT Dept.#PB	07-01-2023	28 YRS 03½ MOS
PENG-TI LIU	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2023	35 YRS 06 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MARIA G. LOERA	AMBULATORY CARE NETWORK Dept.#HN	07-29-2023	11 YRS 04 MOS
EMAN M. LOKA	CORRECTIONAL HEALTH Dept.#HC	07-31-2023	12 YRS 09½ MOS
RODNEY LOUDEN II	CHILDREN & FAMILY SERVICES Dept.#CH	07-29-2023	27 YRS 00 MOS
LIDA LOUSPARIAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-28-2023	25 YRS 05 MOS
YVONNE LUCERO	SUPERIOR COURT/COUNTY CLERK Dept.#SC	07-31-2023	42 YRS 04 MOS
NISAA MADYUN	MENTAL HEALTH Dept.#MH	05-31-2023	20 YRS 09½ MOS
JOSE K. MANDANAS	PUBLIC WORKS Dept.#PW	07-27-2023	33 YRS 04 MOS
SORAIDA MARIN	AMBULATORY CARE NETWORK Dept.#HN	06-15-2023	21 YRS 04½ MOS
CYNTHIA A. MARTINEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-31-2023	31 YRS 03½ MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ARCELIA MARTINEZ	PROBATION DEPARTMENT Dept.#PB	08-31-2023	25 YRS 00 MOS
VIRGINIA G. MATHEWS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-30-2023	25 YRS 05 MOS
JEFFERY V. MC LEOD	SHERIFF Dept.#SH	06-16-2023	21 YRS 05 MOS
MARGO MCCABE	LACERA Dept.#NL	06-30-2023	12 YRS 06 MOS
DAVID B. MCCREARY	MENTAL HEALTH Dept.#MH	07-01-2023	14 YRS 06 MOS
KATHRYN M. MINOR	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2023	38 YRS 01 MOS
CHRISTOPHER MOORE	PUBLIC HEALTH PROGRAM Dept.#PH	06-30-2023	25 YRS 01 MOS
SILVIA M. MORENO	PROBATION DEPARTMENT Dept.#PB	07-01-2023	36 YRS 09½ MOS
KARMEN NAZARIAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2023	18 YRS 01½ MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
BRETT C. NELLER	CHILDREN & FAMILY SERVICES Dept.#CH	07-29-2023	26 YRS 04 MOS
HENRY NWOSU	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	08-30-2023	18 YRS 05 MOS
BONIFACE O. OFOEGBU	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-01-2023	26 YRS 01½ MOS
JUAN L. PANDELI	MENTAL HEALTH Dept.#MH	06-30-2023	21 YRS 05 MOS
REGINA D. PIERRE	HEALTH SERVICES ADMINISTRATION Dept.#HS	07-28-2023	33 YRS 00 MOS
SA-ING POOMIWATRACA	L A COUNTY FIRE DEPT Dept.#FR	07-31-2023	20 YRS 01½ MOS
DARLENE M. PRADO	SHERIFF Dept.#SH	05-30-2023	25 YRS 07 MOS
MICHAEL D. PUCKETT	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-28-2023	29 YRS 00 MOS
BENJAMIN I. RAMIREZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-29-2023	25 YRS 00 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
DANIEL F. RAMIREZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-01-2023	28 YRS 04½ MOS
CLAUDIA RAMIREZ	SHERIFF Dept.#SH	06-19-2023	29 YRS 03 MOS
BRENDA J. RAWLS	SHERIFF Dept.#SH	07-31-2023	21 YRS 09½ MOS
MARK L. REMOLLINO	REGIONAL PLANNING Dept.#RP	07-24-2023	25 YRS 00 MOS
CLAUDETTE REYNOLDS	PROBATION DEPARTMENT Dept.#PB	06-01-2023	16 YRS 06½ MOS
ELOISA V. RIDAD	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-30-2023	46 YRS 02 MOS
KATHERINE A. ROBINSON	CHILD SUPPORT SERVICES Dept.#CD	07-28-2023	30 YRS 04 MOS
ROSALINDA RODRIGUEZ	HEALTH SERVICES ADMINISTRATION Dept.#HS	06-01-2023	42 YRS 05½ MOS
RAFAEL R. RODRIGUEZ	SHERIFF Dept.#SH	06-30-2023	23 YRS 05 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JOSEFA L. RODRIGUEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-31-2023	25 YRS 00 MOS
RALPH F. RODRIGUEZ	INTERNAL SERVICES Dept.#IS	07-30-2023	25 YRS 05 MOS
IGNACIO E. ROJAS	ASSESSOR Dept.#AS	07-29-2023	36 YRS 05 MOS
GLORIA M. ROSELLO-STEVE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-31-2023	32 YRS 09 MOS
GENAY RUIZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-27-2023	29 YRS 02 MOS
ROSA L. SALAZAR	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-29-2023	33 YRS 08 MOS
DEBRA A. SALINAS	INTERNAL SERVICES Dept.#IS	07-28-2023	42 YRS 10½ MOS
JAIME A. SANCHEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-08-2023	25 YRS ½ MOS
RICHARD C. SCHULHOF	PARKS AND RECREATION Dept.#PK	07-05-2023	13 YRS 09 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
HENRY F. SEAMAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-03-2023	08 YRS 09 MOS
DEBORAH H. SEO	CORRECTIONAL HEALTH Dept.#HC	07-31-2023	22 YRS 01 MOS
MICHAEL B. SILVERMAN	MENTAL HEALTH Dept.#MH	07-29-2023	26 YRS 09 MOS
ERNESTO C. SIONGCO	ASSESSOR Dept.#AS	07-28-2023	20 YRS 05 MOS
ELVIA G. SNIDER	JUVENILE COURT HEALTH SERVICES Dept.#HJ	08-09-2023	14 YRS 09 MOS
ALIXCA J. SOBERANES-CE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2023	25 YRS 06 MOS
CRISTINA SOLARES	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	07-15-2023	23 YRS 05½ MOS
RICK L. SORENSEN	INTERNAL SERVICES Dept.#IS	06-30-2023	41 YRS ½ MOS
LORRAINE J. STAR	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-20-2023	37 YRS 06 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MICHAEL STEPHENS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-03-2023	10 YRS 01½ MOS
ANA M. SUAREZ	MENTAL HEALTH Dept.#MH	07-31-2023	23 YRS 10½ MOS
MA ASUNCION J. SUAREZ	PUBLIC WORKS Dept.#PW	07-07-2023	34 YRS 06½ MOS
YEN-LIN SUN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-31-2023	22 YRS 07½ MOS
DIVINA C. TABABA	MENTAL HEALTH Dept.#MH	07-28-2023	25 YRS 01 MOS
DENISE THOMPSON-WEA	MEDICAL EXAMINER-CORONER Dept.#ME	06-30-2023	43 YRS 09 MOS
KEVIN N. TRAN	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	06-29-2023	16 YRS 05 MOS
LINDA M. VAISA	SHERIFF Dept.#SH	07-28-2023	16 YRS 04 MOS
EVA VERA MORROW	COUNTY COUNSEL Dept.#CC	07-30-2023	23 YRS 01 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
DENISE L. WALTERS	PUBLIC HEALTH PROGRAM Dept.#PH	07-28-2023	40 YRS 01 MOS
WENDY L. WARREN	SUPERIOR COURT/COUNTY CLERK Dept.#SC	07-31-2023	43 YRS 02½ MOS
LYNN C. WASHINGTON	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-31-2023	36 YRS 01½ MOS
RHONDA R. WASHINGTON	CHILDREN & FAMILY SERVICES Dept.#CH	07-29-2023	37 YRS 11 MOS
PATRICIA L. WATERS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-28-2023	26 YRS 04 MOS
TRICIA E. WEBER	PUBLIC LIBRARY Dept.#PL	07-31-2023	31 YRS 02½ MOS
THERESA WILLIAMS	MENTAL HEALTH Dept.#MH	07-29-2023	37 YRS 04 MOS
KOREANA C. WONG	LACERA Dept.#NL	07-28-2023	23 YRS 00 MOS
RICHARD WONG	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	07-29-2023	24 YRS 00 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
KIMBERLY WRIGHT	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-30-2023	26 YRS 03½ MOS
SHARON WRIGHT	DISTRICT ATTORNEY Dept.#DA	06-30-2023	50 YRS 07½ MOS
CANXIA YAN	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-31-2023	17 YRS 02 MOS
URIEL M. YBARRA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-29-2023	08 YRS 00 MOS
ELIZABETH M. YNOQUIO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-29-2023	25 YRS 00 MOS
LIZA M. ZAVALA	AGING DEPARTMENT Dept.#AG	07-28-2023	27 YRS 00 MOS

**BOARD OF RETIREMENT MEETING OF JULY 6, 2023**

**BENEFIT APPROVAL LIST**

**SAFETY SURVIVOR APPLICATIONS**

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
REBECCA WHITE	SHERIFF Dept.#SH	03-20-2023	27 YRS 01½ MOS
SPOUSE of FREDERIC B WHITE JR dec'd on 03-19-2023, Sect. #31781.1			

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL SURVIVOR APPLICATIONS

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
TIFFANY EDRICH	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-28-2023	06 YRS 01 MOS
SPOUSE of MATTHEW S EDRICH dec'd on 03-27-2023, Sect. #31781.1			
JOSE L. PENA	SHERIFF Dept.#SH	05-16-2017	29 YRS 07 MOS
HUSBAND of BLANCA N PENA dec'd on 05-15-2017, Sect. #31781.1			

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ARNOLD A. ABEYTA	PROBATION DEPARTMENT Dept.#PB	05-22-2023	10 YRS 05 MOS
OBIE AQUINO VELOS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-01-2023	18 YRS 01 MOS
VIRGINIA CALVANO	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-01-2023	15 YRS 11 MOS
ALFRED E. CHACON	CHIEF INFORMATION OFFICE Dept.#IO	03-01-2023	10 YRS 01 MOS
JEFFREY W. CLARK	OFFICE OF PUBLIC SAFETY Dept.#SY	07-01-2023	22 YRS 07½ MOS
CEDRIC D. COLLINS	PROBATION DEPARTMENT Dept.#PB	05-01-2023	08 YRS 01 MOS
JESUS A. CORREA	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	04-11-2023	08 YRS 07 MOS
GUSTAVO A. CUBIAS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-01-2023	05 YRS 04 MOS
GLORIA S. DANIELS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-24-2023	32 YRS 08 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ASHRAF M. EL MASHAT	MENTAL HEALTH Dept.#MH	05-16-2023	30 YRS 03 MOS
MARK A. FAJARDO	MEDICAL EXAMINER-CORONER Dept.#ME	05-18-2023	02 YRS 07½ MOS
LYDIA FOSTER	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-30-2023	21 YRS 00 MOS
LATANYA D. FRANKLIN	CHILDREN & FAMILY SERVICES Dept.#CH	05-31-2023	13 YRS 00 MOS
MARY K. FRAYER	CHILDREN & FAMILY SERVICES Dept.#CH	03-01-2023	11 YRS 03 MOS
LAURA O. HERNANDEZ	CHILDREN & FAMILY SERVICES Dept.#CH	07-01-2023	09 YRS 10½ MOS
ELLEN V. JONES	CHILDREN & FAMILY SERVICES Dept.#CH	01-31-2023	28 YRS 07½ MOS
PETER J. KNOWLTON	PUBLIC WORKS Dept.#PW	06-08-2023	15 YRS 08 MOS
ROGER M. LAMOS	PUBLIC HEALTH PROGRAM Dept.#PH	04-22-2023	13 YRS 11 MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MARIANNA LEWIS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-05-2023	25 YRS 00 MOS
MICHAEL R. MALLANO	DISTRICT ATTORNEY Dept.#DA	06-16-2023	30 YRS 08½ MOS
KARINE MARGARYAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-15-2023	23 YRS 05 MOS
MARIA M. MARO	DISTRICT ATTORNEY Dept.#DA	06-30-2023	13 YRS 03 MOS
ROGER B. MC SWAIN	PUBLIC WORKS Dept.#PW	05-08-2023	14 YRS 01 MOS
TERRY J. MEIER	SHERIFF Dept.#SH	05-22-2023	12 YRS 04 MOS
LETICIA T. MORTESEN	Dept.#505	05-31-2023	13 YRS 09 MOS
FRANCISCO ORIZ JR.	INTERNAL SERVICES Dept.#IS	05-04-2023	17 YRS ½ MOS
JOSE L. PENA	SHERIFF Dept.#SH	06-01-2023	24 YRS 07½ MOS

# BOARD OF RETIREMENT MEETING OF JULY 6, 2023

## BENEFIT APPROVAL LIST

### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
LEILANI L. POBLETE	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	07-01-2023	13 YRS 01 MOS
ELIZABETH A. POZZEBON	PUBLIC HEALTH PROGRAM Dept.#PH	01-28-2023	03 YRS 03 MOS
HERLINDA QUINONES	PARKS AND RECREATION Dept.#PK	05-28-2023	23 YRS 10 MOS
PATRICIA RAMOS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2023	36 YRS 04 MOS
OCTAVIO G. SANCHEZ	PUBLIC WORKS Dept.#PW	05-31-2023	23 YRS 01 MOS
TERRI SIM	SHERIFF Dept.#SH	08-01-2023	12 YRS 08 MOS
SONJA SIMON	SOUTHWEST CLUSTER (MLK JR MC) Dept.#HK	05-06-2023	06 YRS 00 MOS
KEVIN R. TIMMONS	CHILDREN & FAMILY SERVICES Dept.#CH	04-21-2023	24 YRS 00 MOS
MARTHA L. WEBSTER	Dept.#156	03-01-2023	11 YRS 03 MOS



June 23, 2023

TO: Each Trustee  
Board of Retirement

FROM: Ricki Contreras, Division Manager  
Disability Retirement Services

SUBJECT: **APPEALS FOR THE BOARD OF RETIREMENT'S MEETING  
OF JULY 6, 2023**

**IT IS RECOMMENDED** that the Board of Retirement grant the appeals and requests for administrative hearing received from the following applicants, and direct the Disability Retirement Services Manager to refer each case to a referee:

5304B    Alejandro E. Estella    In Pro Per    Deny SCD – Ineligible for NSCD

5319B    Diane Fetter    In Pro Per    Deny SCD – Employer Can Accommodate

RC:kw



June 21, 2023

TO: Each Trustee,  
Board of Retirement

FROM: Santos H. Kreimann <sup>SHK</sup>  
Chief Executive Officer

FOR: July 6, 2023, Board of Retirement Meeting

SUBJECT: **Board of Retirement: Five Year Strategic Plan (2023 – 2028)**

**RECOMMENDATION:**

That the Board of Retirement (BOR) approve and adopt the Five-Year BOR Strategic Plan.

**EXECUTIVE SUMMARY**

The strategic planning process kicked off in January 2022. The attached strategic plan document is the result of an extensive and broadly inclusive process of review, recommendations, discussion, and collaboration among LACERA trustees, active and retired members, board approved consultant (KH Consulting Group), and LACERA staff.

During the April 5, 2023, BOR meeting, staff presented the Five-Year Strategic Plan to trustees. The current Strategic Plan incorporates feedback from trustees and fiduciary counsel, Bob Klausner. In a meeting on May 17, 2023, Mr. Klausner met virtually with the Chairs and Vice Chairs of the Board of Retirement and Board of Investment to discuss issues surrounding the draft and approval of the Strategic Plan. An informational memo dated May 31, 2023, was provided to both boards during their June 2023 board meetings outlining the direction to staff on the approval of the BOR Strategic Plan.

In preparation for this discussion, Mr. Klausner reviewed the Strategic Plan document and recommended changes to Strategic Priority 5.2 to align more consistently with the discussions with the Board Chairs and Vice Chairs. The updates have been made as recommended and Mr. Klausner has approved the final version of Priority 5.

LACERA staff is excited to present the five strategic priorities that will serve as our building blocks over the next five years to advance our member centric foundation and commitment to developing a more efficient and operationally mature organization.



## CONCLUSION

LACERA staff would like to thank all stakeholders involved in the development of our plan. Consistent with our commitment to transparency and accountability, we will publicly share this plan. It will serve as our road map for enhancing the member experience while building upon our organizational maturity.

## RECOMMENDATION

It is therefore recommended that the Board of Retirement approve and adopt the BOR Five-Year Strategic Plan.

Respectfully,

Santos H. Kreimann  
Chief Executive Officer

cc: Board of Investments  
Steven P. Rice

Luis A. Lugo  
JJ Popowich

Jonathan Grabel  
Laura Guglielmo

Attachments  
*Attachment A: LACERA Strategic Plan Document*

**L//CERA**



**BUILDING  
A BETTER  
TOMORROW**

**Board of Retirement  
2023-2028 Strategic Plan**

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Los Angeles County Employees Retirement Association

# Board of Retirement

Thank you to the Board of Retirement Trustees for their service and guidance in shaping LACERA's strategic priorities and objectives.



**Shawn R. Kehoe**  
**Chair**  
*Elected by Safety Members*

**Alan J. Bernstein**  
**Vice Chair**  
*Appointed by Board of Supervisors*

**Vivian H. Gray**  
**Secretary**  
*Elected by General Members*



**Elizabeth B. Ginsberg**  
Chief Deputy County Treasurer And Tax Collector  
*Acting Ex-Officio Trustee\**

**Jason E. Green**  
*Elected by Safety Members*

**Elizabeth Greenwood**  
*Appointed by Board of Supervisors*



**James P. Harris**  
*Elected by Retired Members*

**Keith Knox**  
County Treasurer and Tax Collector  
*Ex-Officio Trustee*

**Ronald Okum**  
*Appointed by Board of Supervisors*



**Les Robbins**  
*Elected by Retired Members*

**Antonio Sanchez**  
*Appointed by Board of Supervisors*

**Herman B. Santos**  
*Elected by General Members*

We also want to recognize the following former Board of Retirement Trustees: Wayne Moore, William Pryor, and Gina Zapanta.

\* When ex-officio trustee is absent

# A Message From the CEO



I'm pleased to present the LACERA 2023-2028 Strategic Plan on behalf of the Board of Retirement. This plan covers the strategic priorities, goals, and objectives that we will implement during the next five years. It is the result of an extensive and broadly inclusive process of review, recommendations, discussion, and collaboration among LACERA's Trustees, executive and managerial teams, active and retired members, and employees from all divisions.

First, a little background about how we got here: When I started as CEO at LACERA in November 2019, LACERA divisions were working on several strategic goals that had been set by the Board of Retirement, but a formal strategic planning process had not been conducted for several years.

In March 2020, COVID-19 forced LACERA to close most of its onsite operations, and we pivoted to a largely remote workforce nearly overnight. We were able to quickly transform the organization thanks to the decisive leadership and full support of our Board Trustees; the groundwork already completed on our existing goals; and the dedicated, all-hands-on-deck efforts of the entire LACERA staff. Together we quickly developed, implemented, and adopted new technological tools to conduct our daily operations; interact with members, colleagues, and stakeholders; and continue uninterrupted service.

In early 2022, LACERA reopened for onsite work and in-person service, and we initiated a comprehensive strategic planning process as directed by the Board of Retirement. The multiple phases of the process took place throughout the year, informed by our recent experiences and advancements and incorporating input from our various stakeholders.

In addition to catalyzing our evolution, the pandemic strengthened LACERA's commitment to our mission and our members, whose heroic efforts saved lives and maintained the social fabric during this prolonged public health emergency. Throughout this plan, you will see how our strategic priorities reflect our "member first" commitment—from developing a comprehensive member experience and benefits education program, to ensuring the stability, security, and sustainability of our infrastructure and trusts, to developing and retaining our workforce and fostering internal leadership.

Consistent with our commitment to transparency and accountability, we are publicly sharing this Strategic Plan, which will serve as our road map for enhancing the member experience while strengthening our organization from within. This plan is a living document that will continually evolve to meet shifting challenges and opportunities. Along the way, we will maintain open, responsive relationships with all of our stakeholders and encourage their input.

On behalf of everyone at LACERA, we respect the trust placed in us to serve the employees of L.A. County and other districts. We will honor that trust as we set an ambitious path of constant improvement, building a stronger LACERA for today and the years to come.

Santos H. Kreimann  
Chief Executive Officer

# Our Strategic Planning Process

## Initiation and Assessment Stage

The strategic planning process kicked off in January 2022. LACERA conducted an assessment of our strengths, weaknesses, opportunities, and threats (SWOT assessment) as part of the May 2020 100-Day Management Report. Working with the Board of Retirement, we identified short-term priorities to focus on. This strategic plan is designed to build on that work to date and define the strategic priorities, goals, and objectives for the next five years.

We also incorporated input from recent audits, including the September 2021 Eide Bailly Recruitment Audit and August 2022 Weaver Organizational Maturity Audit.

## Stakeholder Engagement

**Members:** To get an accurate picture of our members' expectations and communications preferences as part of the member experience strategic priority, in summer 2022 we surveyed all members to learn about how they want to interface with LACERA in a variety of scenarios. This survey was the first of its kind in LACERA's history. We conducted an extensive print and digital campaign utilizing an omnichannel outreach approach to engage members across all plan types and age groups and provided print and electronic survey options to encourage maximum participation, an approach that proved to be successful based on our high response rate. (See more about the survey results under Gaining Insight on page 9.)

**Employees:** We held four kick-off meetings so that all LACERA employees could learn about the process. We also surveyed all LACERA employees to solicit their input.

We formed cross-divisional teams of LACERA employees to work on each strategic priority, including what we should do and how we should monitor progress to signal success of desired outcomes.

**Trustees:** We conducted a strategic-planning kick-off with Trustees. As we honed our options, we surveyed Trustees for their input. We also created an ad hoc committee of Trustees and key staff members to provide guidance during the process. Finally, we devoted a day of our February 2023 Board Offsite Meeting for Trustees to provide feedback and continued progressively refining the plan up to the approval stage.



## Who We Are

In 1937, the County of Los Angeles established a pension trust fund to provide defined retirement and death benefits to eligible County employees. In 1938, the Los Angeles County Employees Retirement Association (LACERA) was introduced to administer it.

Today, LACERA is an independent governmental entity, separate and distinct from the County. It is the largest county retirement system in the United States.

LACERA is governed by two Boards:

- The Board of Retirement (BOR) is responsible for the overall management of the retirement system and the LACERA-administered retiree healthcare program.
- The Board of Investments (BOI) is responsible for establishing LACERA's investment policy and objectives; overseeing the management of the fund; overseeing pension actuaries and assumption-setting; and setting employer and employee contribution rates.

Together, the BOR and BOI are primarily responsible for LACERA's budget and personnel (classification and compensation). The Boards have a fiduciary duty to LACERA's stakeholders.

## Our Membership

- 187,000 members, including 71,000 benefit recipients<sup>1</sup>
- 54,600 member participants in our retiree healthcare benefit program<sup>2</sup>

## Our Funds

- Pension Fund value: \$70 billion<sup>1</sup>
- Other Post-Employment Benefits Trust value: \$2 billion<sup>1</sup>

<sup>1</sup>2022 Annual Comprehensive Financial Report

<sup>2</sup>March 2023 CEO Report

## Our Plan Sponsors

In addition to the County of Los Angeles, LACERA administers and manages the retirement fund for four outside districts: Little Lake Cemetery District, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), and South Coast Air Quality Management District (SCAQMD).

**LACERA's staff of 426 employees deliver retirement pension and healthcare benefits to our members, and oversee the prudent investment of funds.**

# LACERA's Strategic Plan takes into consideration our diverse stakeholders and audiences.

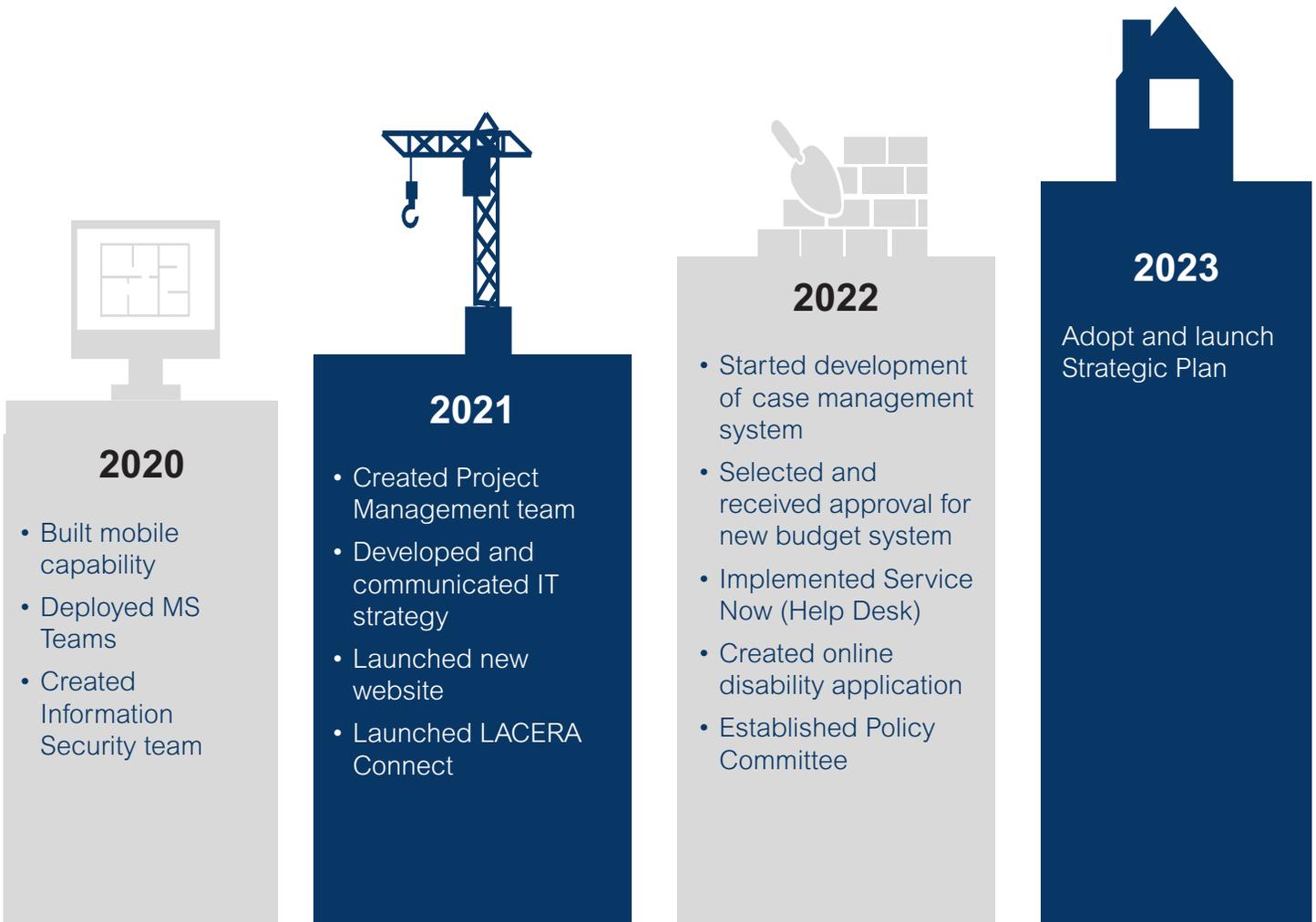


<sup>1</sup> County of Los Angeles, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), South Coast Air Quality Management District (SCAQMD), Little Lake Cemetery District

<sup>2</sup> Service Employees International Union (SEIU) Local 721, Association for Los Angeles Deputy Sheriffs (ALADS), Professional Peace Officers Association (PPOA), Coalition of County Unions, International Association of Fire Fighters (IAFF) Local 1014

# Accomplishments to Date

In our current quest to build a better tomorrow, we have embarked on a number of initiatives to continuously improve our workflows and business processes.



Continuously improving workflows and business processes

# Strategic Priorities

## Strategic Priority Goals



### 1 Superior Member Experience

Innovate and continuously improve the member experience



### 2 Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity



### 3 Investing in People

Attract, motivate, hire, and retain a highly engaged and skilled workforce



### 4 Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance



### 5 Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

## Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
  - 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
  - 1.3 Develop, implement, and deploy a digital strategy to better serve our members
  - 1.4 Improve and enhance the retiree healthcare experience
- 
- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
  - 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information
- 
- 3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)
  - 3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development
  - 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning
- 
- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
  - 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management
- 
- 5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
  - 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals



# Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

## Background

The LACERA member experience is not a one-time occurrence but a lifetime relationship—from the beginning of that member’s career through the legacy they leave their survivors. It is defined by every interactive touch-point they have with LACERA, everything they hear about LACERA, and how they feel about LACERA throughout their lives.

From planning for retirement to helping members use their healthcare benefits, LACERA is proud of our long history of providing highly personalized service. Our members’ demographics and expectations for service delivery, however, are changing, and are combined with increasing demand for LACERA customer service. In response, we must create innovative solutions for conducting member outreach and guiding our members to consistent, actionable information and modern, interactive tools for self-service.

LACERA has adopted a “member journey” approach that is tailored to the various stages of our members’ lives to shape and deliver a superior experience that meets our members’ needs.

## Understanding Members Is Key

The following graph provides a high-level snapshot of our membership.



Source: March 2023 CEO Report  
Data as of 2/15/23; average ages pending verification

Considering our members’ ages, generations, and preferences is foundational when conducting outreach and developing a member experience program. For example, we know Gen X and Millennials are highly competent in using computers and mobile apps, are extremely active social media users, and like to choose between self-service and in-person interactions. Other generations (Greatest Generation and Baby Boomers) are increasingly adopting mobile applications and are also active in social media, but they still tend to prefer traditional interaction points, such as mail, email, phone, and in-person service when conducting business transactions.



# Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

## Gaining Insight

To develop a sustainable member experience program, we need a deeper understanding of our members' communications preferences, both in general and during specific member journeys.

To gain greater insight, in 2022 we conducted a member survey and directly asked our members about their comfort levels with technology and online self-services, how they want to interact with LACERA in a variety of scenarios, and how they prefer to receive information. We conducted an extensive outreach campaign (including enlisting our L.A. County plan sponsor) and distributed the survey electronically and by mail to get the highest possible response rate and input from active and retired members. The data we collected will be vital as we develop member journeys.

Here are a few key insights from the survey:

- Responses were heavily skewed toward retired members and active members in their mid- to late-career stages.
- Response rates were lower from new hires in Plan G and Safety Plan C, which gives us vital information regarding levels of engagement with LACERA and differences in communication methods for future outreach efforts.
- The majority of respondents still prefer a mailed newsletter for general news and information (62 percent on average and 77 percent for those age 65 and over). In addition, an average of 50 percent of respondents indicated they liked receiving general news and information via email.
- The majority of our survey respondents indicate they use computers, tablets, and smartphones to complete financial transactions.

Among other takeaways, we know we need to conduct extensive outreach to engage with our younger demographic while focusing on an omnichannel approach for interacting with all age groups. An omnichannel approach integrates the various ways that our members can interact with LACERA (virtually, in person, by phone, email, and My LACERA) and the ways LACERA provides information (lacera.com, YouTube, email, print, SMS, My LACERA, and mailed materials). Given our members' high comfort level with receiving digital information and conducting business online for all age groups, we know we are on the right track with expanding our digital footprint and building more online applications as we develop our member journey program.



# Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

## Developing Member Journeys

There are multiple journeys a member takes during their life with LACERA. Journeys include a member's life events (e.g., marriage, birth of a child), career and service milestones (e.g., reaching the retirement minimum age for their plan). Each member's journey is unique, but each stage of their journey is defined and mapped so we can ensure that the member has everything they need when they need it and that services are delivered based on their preferences.

The member journey is a highly personalized, high-touch, comprehensive care approach to serving our members.



Developing an in-depth understanding of a member's preferences and needs along their journey is a key component of a sustainable member experience program.

This approach requires:

- A sustainable system to evaluate each journey to ensure a continual superior member experience
- A Member Experience Council to provide coordinated focus to all involved divisions
- Defined member journeys
- Holistic focus on journey development
- Consistent omnichannel service
- A digital strategy for instant, on-demand service
- Measurable results, with consistent dashboard metrics and reports to the Operations Oversight Committee (OOC)



# Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

## Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA's Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience

### CURRENT STATE

Members currently engage in a high-touch customer service model. Some self-help services, such as the online disability application, have been launched.

2023

### OUR FOCUS

LACERA will build an educational, digital, customized, and member-centered framework for every stage of the member journey.

2023-2028

### DESTINATION

Members may conveniently access our benefit and healthcare enrollment services 24/7 and confidently retire at the palm of their hands.

2028

## STEPS TO ACHIEVING OUR OBJECTIVES



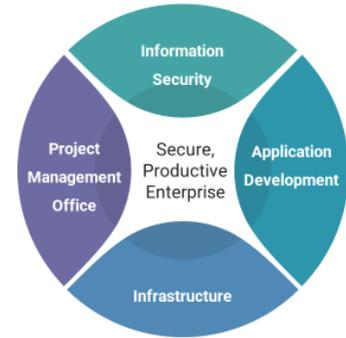


# Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

## Background

LACERA's Systems Division and Information Security teams' joint mission is to continually innovate safe, secure, and productive enterprise information technology (IT) solutions that support the LACERA mission and facilitate exceptional service to staff and LACERA members. In its Information Technology and Information Security Strategic Plan (July 2021), LACERA outlined the key components of a secure, productive enterprise.



### Identity & Access Management

Ensuring the proper people have the appropriate access to technology resources



### End-Point Management

Securing all enterprise access points—mobile phones, laptops, servers, desktops, and tablets



### Infrastructure Management

Supporting all hosted and on-premises systems to minimize downtime and maintain business productivity



### Data Management

Following best practices to ensure the availability and reliability of enterprise data



### Application Development

Implementing modern solutions that support the enterprise



### Operations Management

Optimizing change management and incident resolution through a standardized service management methodology

A secure production enterprise provides multiple interwoven benefits by building trust, promoting collaboration, supporting mobility, and providing intelligence data for better decision-making.



### Trust

Protecting LACERA's enterprise data and resources



### Collaboration

Creating a productive workplace



### Mobility

Enabling staff to get things done from anywhere



### Intelligence

Providing insights to drive faster, better business decisions



## Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Information technology (IT) is an invaluable tool. When well designed and implemented, it supports effective and efficient accomplishment of an organization's goals, objectives and strategies. LACERA's Information Technology and Information Security Strategic Plan supports the strategic priorities in this Strategic Plan by helping to:

- Improve the member experience, communication, and education to align with the members' journey
- Establish the structure and approach for optimal efficiency, compliance, risk management, and service delivery
- Optimize talent management and staffing planning
- Establish tools and capacity to support evidence-based decision-making
- Provide purpose, guidance, and inspiration for "One LACERA" to succeed in achieving the objectives in this Strategic Plan

### Projects In Development

LACERA is currently advancing many new technology-driven projects, such as Phase 1 of the case management system and e-signature implementation. It is rethinking the roles of end-users, business operations, and system maintenance by developing Enterprise Contract Lifecycle Management (ECLM). The system is designed to enable "power users" (who are not IT staff) to develop reports and system functionality to meet their division's specific needs and expectations.

LACERA continues to strive to improve data accuracy through consistent interpretation of laws and rules, refinements of historic data added to our pension administration system since 1990, and formatting of information provided from our members, third parties, plan sponsors, and LACERA divisions.

### Future Direction

To achieve our technology vision, LACERA plans to both modify or enhance existing applications and acquire, integrate, and support new ones. Systems' staff will need a different mix of required skill sets, including:

- Project management related to acquisition and implementation of information technologies
- Information security assessments
- System integration
- Database management
- Network planning
- System administration
- Programming in various languages, thereby reducing our dependency on specific vendors' technical coding to make the systems work
- User training and support



## Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

LACERA is keenly aware that our ideas and needs outstrip our current capacity to undertake all of them. Therefore, through strategic planning, LACERA will:

- Set priorities through our IT Coordination Council (ITCC)
- Evaluate decisions to internally develop versus buy off-the-shelf technology solutions
- Integrate end-users into the successful selection, implementation, and support of new systems so that the technology works for them
- Develop an IT succession plan to ensure we leverage the efficiencies offered by technology and customer and member service enhancements

### Objectives

- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information



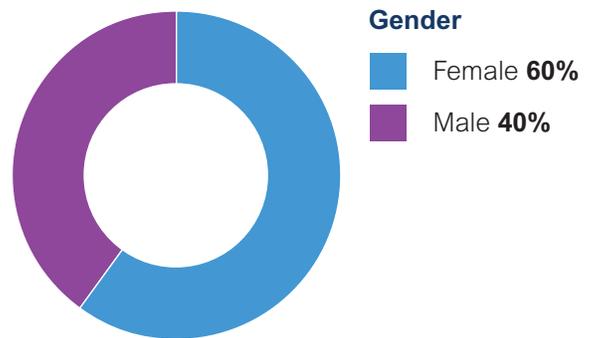
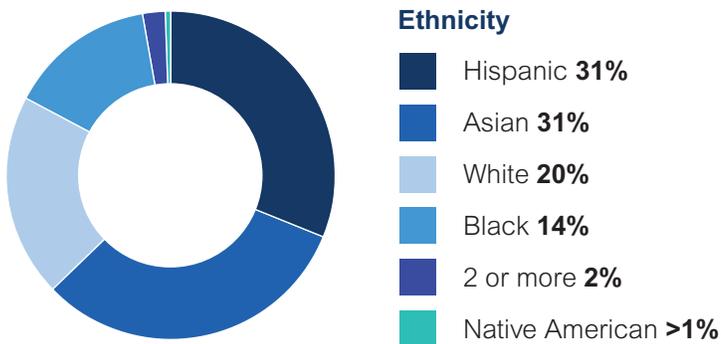


# Strategic Priority 3: Investing in People

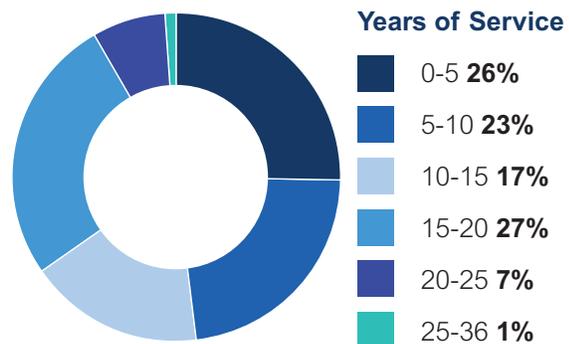
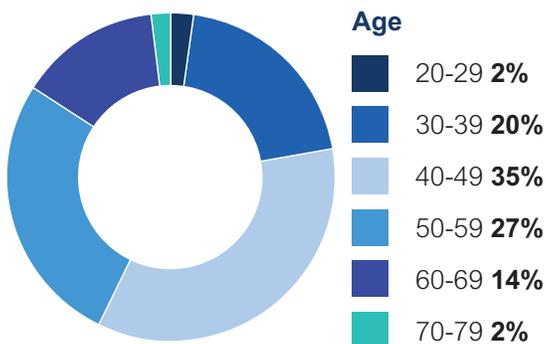
Recruit, motivate, hire, and retain a highly engaged and skilled workforce

## Background

LACERA has a long-standing commitment to diversity, equity, and inclusion (DEI), as reflected in our investment strategies and diverse staff. As of our January 2023 employment records, approximately one-third of our LACERA staff identify as Hispanic, one-third as Asian, and the balance as White, Black, Native American, or two or more races. Approximately 60 percent of our workforce, as reported by the County, identifies as female.



We have a professionally experienced, stable workforce. More than one-half of our employees are between the ages of 30 and 49, while nearly three-quarters of our staff members have worked at LACERA for five years or longer.





# Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

## Internal and External DEI Efforts

In March 2021, the Board of Investments approved the Toward Inclusion, Diversity, and Equity (TIDE) initiative, which focused on DEI principles for investments, including internal practices, due diligence, active ownership, capital formation, and industry advocacy.

LACERA has now developed the LEAD initiative (see graphic below) to complement TIDE. The purpose of LEAD is to establish a positive and welcoming work culture, provide our members with exceptional service in an inclusive manner, and engage our business and community partners. We believe LEAD will:

- Build a sense of inclusiveness for employees and aid in recruitment and retention
- Provide superior member service by better understanding our members’ unique and diverse needs
- Involve our business partners in delivering better results that meet LACERA’s mission
- Engage and support our community in a shared vision for diversity, equity and inclusion

## Objective

### 3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)

<b>Lead Effectively</b>	<b>Ensure Equity</b>	<b>Achieve Inclusivity</b>	<b>Drive Diversity</b>
Integrate the LEAD initiative into our work culture and how we engage with our members and convey the LEAD initiative to our business and community partners.	Commit to fair treatment and access to promotional opportunities and member resources.	Practice diversity by welcoming, supporting, respecting, and valuing individuals and groups.	Seek representation of different and unique identities, characteristics, experiences, and perspectives.



# Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

## Talent Management: Recruitment, Training, and Retention

Similar to challenges of other organizations today, LACERA faces staffing vacancies with a long lead time to hire, train, and fill. LACERA is working to make the recruitment and hiring processes and procedures more transparent, efficient, and collaborative while complying with the County’s civil service requirements. Human Resources (HR) is partnering with LACERA divisions to develop solutions that meet LACERA’s and its divisions’ hiring goals.

LACERA is also working to strengthen its talent management program for new hires and current staff members, including better onboarding, internal promotional opportunities, mentoring, and training, as well as supervisory, management, and leadership development. At the same time, we need to stay current on and/or develop changes in HR policy, processes, and procedures.

## Objectives

3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development

3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning





## Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

### Background

According to the Institute of Internal Auditors (IIA) Standards Glossary, risk is “the possibility of an event occurring that will have an impact on the achievement of objectives.” Risk is measured in terms of impact and likelihood. LACERA has various kinds of risks, including:

- Operational risks pertaining to internal policies, processes and systems, which can be affected by our employees or triggered by external events, such as the recent COVID-19 pandemic, floods, or earthquakes
- Fiduciary risks emphasizing the importance of acting in the best interest of our members
- Compliance risks relating to adequacy of internal controls to prevent violation of laws, regulations, and policies

Enterprise Risk Management (ERM) encompasses the methods and processes that organizations use to manage risks and seize opportunities related to the achievement of their objectives. LACERA's current risk governance structure includes a variety of organization-wide and divisional efforts and controls, including:

- LACERA Incident Response Team
- Policy Committee
- IT Coordinating Council
- Process Management Group
- Operations Oversight Committee and Board Reporting
- Internal Audit and Audit Committee Reporting
- Business Continuity and Disaster Recovery
- Cyber Liability Insurance

We are currently working on further formalizing the information security program, including the hiring of an Information Security Officer (ISO) and implementing this Strategic Plan.



## Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

LACERA will enhance and elevate our risk governance structure through the establishment of formal compliance and ERM programs that will facilitate management's efforts in regard to compliance and risk management. These efforts are continuous because risks constantly change.



Source: COSO 2017 ERM Framework

### Objectives

- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

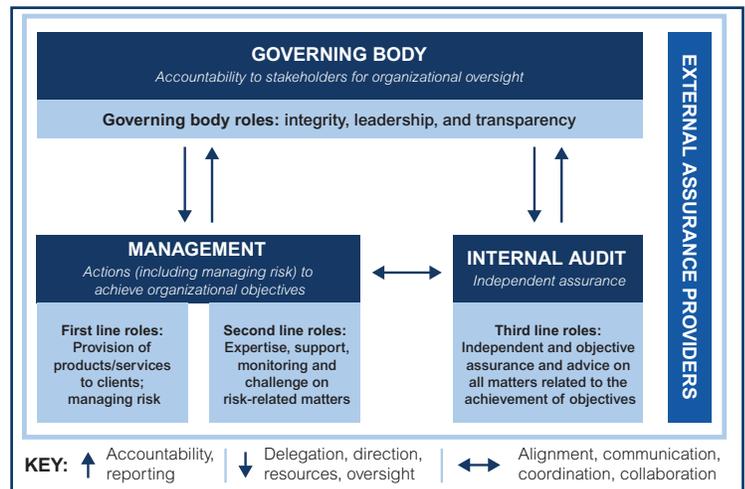


# Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

To achieve these objectives, we will generally follow these seven steps:

1. Form working groups across divisional lines to develop compliance and ERM charters
2. Establish dedicated compliance and risk leadership with accountability, starting with a Compliance and Ethics Officer in the Legal Office and ERM leadership in the Executive Office and Internal Audit Division
3. Identify compliance and risk champions in each division to assist with compliance and risk assessments, registers, and areas for focus
4. Conduct staff training for the organization on compliance and risk management, including new employee orientation supplemented by targeted training in specific compliance/risk areas
5. Develop divisional compliance and risk action plans
6. Integrate the results of compliance and ERM efforts into an organizational structure and plan
7. Monitor, report, and update the compliance and risk assessments, registers, and plans as part of a commitment to continuous improvement



Source: ISO 31000 Framework





# Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

## Background

LACERA has two equally critical responsibilities when it comes to managing resources and fund assets. We must:

- Ensure prudent and durable fiscal management of LACERA's budget and resources expended to administer the benefits, and
- Ensure the Board of Investments' strategic initiatives to manage LACERA's investment portfolio are implemented and supported to maximize the performance of our funds.

In pursuit of meeting of these responsibilities the following two objectives have been defined to focus our efforts.

## Objectives

**5.1 Develop organizational tools to support enterprise-wide fiscal responsibility**

**5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals**





## Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

### Objective 5.1

#### Develop organizational tools to support enterprise-wide fiscal responsibility

LACERA must be fiscally responsible while fulfilling our commitment to continuously meet member expectations by delivering a superior member experience. Key to this goal is maintaining our dedication to sustainable benefit delivery while employing a cost-conscious approach to efficient utilization of resources.

Some of these fiscal elements involve improvements in:

1. Financial and budgeting systems that support LACERA's ability to make, monitor, and ensure prudent and strategic expenditure decisions
2. Technology, both member facing and internal, that may reduce unnecessary or repetitive work efforts
3. Systems and processes that can be simplified and made end-user friendly to increase staff efficiency and effectiveness
4. Staffing levels that are sufficient to complete our work, meet standards, and reflect anticipated changes from technology

These improvements will enable managers and staff to plan for, manage, and track the impact of the changes that are being implemented in the other parts of the Strategic Plan.

### Objective 5.2

#### Implement and support the LACERA Investment Office in achieving the BOI's Strategic Plan goals

Strategic Priority 5 incorporates the BOI's key strategic investment initiatives and objectives to:

1. Share information with the BOI to promote understanding of the BOI's needs and objectives.
2. Assure availability of the operational resources necessary for the BOI to implement its strategic initiatives.
3. Assist the BOI as needed in achieving its defined priorities as well as being prepared to facilitate the BOI's ability to execute a flexible response to any unforeseen circumstances.

# Strategic Plan Participants

This Strategic Plan would not have been possible without the dedication and focus of our leadership and employees in developing the action plans.

## **Spark Advisory Team**

James P. Harris, BOR Trustee  
Keith Knox, BOR/BOI Trustee  
Antonio Sanchez, BOR Trustee  
Herman Santos, BOR/BOI Trustee  
Santos H. Kreimann, Chief Executive Officer  
Luis Lugo, Deputy Chief Executive Officer  
Laura Guglielmo, Assistant Executive Officer  
JJ Popowich, Assistant Executive Officer  
Jon Grabel, Chief Investment Officer  
Steven Rice, Chief Counsel  
Carly Ntoya, Human Resources Director  
Vache Mahseredjian, Principal Investment Officer  
Kathy Delino, Information Systems Manager

## **Action Planning Teams**

### **Vision**

Allison Barrett (DLO)  
Iveta Brecko (SYS-PMO)  
Stephanie Kawai (PMG)  
Persian (Percy) Petrov (MS-MSC-OUT)  
Fabio Ramirez (BEN-BPU-AMU)  
Martin Sandoval (ADM)  
Inga Tadevosyan (INV)  
Elizabeth Tirado (LEG)  
Letha Williams-Martin (RHC)

### **Performance Management**

Gerald Bucacao (MS-CC-CC)  
Tamara Caldwell (DRS)  
Tom Deluca (SYS)  
Eugenia Der (DLO)  
Louis Gittens (PMG)  
John Kim (INV)  
Amy Lim (ADM-DPC)  
Maggie Luong (PMG)  
Sevan Simonian (BEN-CORE)  
Kristina Sun (IA)

### **Member Experience**

Maria Calderon (MS-MSC-OUT)  
Allan Cochran (MS)  
Stephanie Kawai (PMG)  
Laura Magallanes (BEN)  
Cynthia Martinez (COM)  
Maritza Perez (MS-MSC-OUT)  
LaTonya Robinson (BEN)  
Sarah Scott (COM)  
Jeff Shevlowitz (MS-CC-COR)

### **Workforce/Talent**

Margaret Chwa (FASD)  
David Escamilla (RHC)  
Elsy Gutierrez (ADM-DPC)  
Paola Johns (DLO)  
Benjamin Juarez (MS-CC-COR)

Abigail Lomboy (MS-CC-CC)  
Diana Luong (DLO)  
Kelly Puga (MS-CC-CC)  
Julia Ray (HR)  
Niki Webb (MS-CC-COR)

### **Technology**

Bernie Buenafior (QA)  
Justin Chiu (DRS)  
John Chuang (BEN-CORE)  
Alex Ochoa (PMG)  
Aurelia Okafor-Smith (MS-MCU)  
Christian Pieratt (RHC)  
Celso Templo (SYS)  
Valerie Quiroz (MS-CC)  
Jason Waller (DLO)

### **Culture**

Marilyn Bretado (DRS)  
Esme Del Bosque (INV)  
Vincent Lim (DLO)  
Roxanne Martin (ADM-PRO)  
Valery Ptacek (MS-CC-COR)  
Sarah Robles (DRS)  
Ana Ronquillo (HR)  
Roberta Van Nortrick (ADM)

### **Risk / Compliance**

Nathan Amick (IA)  
Carlos Barrios (BEN)  
Tom Cohen (COM)  
Renee Copeland (MS-CC-CC)  
Laura Gonzalez (DRS)  
Barry Lew (Legal)  
Christina Logan (IA)  
Antonio Ramos (MS-CC-CC)  
Gloria Rios (FASD)  
Bob Schlotfeldt (EXEC-ISO)

### **Other APTs**

Ian Duggan (COM)  
John Louie (MS-CC-COR)

## **Strategic Planning Idea Review and Implementation Team (SPIRIT)**

### **Goal No. 1: Member Journey and Experience**

JJ Popowich (EXEC), Facilitator  
Frank Boyd (LEG)  
Allan Cochran (MS)  
Cassandra Smith (RHC)  
Fern Billings (LEG)  
Tamara Caldwell (DRS)

Vanessa Gonzalez (MS)  
Carlos Barrios (BEN)  
Kathy Delino (SYS)  
Cynthia Martinez (COM)

### **Goal No. 2: Embracing Technology**

Laura Guglielmo (EXEC), Facilitator  
Leisha Collins (QA)  
Ricki Contreras (DRS)  
Kathy Delino (SYS)  
JJ Popowich (EXEC)  
Bob Schlotfeldt (EXEC-ISO)  
Celso Templo (SYS)  
Summy Voong (SYS)

### **Goal No. 3: Compliance and ERM Responsibility**

Steven Rice (LEG), Facilitator  
Bernie Buenafior (QA)  
Richard Bendall (IA)  
Barry Lew (LEG)  
Christina Logan (IA)  
Roberta Van Nortrick (ADM)

### **Goal No. 4: Fiscal Responsibility**

Ted Granger (FASD), Facilitator  
Leisha Collins (QA)  
Kaelyn Ung (ADM)  
Roberta Van Nortrick (ADM)

### **Goal No. 5: Human Resources**

Luis Lugo (EXEC), Facilitator  
Jasmine Bath (LEG)  
Laura Guglielmo (EXEC)  
Carly Ntoya (HR)

### **Goal No. 6: Culture**

Vincent Lim (DLO), Facilitator  
Allison Barrett (DLO)  
Laura Guglielmo (EXEC)  
Jon Grabel (INV)  
Luis Lugo (EXEC)  
JJ Popowich (EXEC)  
Carly Ntoya (HR)  
Steven Rice (LEG)  
Scott Zdrzil (INV)

### **Goal No. 7: Accountability and Metrics**

Luis Lugo (EXEC), Facilitator  
Eugenia Der (DLO)  
Louis Gittens (BEN)  
Maggie Luong (BEN)



The main purpose of this Strategic Plan is to build a better tomorrow for our members by outlining what we must do internally in terms of technology, staffing, and processes—particularly enterprise risk management, compliance, and fiscal durability—to support both the member services and investment sides of LACERA.

This document does not authorize expenditure of funds or commitment of resources.

LACERA  
300 N. Lake Ave.  
Pasadena, CA 91101  
626-564-6000  
lacera.com

June 29, 2023

TO: Each Trustee,  
Board of Retirement

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

Steven P. Rice, *SPR*  
Chief Counsel

FOR: July 6, 2023 Board of Retirement Meeting

SUBJECT: Finding of Exceptional Circumstances and Approval to Rehire Retiree Earl Buehner as a 960-Hour Employee for Perform Critical Investment Legal Work of Limited Duration

## **RECOMMENDATION**

That the Board of Retirement find that exceptional circumstances exist to approve the rehire of retiree Earl Buehner to perform Senior Staff Counsel duties in the Legal Division to support the critical need for investments legal work up to 960 hours in Fiscal Year 2023-2024 during the unplanned leave of other staff and pending completion of ongoing attorney recruitments.

## **LEGAL AUTHORITY**

Government Code Section 7522.56 of the Public Employees' Pension Reform Act of 2013 (PEPRA) permits LACERA to rehire retirees with "skills needed to perform work of limited duration." Such work is limited to 960 hours in a fiscal year.

LACERA's current Post Retirement Employment Policy provides for the hiring of retired annuitants subject to the annual approval of the Division Manager, Assistant Executive Officer, Human Resources Director, and the Chief Executive Officer.

On June 7, 2023, the Operations Oversight Committee recommended that the Board of Retirement approve a new revised and restated Post Retirement Employment Policy. The revised Policy will be presented to the Board for approval at its July 6, 2023 meeting. The revised Policy provides that the Board must find exceptional circumstances and approve the hiring of retired annuitants who have served for two or more prior years.

Retiree Earl Buehner has been rehired in two prior fiscal years, 2021-2022 and 2022-2023. Under the new Policy and as a matter of best practice, staff requests the Board of Retirement make the necessary finding and approve Mr. Buehner's return for up to 960 hours of work in Fiscal Year 2023-2024.

## **DISCUSSION**

### ***1. Exceptional Circumstances.***

On June 28, 2023, LACERA's Senior Staff Counsel for investments provided notice that they will be out on an unplanned leave of absence for the next 6-8 weeks. LACERA currently has no other full-time investment attorney; the Legal Office has one commercial contract Senior Staff Counsel who, among their other responsibilities, can assist in certain investment work, such as Non-Disclosure Agreements.

The absence of the Senior Staff Counsel for investments creates an urgent need for experienced in-house attorney resources to work with investment staff, perform necessary work to complete investment transactions and keep current the pipeline and pacing of transactions, and oversee LACERA's investment Legal Analysts, administrative staff, and the many outside law firms that provide investment counsel. This is complex work that requires a high degree of experience, skill, and judgment; it is essential to the work of the Investment Division in negotiating, documenting, closing, maintaining, and disposing of investments.

LACERA is actively recruiting a second Senior Staff Counsel and three Staff Counsel for investments work. However, it is unlikely that any of these positions will be filled in time to help with the current need. These facts support a finding of exceptional, urgent, and critical circumstances that support the rehiring of LACERA retiree Earl Buehner.

### ***2. Qualifications.***

Mr. Buehner is a California licensed attorney with 38 years of experience, with 14 of those served at LACERA as Senior Staff Counsel leading the Transactions group. He is very familiar with LACERA policies, practices, and staff, particularly in the Investment Division. For many years, he was the lead attorney handling private equity and hedge fund matters at LACERA. In addition to his 14 years as a permanent LACERA attorney, he served as a 960-hour rehired retiree in Fiscal Years 2021-2022 and 2022-2023 performing investment legal work. He did an excellent job, enabling work to be completed in a timely manner that might otherwise have been difficult to complete given the Legal Division's current understaffing. Mr. Buehner is known and respected by Investments Division staff and outside counsel, as well as by other staff in the Legal Division.

Mr. Buehner planned to return to retired life at the end of June 2023 upon the completion of his current fiscal year assignments. However, he is willing to return for two additional months while Senior Staff Counsel is on leave. Given his past experience in LACERA's investment work, he is an ideal person to fill the Legal Division's immediate need for in-house investment legal services until Senior Staff Counsel returns from leave.

**3. Compliance with 960 Hour and Limited Duration Requirements.**

During his prior two years as a rehired retiree, Mr. Buehner demonstrated diligence and precision in carefully tracking his hours on an ongoing basis in order to stay within the 960-hour PEPRA limit.

Approval of Mr. Buehner's return to LACERA for one more fiscal year is consistent with limited duration because both he and the Legal Division intend that he will stay only approximately two months and that this will be his last period of work as a rehired retiree. His return was not planned; he is returning only to help LACERA meet the urgent need caused by Senior Staff Counsel's absence. LACERA's recruiting for additional permanent investment attorneys is moving ahead in a promising direction with the assistance of a legal recruiter. Resumes are being reviewed and candidates are being interviewed. We expect to fill at least one of the open vacancies in the next 3-4 months.

**CONCLUSION**

For these reasons, staff recommends that the Board of Retirement find that exceptional circumstances exist to approve the rehire of retiree Earl Buehner to perform Senior Staff Counsel duties in the Legal Division to support the critical need for investments legal work up to 960 hours in Fiscal Year 2023-2024 during the unplanned leave of other staff and pending completion of ongoing attorney recruitments.

c: Jonathan Grabel  
Luis A. Lugo  
JJ Popowich  
Laura Guglielmo  
Carly Ntoya, Ph.D.  
Richard Bendall  
Christina Logan

June 29, 2023

TO: Each Trustee,  
Board of Retirement

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

FOR: July 6, 2023 Board of Retirement Meeting

SUBJECT: Finding of Exceptional Circumstances and Approval to Rehire Retiree Kathy Migita as a 960-Hour Employee to Perform Critical Services in the Retiree Healthcare Division of Limited Duration

## **RECOMMENDATION**

That the Board of Retirement find that exceptional circumstances exist to approve the rehire of retiree Kathy Migita for up to 960 hours in Fiscal Year 2023-2024 to perform services in the Retiree Healthcare Division to support critical needs in pursuit of pending healthcare initiatives, annual coverage renewals and negotiations, response to healthcare industry developments, transition of knowledge and relationships, and succession planning in the Division.

## **LEGAL AUTHORITY**

Government Code Section 7522.56 of the Public Employees' Pension Reform Act of 2013 (PEPRA) permits LACERA to rehire retirees with "skills needed to perform work of limited duration." Such work is limited to 960 hours in a fiscal year.

LACERA's current Post Retirement Employment Policy provides for the hiring of retired annuitants subject to the annual approval of the Division Manager, Assistant Executive Officer, Human Resources Director, and the Chief Executive Officer.

On June 7, 2023, the Operations Oversight Committee recommended that the Board of Retirement approve a new revised and restated Post Retirement Employment Policy. The revised Policy will be presented to the Board for approval at its July 6, 2023 meeting. The revised Policy provides that the Board must find exceptional circumstances and approve the hiring of retired annuitants who have served for two or more prior years.

Retiree Kathy Migita has been rehired in prior fiscal years since 2012. Under the new Policy and as a matter of best practice, staff requests the Board of Retirement make the necessary finding and approve Ms. Migita's return for up to 960 hours of work in Fiscal Year 2023-2024.

///

## **DISCUSSION**

### ***1. Exceptional Circumstances***

During Fiscal Year 2023-2024, Ms. Migita will use very institutional and historical knowledge and her connections and skills to assist in the following projects:

- a. Lifetime Maximum Benefit Project: This project is a priority and is the subject of ongoing internal work and discussions as well and discussions with the County of Los Angeles.
- b. Other Coverage and Service Projects: LACERA leadership is discussing other projects to enhance the benefits and service received by retirees.
- c. Healthcare Landscape and Relationships: The healthcare landscape will be changing from a fee for service model to a value-based model. It is imperative that LACERA meet with our health plan partners to see what their plans are, what changes they will be making, and how potential changes may affect the retiree healthcare program. Ms. Migita's expertise with determining how this may impact LACERA's program and how and what LACERA, as the program administrator, may be able to do to stay in compliance with the 1982 Agreement and ensure our members' claims are paid in accordance with the group healthcare benefits.
- d. Important Relationships: LACERA has begun re-establishing relationships with carriers, vendors, and industry experts now that inperson meetings and conferences are resuming following the pandemic.

These priorities are a critical need for LACERA and its members and will be greatly enhanced as a result of Ms. Migita's involvement given her knowledge, experience, contacts, and judgment.

### ***2. Qualifications.***

Ms. Migita has extensive and detailed historical knowledge about the creation and implementation of the Retiree Healthcare Divisions as well as the County ordinances supporting retiree healthcare benefits and the procedures required to successfully administer the program in accordance with the ordinances. Many programs implemented since the signing of the 1982 Agreement (such as the 1992 Medicare Reimbursement Program) were approved and implemented as a result and under her direction.

She has deep relationships with carriers and others in the healthcare industry and political world that are valuable to LACERA and are being transitioned to other LACERA staff. Having worked in the County Chief Executive Officer's office, prior to her transition to LACERA, she has been instrumental with facilitating a collaborative partnership with the

County and transferring of knowledge and contacts. She is a contributor because of her knowledge, experience, and contacts to ongoing projects important to retirees.

**3. Compliance with 960 Hour and Limited Duration Requirements.**

Ms. Migita will work within the 960-hour limit in Fiscal Year 2023-2024, with oversight by division and executive management.

Approval of Ms. Migita's return to LACERA for one more fiscal year is consistent with limited duration because of the critical nature of her anticipated work in Fiscal Year 2023-2024 and because of Retiree Healthcare Division management's transition plan. Although the division anticipated 2023 would be the final year that Ms. Migita would assist as an advisor, critical projects and industry changes as outlined above are still in progress and create a continued need for her expertise as outlined. To assist in the transition, division management has now begun including internal RHC Section Heads and/or Supervisors as well as Executive management on various key tasks required in the administration of the RHC program. Executive management is also focused on developing expertise and relationships at that level and have attended conferences, industry events, and meetings with carriers and other vendors.

**CONCLUSION**

For these reasons, staff recommends that the Board of Retirement find that exceptional circumstances exist to approve the rehire of retiree Kathy Migita for up to 960 hours in Fiscal Year 2023-2024 to perform services in the Retiree Healthcare Division to support critical needs in pursuit of pending healthcare initiatives, annual coverage renewals and negotiations, response to healthcare industry developments, transition of knowledge and relationships, and succession planning in the Division.

c: Luis A. Lugo  
JJ Popowich  
Laura Guglielmo  
Carly Ntoya, Ph.D.  
Cassandra Smith  
Richard Bendall  
Christina Logan

June 29, 2023

TO: Each Trustee,  
Board of Retirement

FROM: Santos H. Kreimann <sup>SHK</sup>  
Chief Executive Officer

FOR: July 6, 2023 Board of Retirement Meeting

SUBJECT: Finding of Exceptional Circumstances and Approval to Rehire Retiree Jan Tran Willett as a 960-Hour Employee to Perform Critical Systems Work of Limited Duration

## **RECOMMENDATION**

That the Board of Retirement find that exceptional circumstances exist to approve the rehire of retiree Jan Tran Willett for up to 960 hours in Fiscal Year 2023-2024 to assist the Systems Division with critical needs relating to pending projects and transition of knowledge to new employees with regard to the development, maintenance, and support of essential member benefit systems.

## **LEGAL AUTHORITY**

Government Code Section 7522.56 of the Public Employees' Pension Reform Act of 2013 (PEPRA) permits LACERA to rehire retirees with "skills needed to perform work of limited duration." Such work is limited to 960 hours in a fiscal year.

LACERA's current Post Retirement Employment Policy provides for the hiring of retired annuitants subject to the annual approval of the Division Manager, Assistant Executive Officer, Human Resources Director, and the Chief Executive Officer.

On June 7, 2023, the Operations Oversight Committee recommended that the Board of Retirement approve a new revised and restated Post Retirement Employment Policy. The revised Policy will be presented to the Board for approval at its July 6, 2023 meeting. The revised Policy provides that the Board must find exceptional circumstances and approve the hiring of retired annuitants who have served for two or more prior years.

Retiree Jan Tran Willett has been rehired in prior fiscal years since 2019. Under the new Policy and as a matter of best practice, staff requests the Board of Retirement make the necessary finding and approve Ms. Willett's return for up to 960 hours of work in Fiscal Year 2023-2024.

///

## **DISCUSSION**

### ***1. Exceptional Circumstances.***

There are two projects that require Jan Willett's expertise in LACERA's benefit calculations: First, adjusting the final calculation of benefits for Option 4 Service Retirement and Nonservice-Connected Disability; and second, developing a method to pay non-permanent Star COLA in collaboration with the Financial and Accounting Services Division. This is complex work that requires a high degree of experience, skill, and judgment; it is essential to the work of the Systems Division in supporting member benefits and ensuring accurate benefit calculations. Due to Ms. Willett's qualifications below, her continued service supports a finding of exceptional circumstances in Fiscal Year 2023-2024 to support the critical need for support on these projects and to transfer her decades of LACERA knowledge.

### ***2. Qualifications.***

Ms. Willett has 29 years of experience and LACERA institutional knowledge in connection with LACERA's systems and was the designer of LACERA's benefits calculation logic. Her background with calculations and business rules makes her uniquely qualified to assist LACERA with matters related to benefits operations. Further, Ms. Willett has extensive experience working with the County, actuaries, benefit payments, and other member-related areas.

With specific regard to the projects Ms. Willett will work on in Fiscal Year 2023-2024, she is the architect of LACERA's legacy system, which pays LACERA's members, survivors, legal splits, and deduction recipients. She is a subject matter expert on both the final calculation and Star COLA programs.

### ***3. Compliance with 960 Hour and Limited Duration Requirements.***

Ms. Willett will work within the 960-hour limit in Fiscal Year 2023-2024.

Approval of Ms. Willett's return to LACERA for one more fiscal year is consistent with limited duration because of the following transition plan for Fiscal Year 2023-2024 to which the Systems Division has committed: Ms. Willett's responsibilities will be transitioned to a new IT Specialist II. IT Specialist IIs are scheduled to be hired within the next 12 months. If an IT Specialist II is not hired during the next fiscal year, we will look for contractors that can join the LACERA team. Once hired, the IT Specialist II or contractor(s) will work directly with Ms. Willett and her supervisor to transition Ms. Willett's extensive retirement administration knowledge and experience to the new staff member(s).

**CONCLUSION**

For these reasons, staff recommends that the Board of Retirement find that exceptional circumstances exist to approve the rehire of retiree Jan Tran Willett for up to 960 hours in Fiscal Year 2023-2024 to assist the Systems Division with critical needs relating to pending projects and transition of knowledge to new employees with regard to the development, maintenance, and support of essential member benefit systems.

c: Luis A. Lugo  
JJ Popowich  
Laura Guglielmo  
Carly Ntoya, Ph.D.  
Kathy Delino  
Richard Bendall  
Christina Logan



June 22, 2023

TO: Trustees – Board of Retirement

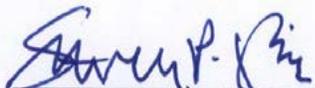
FROM: Fern M. Billigy   
Senior Staff Counsel

DATE: Board of Retirement Meeting of July 6, 2023

SUBJECT: **CERL vs. PEPRA**

During the regular Board of Retirement meeting of June 2023, a request was made to provide education regarding PEPRA's role in determining a member's final compensation calculation. Attached is the slide presentation in response to the request. Education will be provided regarding the general difference between CERL and PEPRA, the difference in the treatment of compensation items, and the connection to a member's service-connected disability benefit.

Reviewed and Approved



Steven P. Rice  
Chief Counsel

FMB/et  
Attachment

Billigy/BOR/CERLvsPEPRA



# CERL vs. PEPRA

---

## A Review of Final Compensation

Presented to the  
Board of Retirement by:  
Fern M. Billigy  
Senior Staff Counsel  
July 6, 2023



## WHAT IS PEPRA?

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- **California Public Employee's Pension Reform Act of 2013**
- **Applies to all state and local public retirement systems with limited exception**
- **Effective January 1, 2013**
- **Most provisions apply to public employees who are "new members." Several provisions apply to current and new members.**



slide



## PEPRA DIFFERENCES

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- **New retirement formulas**
- **50/50 cost sharing**
- **Pensionable earnings cap**
- **Final average compensation:**
  - **3 years**
  - **Actual earnings**



## **COMPENSATION EARNABLE (CERL) vs. PENSIONABLE COMPENSATION (PEPRA)**

---

### **Review process:**

- 1. Request from the Chief Executive Officer or the Superior Court;**
- 2. LACERA reviews MOU(s), Job Classifications, Administrative Handbooks, Public Pay Schedules, Interpretive Manuals;**
- 3. Recommendation memorandum to the Board of Retirement;**
- 4. Signed Resolution to requesting parties, [lacera.com](http://lacera.com), and unions.**



## Section 31461(b)

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**Compensation earnable does not include**

**(1) compensation determined by the retirement board to have been paid to enhance a member's retirement benefit.**

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

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## Section 7522.34(a)

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**Pensionable Compensation means normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class for services rendered on a full-time basis during normal working hours pursuant to publicly available pay schedules.**

**(c ) Pensionable compensation does not include:**

**(3) Any one-time or ad hoc payments made to a member.**

---



## FINAL COMPENSATION

---

**31462.1: Final compensation means the average annual compensation earnable by a member. (scheduled earnings)**

**7522.32: Final compensation means the highest average annual pensionable compensation earned during a period of at least 36 connective months. (actual earnings)**

**Exception:**

**31462.05 less than 3 years of service**



## HYPOTHETICAL

Member Pat has worked for the County for many years and plans to retire in December 2023 at age 60. In December of 2020, Pat was promoted and now earns \$5,000 per month. In 2023, Pat is intermittently absent for a period of 6 months. During that time, Pat is only able to earn \$2,000 per month. What is Pat’s CERL final compensation? What is Pat’s PEPRRA final compensation?

<u>CERL Member</u>		<u>PEPRA Member</u>	
Monthly salary	5000	Monthly salary	5000
Actual earnings	2000	Actual earnings	2000
Months of absence	6	Months of absence	6
Annual final compensation	60,000	Annual final compensation	42,000
<b>\$60,000 (2023)</b>	<b>1-year period</b>	<b>\$42,000 (2023) + \$120,000 (2021 &amp; 2022) = \$162,000</b>	<b>3-year period</b>



## SERVICE-CONNECTED DISABILITY

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**31727.4: Retirement allowance equal to one-half of final compensation**

### PEPRA MEMBERS

- Pension cap
- Pensionable compensation
- 3 year compensation period
- Actual earnings

vs.

### CERL MEMBERS

- No pension cap
- Compensation earnable
- 1 year compensation period
- Scheduled earnings



## Legal Division

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Questions?

[fbillingy@lacera.com](mailto:fbillingy@lacera.com)

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Thank you!



June 27, 2023

TO: Each Trustees  
Board of Retirement

FROM: Jasmine K. Bath *JKB*  
Senior Staff Counsel

FOR: July 6, 2023 Board of Retirement Meeting

SUBJECT: Capstone Project Presentations by Legal Division Interns, Nareh Derhartounian and Sebastian Paige

This past summer, the Legal Division hired two interns, Nareh Derhartounian and Sebastian Paige, rising 2L's. The Legal Division collaborated with the Disability Legal Office to provide the interns with assignments and exposure to the diverse legal practice areas at LACERA. Attached please find the slides for the Capstone Project Presentations that Nareh and Sebastian will present at the upcoming Board Meeting.

Attachments

cc: Santos H. Kreimann

The background of the slide is a photograph of a tall, modern skyscraper with a grid-like facade, viewed from a low angle looking up. The sky is a clear, bright blue with a few wispy white clouds. The building is slightly out of focus, creating a sense of depth.

# **My Summer at LACERA**

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By: Nareh Derhartounian  
*Legal Intern*



## Education and Law School Goals:

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- UC Davis Class of 2022: Two Bachelor of Arts Degrees in History and American Studies, Summa Cum Laude.
- Washington University School of Law in St. Louis Class of 2025, J.D. Candidate.
- Expand my non-profit, the Anahit Project.
- Be published in a WashU Law Journal.



## Post Retirement Employment Policy Memo

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- Researched the Post-Retirement Employment policies of the 19 other CERL Systems, CalPERS, and CalSTRS – specifically their approach to limited duration and independent contractors.
- Organized research materials into a table showcasing the respective policies, related forms, applicable documents, and a personal analysis of each system's policy in comparison to LACERA's.
- Contacted other CERL systems to gain perspective on their policies and OAL to track approval status of CalPERS proposed limited duration regulation.
- Provided suggested edits for Mr. Rice's OOC memo and revised policy for June Board Meeting.
- Assisted in June OOC Meeting Presentation



## Disability Litigation Closing Brief

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- Reviewed hearing transcripts, evidence, and opposing counsel's closing brief.
- Learned Disability Law framework to understand issues and necessary analysis.
- Wrote Incapacitation Section of the closing brief which included evidentiary analysis and arguments.
- Worked with Eugenia Der.



## Transactional Assignments

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- Reviewed NDA with Mr. Harrington to understand LACERA's perspective and how to approach the document.
- Individually reviewed a separate NDA and made edits, so the document better met LACERA's needs and legal obligations.
- Following individual review, presented edits and takeaways to Mr. Harrington for feedback and to ask questions.



## Prejudgment Interest Memo

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- Read *Flethez v. SBCERA* and continued researching similar cases, secondary materials, and legal treatises.
- Conducted research to learn whether litigation is necessary to provide prejudgment interest to members or if LACERA can pay interest to members independently.
- Drafted a memo with analysis and legal support for my conclusion including policy concerns and takeaways.
- Worked with Mike Herrera.



## Writ Flow Chart

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- Read through California Civil Procedure Codes to identify the correct provisions.
- Included the relevant sections in the Flow Chart.
- Worked with Frank Boyd.



## Legislative Affairs Database

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- Reviewed Bill Status reports and categorized information into database's respective columns.
- Researched bills to find further information regarding their bill digest and prior related legislation.
- Purpose of assignment was to better track bill status for Mr. Lew's monthly IBLC reports.
- Worked with Barry Lew.



## Conclusion

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- Over this summer, I learned more about myself as a law student and future attorney. I believe my interest in becoming a litigator grew, and I will be exploring this path more than before.
- My legal research and writing skills improved tremendously.
- I gained insight about different fields of the law and the life of attorneys in various fields.

# Closing Remarks



Thank you for the opportunity!  
I appreciate all the kindness and support.



# LACERA Legal Internship Capstone

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Presented by Sebastian Paige



## BACKGROUND

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- Raised in Rancho Cucamonga, CA
- Graduated from Los Osos High School in Rancho Cucamonga in 2017
- Graduated from UCLA in 2021 with a Bachelor's in Sociology
- Starting second year of law school this fall at the University of Illinois College of Law



# COVID-19 Presumption



- Worked with Frank Boyd, Senior Staff Counsel-Analyzed applicant files including information from LACERA interviews as well as medical and employment records
- Automatically applied to (a) Active Firefighters, Peace Officers, and Medical Officers or (b) if employee was exposed during an outbreak at their workplace
- Learned about the various caveats regarding the presumption's application to individuals who did not fit these circumstances
- Learned skills such as attention to detail within extensive documents and became knowledgeable of the CA governing law





# Questions Drafted for Applicant Investigators

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- **Disability Litigation Division – Frank Boyd**
- **Aided in obtaining essential information from applicants to determine whether criteria was met for the COVID-19 presumption**
- **Learned how to properly draft open-ended legal questions for LACERA investigators in order to determine whether the COVID-19 presumption was applicable**





## DEPOSITION

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- **Disability Litigation Division – Eugenia Der, Senior Staff Counsel**
- **Reviewed exhibits and applicant documentation in preparation for the deposition**
- **Assisted in preparing deposition questions**
- **Took the deposition of an applicant's Return-To-Work Supervisor via Microsoft Teams Video Chat**
- **Learned how to take a deposition**





## NDA/CONTRACT ANALYSIS

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- Reviewed investment related documents with John Harrington
- LACERA's approach to NDAs → certain clauses that are sought
- Learned how to properly redline and edit NDAs to include/exclude important provisions, specifically, protective order clauses & denial of jury trial waiver





## CLIENT FILE RETENTION MEMORANDUM

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- **Disability Litigation Division – Allison Barrett, Senior Staff Counsel**
- **Researched California Law regarding general client records retention (specifically after files/cases are closed)**





## RESEARCH ASSIGNMENT: LOS ANGELES CIVIL SERVICE RULE 9.08

- Assigned by Jasmine Bath, Senior Staff Counsel. Researched the application of Civil Service Rule 9.08 to Partially/Fully Incapacitated Employees
- Subsection C: If there is no suitable position in which the employee can perform satisfactorily, the appointing authority may release the employee. . . without prejudice as to reemployment should the employee's condition improve.

### Findings:

- (a) For the former employee to be reinstated, a physician must provide proper documentation noting improvements in the employee's previously incapacitating condition
- (b) The director of personnel shall use this documentation to decide on the applicant's medical qualification





## CANCER PRESUMPTION: LEGAL RECOMMENDATION MEMO

- Assigned by Frank Boyd, Senior Staff Counsel
- The cancer presumption's prerequisites include: (a) applicant is a safety member (b) >5 years of service (c) developed cancer (d) exposure to a known carcinogen
- Learned about the legal standard for the Cancer Presumption and determining whether the presumption is applicable.
- Gained practical legal experience by analyzing documents and writing a legal memorandum





# SUMMARY

- Developed an interest in Retirement Law
- Shifted focus from transactional work to litigation
- Next summer, I would like to work at a law firm, but ultimately hope to pursue a legal career in the public sector and/or return to LACERA



**FOR INFORMATION ONLY**

June 20, 2023

**TO:** Each Trustee  
Board of Retirement

**FROM:** James C. Beasley Jr.   
Supervising Administrative Assistant II

**FOR:** July 6, 2023, Board of Retirement Meeting

**SUBJECT: BUSINESS INSURANCE 2023-2024 RENEWAL SUMMARY UPDATE**

**EXECUTIVE SUMMARY**

LACERA has been successfully managing its commercial liability insurance policies through the procurement process for over two decades. In the past, the organization's renewal periods typically occurred in June and October, resulting in complicated administrative procedures for both Trustees and Staff Members.

In response to this challenge, the Administrative Services Risk Management team partnered with LACERA's insurance broker, Alliant Insurance Services (Broker), to implement a more streamlined system that would result in a single renewal period in June.

On September 7, 2022, the Board of Retirement Trustees granted the authority to approve all insurance policy renewals to the Chief Executive Officer, or their designated representative. In the next scheduled Board of Retirement meeting Trustees will be provided with a summary report of the insurance program renewals.

This new insurance management process has been highly successful, providing the organization with a more streamlined and effective approach to procuring and managing its commercial liability insurance policies, while securing highly competitive rates.

**OVERVIEW**

In preparation for the upcoming insurance program renewals on June 30, 2023, LACERA's Broker diligently sought out competitive bids from a range of insurance carriers for each line of coverage. The Broker's marketing efforts were comprehensive, leveraging the insurance marketplace to secure the best possible program renewals. To this end, the Broker approached numerous insurance carriers and conducted a thorough analysis of various programs to develop the most cost-effective program for LACERA's required coverage.

Once the Broker obtained the various insurance proposals, the Insurance Selection Team (Team), comprised of staff from the Executive Office, Legal Services, and the

Administrative Services Division, was presented with a comprehensive insurance proposal package. The primary function of the Team is to review all proposed quotes and recommend insurance policies that best protect LACERA's stakeholders, the Trust Fund, Staff, and the Trustees.

To ensure that LACERA was receiving the best and most comprehensive insurance coverage possible, the Team conducted a thorough analysis of the proposal, utilizing a side-by-side comparison to review coverage limits and sub-limits, deductibles, endorsements, and exclusions. The recommendation for an insurance carrier is based on several factors, such as financial strength (A.M. Best financial strength and creditworthiness rating), policy limits, potential covered losses, and cost.

LACERA's Brokers worked in collaboration with insurance carriers to obtain competitive quotes that are advantageous to LACERA, despite the challenges posed by the current insurance market. During this renewal period, LACERA's total annual premium slightly decreased from the FY 2022-2023 renewals by 0.43%. This is a testament to the Brokers' skill and expertise in navigating the complex and ever-changing insurance marketplace, and their commitment to securing the best possible outcome for LACERA.

### **Insurance Markets Approached**

- Ascot Group
- AllDigital Specialty
- Allied World Assurance
- Ambridge
- Argo Pro
- Arrowhead
- Axis Insurance
- Aspen
- Canopus
- Carvus Insurance
- Chubb
- CNA
- Coaction Specialty
- Counterpart, Inc
- Crum & Foster
- Dual
- Endurance
- E-Risk
- Euclid
- Golden Bear
- Great American
- Hartford
- Hiscox
- Homeland
- Houston Casualty Group
- Hudson
- ICAT
- ICW
- Intact Insurance
- Indian Harbor
- Ironshore
- Lexington Specialty
- Liberty Mutual
- Lloyds of London
- Markel
- Nationwide
- Navigator Insurance
- Philadelphia
- Prof. Gov. Underwriters
- QBE Specialty
- RLI Insurance
- RSUI
- Solutions
- Sampo
- Starr Companies
- Travelers
- Validus
- Velocity
- Westchester

**Insurance Renewal Coverage & Cost Overview**

Coverage Type	Recommended Carrier	Limits	FY 2022-2023 Premium	FY 2023-2024 Premium	Difference
Commercial Package	Continental National American Group (CNA)	Various	\$55,768	\$50,676	(\$5,092)
Foreign Package	CNA	Various	\$5,323	\$2,500	(\$2,823)
Umbrella	CNA	\$25 Million	\$18,948	\$19,912	\$964
Terrorism Liability	Indian Harbor Insurance Company	\$45 Million	\$ 8,550	\$8,900	\$350
Difference-in-Conditions	QBE Specialty Insurance Company	\$25 Million	\$81,650	\$105,300	\$23,650
Employment Practices Liability	Ascot Specialty Insurance Company	\$3 Million	\$145,000	\$145,000	\$0
Employment Practices Liability (Excess)	Ironshore Indemnity Inc.	\$2 Million	\$72,500	\$72,500	\$0
Fiduciary Liability	Euclid/Hudson	\$20 Million	\$281,306	\$291,152	\$9,846
Fiduciary Liability (Excess)	Westchester	\$10 Million	\$106,058	\$109,770	\$3,712
Fiduciary Liability (Excess)	RLI Insurance	\$5 Million	\$37,000	\$38,529	\$1,529
Fiduciary Liability OPEB Trust	Euclid/Hudson	\$10 Million	\$52,089	\$54,695	\$2,606
Cyber Liability	Houston Casualty Group (Tokio Marine)	\$5 Million	\$125,195	\$125,000	(\$195)
Cyber Liability (Excess)	Homeland	\$5 Million	\$100,000	\$94,000	(\$6,000)
Cyber Liability (Excess)	Ambridge	\$5 Million	\$81,500	\$75,200	(\$6,300)
Cyber Liability (Excess)	Corvus Insurance	\$5 Million	\$80,000	\$57,500	(\$22,500)
Crime Protection	Great American	\$10 Million	\$21,786	\$21,786	\$0
<b>FY 2022-2023 Insurance Renewal Premium Total:</b>			<b>\$1,272,673</b>		
<b>FY 2023-2024 Insurance Renewal Premium Total:</b>				<b>\$1,272,420</b>	
			<b>Taxes and Fees</b>	<b>\$20,493</b>	
			<b>Rebates</b>	<b>(\$25,750)</b>	
<b>Total Cost After Tax, Fees, and Rebates:</b>				<b>\$1,267,163</b>	
			<b>Difference in Premium Costs</b>		<b>(\$5,257)</b>
<b>2023-2024 Proposed Budget:</b>				<b>\$1,358,800</b>	
			<b>Budget Savings:</b>	<b>(\$91,637)</b>	

## **2023-2024 INSURANCE RENEWAL SUMMARY**

LACERA's Broker successfully negotiated competitive renewal options while adhering to the Board-approved Purchasing Policy and standard industry criteria when soliciting quotes from various insurance carriers.

Multiple insurance carriers were invited to provide quotes for each line of coverage, but many declined to bid, stating that they could not compete with the current premiums, coverage, and limits already provided to LACERA.

To ensure that LACERA has adequate coverage, the Broker and LACERA's Team conducted a thorough evaluation of the carriers' proposals using the following criteria:

- Provides the best programs and services: The Broker and Team evaluated the carriers' programs and services to ensure that they would meet the needs of LACERA, considering the terms, conditions, and limits of the offered coverage, the carriers' experience in the industry, their track record of customer service, and the quality of their claims handling.
- Provides the best protection of the LACERA Trust Fund: The Broker and Team assessed the carriers' financial strength and stability to gauge their ability to pay claims in the event of a loss. Under review were the carriers' risk management practices to ensure that they were taking steps to reduce the likelihood of claims.
- Provides the best value to the organization: The Broker and Team evaluated the carriers' premiums and limits of coverage to ensure that LACERA was getting the best possible value for its money.

The Team determined that the following coverages best met these criteria and is confident that these coverages will provide LACERA with the protection needed to mitigate risk and protect the assets. The statements below regarding terms of coverage are summaries only and are not a substitute for the terms and conditions of the policies themselves, which will control in the case of a claim.

### **Insurance Coverages**

#### **Domestic Commercial Insurance Package**

The Domestic Commercial Insurance Package combines four essential coverages for businesses: Business Personal Property Insurance, General Liability, Employee Benefits, and Commercial Auto.

- Business Personal Property Insurance covers the equipment, furniture, fixtures, and inventory that LACERA either owns, uses, or rents. This includes restoring LACERA-occupied spaces (such as offices, conference rooms, copy rooms,

kitchens, etc.) to their original state after being damaged or destroyed during a covered loss. This coverage does not include replacing or repairing damage to the building structure or the public areas of the building as Gateway Plaza is insured under the building manager's (Avison Young) insurance policy. Their business property coverage protects the structure of the building, including the walls, roof, and foundation.

- General Liability Insurance protects LACERA from various claims, including bodily injury, property damage, personal injury, and others that may arise from normal business operations. This coverage includes claims that are made against LACERA and losses that LACERA suffers from the acts of against others involved in an accident or other covered loss. For example, if a visitor to LACERA's offices slips and falls and is injured, General Liability insurance will cover the cost of the visitor's medical expenses and any other damages that they may be entitled to recover.
- Employee Benefits provide coverage for an error or omission in the administration of an employee benefit program, such as failure to advise Staff Members of benefit programs. This coverage can help to protect LACERA from lawsuits filed by Staff to whom may be denied benefits to that they are entitled. This coverage insures against damages caused by LACERA's errors or omissions are covered; it does not cover the amount of the unpaid or underpaid benefits themselves.
- Commercial Auto provides liability and physical damage protection for LACERA owned, rented, and hired vehicles. This coverage includes both claims that are made against LACERA and losses that LACERA suffers from the acts of others involved in an accident or other vehicle-related loss. For example, if a LACERA Staff Member is driving a company car and is involved in an accident, Commercial Auto insurance would cover the cost of the other driver's medical expenses and any other damages that they may be entitled to.

**See the Appendix for further details on coverage.**

#### Foreign Business Insurance Package

The coverage provided by the Foreign Business Package insurance is comparable to the Domestic Commercial Package, encompassing Property Insurance, General Liability, Employee Benefits, and Commercial Auto. The only distinction is that the coverage extends to incidents that take place outside of the United States. Furthermore, the policy includes kidnap and ransom coverage, with a limit of \$250,000, in addition to the liability coverage.

**See the Appendix for further details on coverage.**

#### Umbrella Liability Insurance

Umbrella Liability Insurance (Umbrella) provides additional liability coverage beyond what is already provided by other liability policies. This insurance is meant to complement the other liability policy coverages by taking over when the liability coverage limits have been exhausted or to cover certain claims and losses that are not covered by other insurance. The incumbent carrier has agreed to continue to offer LACERA a \$25 million policy. This is significant to LACERA as it eliminates the need to purchase an excess policy, saving LACERA money.

**See the Appendix for further details on coverage.**

#### *Terrorism and Sabotage*

Terrorism Insurance covers businesses and organizations against losses as a result of terrorist attacks. In the event of a declared terrorism event, or confirmed attempt to sabotage LACERA, the terrorism insurance covers damaged or destroyed personal property—including equipment, furnishings, and inventory. The policy also covers losses associated with a business interruption.

- Damaged or destroyed personal property: This includes damage to or destruction of equipment, furnishings, and inventory that is owned, used, or rented by LACERA. It includes the costs of removing debris and of re-purchasing or replacing damaged or destroyed property.
- Business interruption: This reimburses LACERA for lost profits and other expenses incurred due to a terrorism event. It includes the cost of renting temporary space and hiring temporary workers.

**See the Appendix for further details on coverage.**

#### *Difference-In-Conditions - Earthquake/Flood*

- Difference-in-Conditions (DIC) insurance provides expanded coverage for perils not covered by standard insurance policies. It is designed to increase coverage for perils that may result in severe losses including floods, earthquakes, and other catastrophes. The building manager, Avison Young, purchases DIC coverage losses to the structure of the building, including the walls, roof, and foundation caused by an earthquake and other covered perils. However, Avison's insurance does not cover LACERA's property. DIC coverage fills that gap.

DIC insurance covers some of the losses and damages that earthquakes and floods may cause to:

- Business Personal Property: This includes equipment, furniture, fixtures, and inventory that is owned, used, or rented by LACERA.

- **Business Income Including Extra Expenses:** This covers lost profits and other expenses that are incurred as a result of an earthquake. It also includes the costs of renting temporary space and of hiring temporary workers.
- **Fine Arts:** This covers artwork and other valuables that are owned by LACERA.
- **Electronic Data Processing (EDP) Equipment & Media:** This covers computers, servers, and other electronic equipment that is used by LACERA. It also includes data that is stored on media such as hard drives and tapes.
- **Valuable Papers & Records:** This covers documents such as contracts, leases, and financial records.

**See the Appendix for further details on coverage.**

*Employment Practices Liability Insurance (Primary/Excess)*

Employment Practices Liability Insurance (EPLI) protects LACERA from claims of discrimination, sexual harassment, wrongful termination, and other employment-related issues.

Any prospective, current, or past Staff Member can bring a lawsuit against LACERA, which may lead to excessive costs to legally defend the claim. Even if the claim is unsuccessful, the defense costs can be significant. EPLI provides the necessary resources to defend against a lawsuit or pay for a claim.

The EPLI Carriers have declined to underwrite the full \$5 million coverage limits, required by LACERA, due to multiple risk factors. As a result, LACERA is only able to obtain a \$3 million policy. With this limitation, LACERA must obtain the full \$5 million coverage in multiple layers, with \$3 million in primary coverage and \$2 million in excess coverage.

These multiple layers provide LACERA with the necessary financial protection in the event of a large claim.

**See the Appendix for further details on coverage.**

*Fiduciary Liability*

Fiduciary Liability insurance protects LACERA's assets against claims of mismanagement of the Retirement Plan. The policy covers legal expenses for defending claims made against LACERA, as well as the financial losses the Retirement Plan may incur due to errors, omissions, or a breach of fiduciary duty. This coverage ensures that the Trust Fund is protected in the event of a claim, and also defrays the cost of defending against such a claim.

A breach of fiduciary duty occurs when a fiduciary fails to act in the best interests of the beneficiaries of a trust or other fiduciary relationship. In the context of a retirement plan, a breach of fiduciary duty could involve failing to properly invest the plan's assets, to provide adequate information to plan participants or follow the plan's investment guidelines, when any of such actions are not consistent with LACERA's fiduciary standard of prudence and loyalty.

LACERA maintains \$35 million in coverage to protect the Trust Fund from a claim of a breach of fiduciary duty. The highest limit that the Fiduciary Insurance carrier is willing to underwrite as the primary level of coverage is \$20 million. LACERA obtains the desired coverage in multiple layers: \$20 million primary, \$10 million excess, and \$5 million excess, totaling \$35 million in coverage.

The primary layer of coverage is what the insurance company will pay in the event of a claim. The excess layers of coverage are triggered when the primary layer is exhausted. For example, if a claim is made against LACERA and recovers for \$40 million, the insurance companies will pay out \$20 million from the primary layer, \$10 million from the first excess layer, and \$5 million from the second excess. The remaining \$5 million of the claim would be the responsibility of LACERA.

LACERA also purchases Fiduciary Insurance to provide coverage for the OPEB Trust Funds, which are combined into one Insurance Policy. The OPEB Fiduciary Insurance program consists of the following Trust Funds:

- County OPEB Trust
- Superior Court OPEB Trust
- Master OPEB Trust

**See the Appendix for further details on coverage.**

### Cyber Liability Insurance

The costs and expenses of a data breach can be wide-ranging. According to the Cyber Claims Study conducted by Net Diligence<sup>1</sup> (industry experts who provide Cyber Risk Assessments), the average claim from a data breach for a large company in 2021 was \$5 million. The smallest claims were less than \$1,000, and the largest claims were over \$300 million. The number of records exposed ranged from one to over 300 million.

The Net Diligence Report defines a large business as an organization with \$2 billion or more in annual revenue, and LACERA fits into this category. The average cost for all claims in 2021 with large companies is as follows:

- Crisis Services Costs: \$4.1 million.

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<sup>1</sup> [Cyber Claims Studies | NetDiligence](#)

These costs are associated with responding to the breach event. These include, but are not limited to: Breach Coach counsel, forensics, notification, credit/ID monitoring, and public relations.

- Legal/Regulatory: \$3.1 million.  
These are expenses incurred as a result of the event. These include but are not limited to lawsuit defense, lawsuit settlement, regulatory action defense, and regulatory fines.
- Incident Cost: \$15.4 million  
This is the aggregate total of all types of costs or expenses associated with the incident.

The actual cost of a data breach can vary significantly depending on the specific circumstances. For example, the cost of a breach is likely to be higher if the data that is exposed is sensitive information or health records. Additionally, the cost of a breach can also be affected by the size of the organization and the way that it responds to the breach.

**See the Appendix for further details on coverage.**

#### Crime Protection Insurance

Crime Protection Insurance covers businesses against losses caused by employee dishonesty, computer fraud, and other types of business-related crime. The policy covers cash, assets, merchandise, or other property loss, as well as the cost of legal defense.

The Crime Protection Insurance market for LACERA remains stable, despite the growing threat of social engineering fraud across the nation. Social engineering fraud involves tricking employees into giving up sensitive information, such as passwords or credit card numbers. This type of fraud is on the rise, and it is a growing concern for insurance carriers. The insurance industry has a number of tools to help mitigate the risk of this type of fraud but may increase premiums in the future to address this risk.

**See the Appendix for further details on coverage.**

#### Waiver of Recourse – Supplemental Coverage for Fiduciary Liability Insurance

A Waiver of Recourse is an endorsement of a Fiduciary Liability Insurance Policy that prevents an insurance carrier from exercising its subrogation rights against an insured fiduciary (Board Trustee/Staff Member). Unlike most other forms of insurance, under Fiduciary Liability Policies, insurers have the right to exercise subrogation rights against insureds for non-willful or criminal acts.

Trustees of both Boards and specific Staff Members may have potential individual exposure to Fiduciary Liability due to decisions made that may affect the Trust Funds. Board Trustees and staff members are offered the opportunity to protect themselves by purchasing the Waiver of Recourse supplemental coverage. Per Government Code Section 7511, Trust Fund assets cannot be used to purchase a Waiver of Recourse

endorsement. The cost of this coverage for this renewal period is a flat fee of \$100.00 for each Trust Fund, divided by the number of enrollees and paid for by the individual enrollees themselves, not LACERA.

### Supplemental Travel Insurance

Supplemental Travel Insurance is intended to cover Board Trustees and Staff when traveling internationally and domestically on official LACERA business. The supplemental insurance protects LACERA's personal property and provides additional coverage from unforeseen circumstances. The coverage can be purchased as needed at \$575 per person and expires one year from the date of purchase.

The Supplemental Policy offers the following coverage:

- Trip Cancellation: Provides reimbursement to LACERA for the cost of a trip that is canceled due to a covered reason, such as illness, death, or a natural disaster.
- Lost Baggage: Provides reimbursement for the cost of lost or damaged baggage.
- Business Travel Accidents: Provides financial assistance if a Board Trustee or Staff Member is injured while traveling on official LACERA business.
- Legal Assistance: Provides legal assistance if a Board Trustee or Staff Member is involved in a legal dispute while traveling on official LACERA business.
- Travel and Document Assistance: Provides assistance with travel arrangements and documentation if a Board Trustee or Staff Member experiences a travel-related emergency.
- Concierge Services: Provides access to a concierge who can help with travel arrangements, document preparation, and other travel-related needs.

Supplemental Travel Insurance is a valuable tool for Board Trustees and Staff who are traveling on official LACERA business. The coverage can help to protect LACERA from financial losses that are caused by unforeseen circumstances.

### **FISCAL IMPACT**

The cost of the various insurance that is included in the Property and Casualty Insurance Program for the FY 2023-2024 is \$1,267,163, which is a minimal 0.43% decrease from FY 2022-2023 premiums of \$1,272,673.

### **SUMMARY**

After an extensive procurement process, review by the Team, and approval by LACERA's Chief Executive Officer, the one-year policy for each line of coverage has been "bound"

and coverage is in place that best protects the LACERA Trust Fund and is the best value available to the organization for the required coverage.

Noted and Approved:

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Santos H. Kreimann  
Chief Executive Officer

**Appendix  
Coverage Details**

<b>Commercial Insurance Package Coverage</b>	
<b>Insurance Company:</b>	Valley Forge Insurance Company (A CNA Company)
<b>A.M. Best Rating:</b>	A (Excellent) Financial Size XV, (\$2 Billion or greater) as of May 1, 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$50,676
<b>Business Property Limits</b>	
<i>Business Personal Property &amp; Contents</i>	\$25,000,000
<i>Business Income (Including Expenses)</i>	\$20,000,000
<i>Earthquake - Sprinkler Leakage Only</i>	\$5,000,000 occurrence / aggregate
<i>Equipment Breakdown-spoilage</i>	\$250,000
<i>Ordinance of Law</i>	\$500,000
<i>Electronic Data Processing (EDP) Equipment</i>	Included
<i>Equipment Breakdown</i>	Included
<b>Deductible:</b>	
<i>Property All Risk</i>	\$5,000
<i>Earthquake - Sprinkler Leakage</i>	\$25,000
<b>General Liability/Employee Benefits Limits</b>	
<i>General Aggregate</i>	\$2,000,000
<i>Products &amp; Completed Operations Aggregate</i>	\$2,000,000
<i>Personal &amp; Advertising Injury</i>	\$1,000,000
<i>Each Occurrence</i>	\$1,000,000
<i>Damage to Premises Rented to You</i>	\$1,000,000
<i>Medical Expense</i>	\$15,000
<i>Employee Benefits Per Employee</i>	\$1,000,000
<i>Employee Benefits Aggregate</i>	\$1,000,000
<b>Deductible:</b>	
<i>Each Occurrence</i>	N/A
<i>Employee Benefits Liability</i>	\$1,000
<b>Commercial Auto Limits</b>	
<i>Liability</i>	\$1,000,000 combined single limit
<i>Uninsured Motorist</i>	\$1,000,000 combined single limit
<i>Medical Payments</i>	\$5,000

<i>Comprehensive</i>	<i>Included</i>
<i>Collision</i>	<i>Included</i>
<i>Rental Reimbursement</i>	<i>\$40.00 Maximum daily amount 30 Days - Maximum number of days \$1,200.00 Maximum payment any one period</i>
<i>Hired Auto Liability</i>	<i>\$1,000,000</i>
<i>Non-Owned Liability</i>	<i>\$1,000,000</i>
<b>Deductible:</b>	
<i>Comprehensive</i>	<i>\$1,000</i>
<i>Collision</i>	<i>\$1,000</i>

<b>Foreign Business Insurance Package</b>	
<b>Insurance Company:</b>	Valley Forge Insurance Company (A CNA Company)
<b>A.M. Best Rating:</b>	A (Excellent) Financial Size XV, (\$2 Billion or greater) as of May 1, 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$2,500
<b>Limits</b>	
<i>Personal Property, Business Income, and Extra Expense Combined</i>	<i>\$25,000 Each occurrence</i>
<i>Commercial General Liability Each Occurrence Limit</i>	<i>\$1,000,000</i>
<i>Employee Benefits Liability</i>	<i>\$1,000,000 Each employee limit per occurrence/ all claims in the Aggregate Limit</i>
<i>Business Auto Covered Autos Liability Coverage Form</i>	<i>\$1,000,000</i>
<i>Business Travel Accidental Death and Dismemberment</i>	<i>\$500,000 Annual aggregate/per incident</i>
<i>Kidnap and Ransom/Wrongful Detention</i>	<i>\$250,000 Each occurrence/ total policy aggregate</i>
<b>Deductible:</b>	
<i>Personal Property, Business Income, and Extra Expense</i>	<i>\$1,000</i>
<i>Commercial General Liability</i>	<i>Not applicable</i>
<i>Employee Benefits Liability</i>	<i>\$1,000 Per employee damages only</i>
<i>Business Auto Covered Autos</i>	<i>Not applicable</i>
<i>Business Travel Accidental Death and Dismemberment</i>	<i>Various</i>
<i>Kidnap and Ransom/Wrongful Detention</i>	<i>\$0</i>

<b>Umbrella Package Coverage</b>	
<b>Insurance Company:</b>	Valley Forge Insurance Company (A CNA Company)
<b>A.M. Best Rating:</b>	A (Excellent) Financial Size XV, (\$2 Billion or greater) as of May 1, 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$19,912
<b>Limits</b>	
<i>Each Incident</i>	\$25,000,000
<i>General Aggregate</i>	\$25,000,000
<i>Products-Completed Operation Aggregate</i>	\$25,000,000
<i>Crisis Management Expenses Aggregate</i>	\$300,000
<i>Key Employee Replacement Expenses Aggregate</i>	\$100,000
<b>Self-Insured Retention</b>	\$10,000

<b>Terrorism and Sabotage Coverage</b>	
<b>Insurance Company:</b>	Indian Harbor Insurance Company
<b>A.M. Best Rating:</b>	A+ (Superior) Financial Size XV, (\$2 Billion or greater) as of March 17, 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$8,900
<b>Limits</b>	
<i>Liability</i>	\$45,000,000 Per occurrence/aggregate
<b>Deductible:</b>	
<i>Per Occurrence</i>	\$10,000

<b>Difference-in-Conditions (DIC) Coverage</b>	
<b>Insurance Company:</b>	QBE Specialty Insurance Company
<b>A.M. Best Rating:</b>	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of May 5, 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$105,300
<b>Limits</b>	
<i>Loss Limit</i>	\$25,000,000
<b>Deductible:</b>	
<i>Earthquake &amp; Earthquake Sprinkler Leakage</i>	10% Physical damage 10% Time element subject to \$50,000 Minimum per occurrence
<i>Flood</i>	2% Per unit.

	<i>Subject to \$50,000 minimum per occurrence</i>
<i>All Other Perils</i>	<i>\$25,000</i>

**Primary**

<b>Employment Practices Liability Coverage</b>	
<b>Insurance Company:</b>	Ascot Specialty Insurance Company
<b>A.M. Best Rating:</b>	A (Excellent), Financial Size Category: XIV (\$1.5 Billion or \$2 Billion) as of 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$145,000
<b>Limits</b>	
<i>Aggregate Limit of Liability for All Coverage Parts (inclusive of Defense Costs; Not Inclusive of Directors &amp; Officers Side A Excess Limit, if applicable)</i>	<i>\$3,000,000</i>
<i>Third-Party Claim Sub-Limit of Liability</i>	<i>\$3,000,000</i>
<b>Retention:</b>	
<i>Each Employment Practices Claim</i>	<i>\$500,000</i>
<i>Third-Party Claim</i>	<i>\$500,000</i>
<i>Mass Action</i>	<i>\$1,000,000</i>

**Excess**

<b>Employment Practices Liability Coverage</b>	
<b>Insurance Company:</b>	Ironshore Indemnity Inc
<b>A.M. Best Rating:</b>	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of July 27, 2022
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$72,500
<b>Limits</b>	
<i>Aggregate Limit of Liability</i>	<i>\$2,000,000</i>

**Primary**

<b>Fiduciary Liability Coverage</b>	
<b>Insurance Company:</b>	Euclid/Hudson
<b>A.M. Best Rating:</b>	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of June 23, 2022
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$291,152
<b>Limits</b>	
<i>Aggregate Limit of Liability</i>	<i>\$20,000,000</i>
<b>Retention:</b>	
<i>Indemnifiable</i>	<i>\$250,000</i>

<i>Non-indemnifiable</i>	\$0
<i>Class action lawsuits</i>	\$1,000,000

### Excess

<b>Fiduciary Liability Coverage</b>	
<b>Insurance Company:</b>	Westchester
<b>A.M. Best Rating:</b>	A++ (Superior), Financial Size Category: XV (\$2 Billion or greater) as of December 1, 2022
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$109,770
<b>Limits</b>	
<i>Aggregate Limit of Liability</i>	\$10,000,000

### Excess

<b>Fiduciary Liability Coverage</b>	
<b>Insurance Company:</b>	RLI Insurance
<b>A.M. Best Rating:</b>	A+ (Superior), Financial Size Category: XV (\$2 Billion or greater) as of December 13, 2022
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$38,529
<b>Limits</b>	
<i>Aggregate Limit of Liability</i>	\$5,000,000

### OPEB

<b>Fiduciary Liability Coverage</b>	
<b>Insurance Company:</b>	Euclid/Hudson
<b>A.M. Best Rating:</b>	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of June 23, 2022
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$72,500
<b>Limits</b>	
<i>Aggregate Limit of Liability</i>	\$10,000,000

### Primary

<b>Cyber Liability Coverage</b>	
<b>Insurance Company:</b>	<i>Houston Casualty Group (Tokio Marine)</i>
<b>A.M. Best Rating:</b>	A++ (Superior), Financial Size Category: XV (\$2 Billion or greater) as of December 14, 2022
<b>Policy/Coverage Term:</b>	<i>June 30, 2023, to June 30, 2024</i>
<b>Premium:</b>	\$125,000
<b>Limits</b>	
Security & privacy liability	\$5,000,000

2023-2024 Business Insurance Summary

Board of Retirement

June 20, 2023

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Privacy regulatory defense & penalties	\$5,000,000
Multimedia liability	\$5,000,000
Breach event costs	\$5,000,000
Network assets protection	\$5,000,000
Cyber extortion	\$5,000,000
Brand guard	\$5,000,000
Dependent business interruption	\$5,000,000
Cybercrime	\$100,000
<b>Retention:</b>	
Per claim	\$50,000
Class action lawsuits	\$250,000

**Excess**

<b>Cyber Liability Coverage</b>	
<b>Insurance Company:</b>	Homeland
<b>A.M. Best Rating:</b>	A+ (Superior), Financial Size Category: XV (\$2 Billion or greater) as of May 18, 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$72,500
<b>Limits</b>	
Security & privacy liability	\$5,000,000
Privacy regulatory defense & penalties	\$5,000,000
Multimedia liability	\$5,000,000
Breach event costs	\$5,000,000
Network assets protection	\$5,000,000
Cyber extortion	\$5,000,000
Brand guard	\$5,000,000
Dependent business interruption	\$5,000,000
Cybercrime	\$100,000

**Excess**

<b>Cyber Liability Coverage</b>	
<b>Insurance Company:</b>	Ambridge
<b>A.M. Best Rating:</b>	A- (Good), Financial Size Category: XV (\$2 Billion or greater) as of 2023
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$72,500
<b>Limits</b>	
Security & privacy liability	\$5,000,000

2023-2024 Business Insurance Summary

Board of Retirement

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Privacy regulatory defense & penalties	\$5,000,000
Multimedia liability	\$5,000,000
Breach event costs	\$5,000,000
Network assets protection	\$5,000,000
Cyber extortion	\$5,000,000
Brand guard	\$5,000,000
Dependent business interruption	\$5,000,000
Cybercrime	\$100,000

**Excess**

<b>Cyber Liability Coverage</b>	
<b>Insurance Company:</b>	Corvus
<b>A.M. Best Rating:</b>	Not yet rated
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$72,500
<b>Limits</b>	
Security & privacy liability	\$5,000,000
Privacy regulatory defense & penalties	\$5,000,000
Multimedia liability	\$5,000,000
Breach event costs	\$5,000,000
Network assets protection	\$5,000,000
Cyber extortion	\$5,000,000
Brand guard	\$5,000,000
Dependent business interruption	\$5,000,000
Cybercrime	\$100,000

<b>Crime Protection Coverage</b>	
<b>Insurance Company:</b>	Great American
<b>A.M. Best Rating:</b>	A+ (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of December 16, 2022
<b>Policy/Coverage Term:</b>	June 30, 2023, to June 30, 2024
<b>Premium:</b>	\$21,786
<b>Limits</b>	
Staff member dishonesty	\$10,000,000
Forgery & alterations	\$10,000,000
Inside premises	\$10,000,000
Outside premises	\$10,000,000
Computer fraud	\$10,000,000

2023-2024 Business Insurance Summary

Board of Retirement

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Money orders & counterfeit paper currency	<i>\$10,000,000</i>
Fund transfer fraud	<i>\$10,000,000</i>

**FOR INFORMATION ONLY**

June 28, 2023

TO: Each Trustee  
Board of RetirementFROM: Ricki Contreras, Division Manager  
Disability Retirement Services

FOR: July 6, 2023, Board of Retirement Meeting

SUBJECT: **Application Processing Time Snapshot Reports**

The following chart shows the total processing time from receipt of the application to the first Board action for all cases on the July 6, 2023, Disability Retirement Applications Agenda.

<b>Consent &amp; Non-Consent Calendar</b>	
Number of Applications	38
Average Processing Time (in Months)	13.58
<b>Revised/Held Over Calendar</b>	
Number of Applications	1 <sup>1</sup>
Processing Time Per Case (in Months)	NA

<sup>1</sup> 2-Year Review, processing time not included.

# DISABILITY RETIREMENT SERVICES

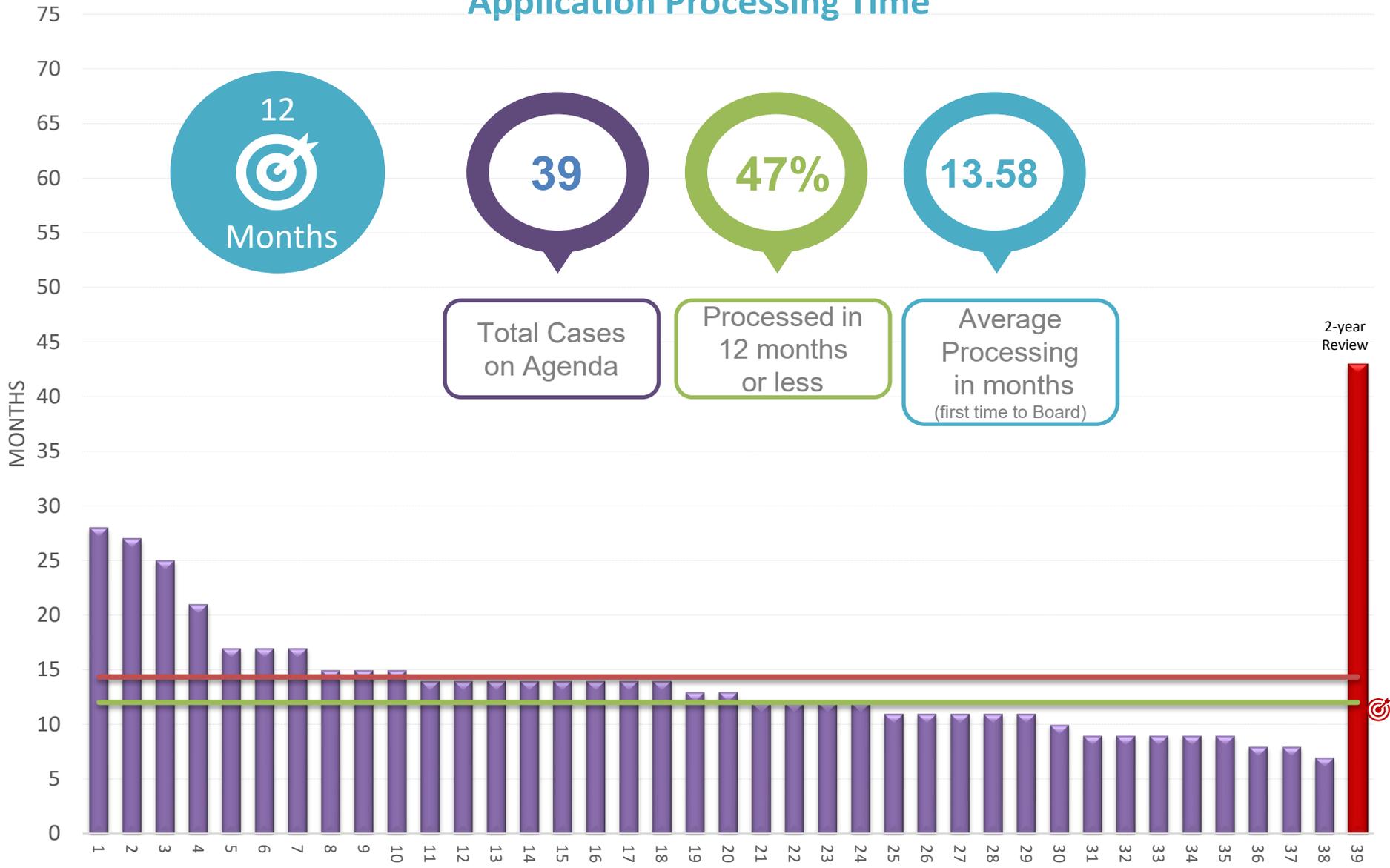
## Application Processing Time



Total Cases on Agenda

Processed in 12 months or less

Average Processing in months (first time to Board)



# DISABILITY RETIREMENT SERVICES

## Pending Applications/Months



As of June 28, 2023

**FOR INFORMATION ONLY**

June 26, 2023

TO: Each Trustee  
Board of Retirement  
Board of Investments

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: July 6, 2023 Board of Retirement Meeting  
July 12, 2023 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

Attached is the monthly report on the status of legislation that staff is monitoring or on which LACERA has adopted a position.

**Reviewed and Approved:**



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**Steven P. Rice, Chief Counsel**

**Attachments**

LACERA Legislative Report Index  
LACERA Legislative Report

cc: Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Laura Guglielmo  
Steven P. Rice  
Jon Gabel  
Scott Zdrazil

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**PUBLIC RETIREMENT**

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CA AB 738	<b>AUTHOR:</b> <b>TITLE:</b> <b>INTRODUCED:</b> <b>DISPOSITION:</b> <b>SUMMARY:</b>	Lackey [R] State Actuarial Advisory Panel: Reports 02/13/2023 Pending Relates to existing law under which the State Actuarial Advisory Panel is required to report to the Legislature on or before February 1 of each year. Changes the deadline for that report to January 31 of each year.
	<b>STATUS:</b>	
	02/23/2023	To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
CA AB 739	<b>AUTHOR:</b> <b>TITLE:</b> <b>INTRODUCED:</b> <b>DISPOSITION:</b> <b>SUMMARY:</b>	Lackey [R] Public Retirement Systems: Defined Benefit Plans 02/13/2023 Pending Revises the conditions for suspending contributions to a public retirement system defined benefit plan to increase the threshold percentage amount of plan funding to more than 130%.
	<b>STATUS:</b>	
	02/23/2023	To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
CA AB 1246	<b>AUTHOR:</b> <b>TITLE:</b> <b>INTRODUCED:</b> <b>LAST AMEND:</b> <b>DISPOSITION:</b> <b>SUMMARY:</b>	Nguyen [D] Public Employees' Retirement System Optional Settlement 02/16/2023 06/15/2023 Pending Provides that existing law permits a member of the Public Employees' Retirement System to elect from among several other optional settlements for the purpose of structuring their retirement allowance. Permits a member who elected to receive a specified optional settlement at retirement, if the member's former spouse was named as beneficiary and a legal judgment awards only a portion of the interest in the retirement system to the member, to elect to add their new spouse as the beneficiary.
	<b>STATUS:</b>	
	06/22/2023	From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS. (5-0)
CA SB 300	<b>AUTHOR:</b> <b>TITLE:</b> <b>INTRODUCED:</b> <b>LAST AMEND:</b> <b>DISPOSITION:</b> <b>SUMMARY:</b>	Seyarto [R] Public Employees Retirement: Fiscal Impact: Information 02/02/2023 05/03/2023 Pending Requires the Legislative Analyst to prepare a pension fiscal impact analysis on any measure introduced on or after specified date that is referred to the Senate

Labor, Public Employment and Retirement Committee, or any successor committee, as specified, and that requires a public retirement system to take prescribed action, including the divestiture of an existing investment.

**STATUS:**

05/18/2023 In SENATE Committee on APPROPRIATIONS: Held in committee.

CA SB 432

**AUTHOR:** Cortese [D]  
**TITLE:** Teachers' Retirement  
**INTRODUCED:** 02/13/2023  
**LAST AMEND:** 06/19/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Requires the State Teachers' Retirement System to identify and provide specified resources on its website. Requires those identified resources to be relied upon and used for purposes of audits and other actions related to compliance by employers, unless the resource is revoked or superseded. Appropriates funds.

**STATUS:**

06/19/2023 From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.

06/19/2023 In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

CA SB 548

**AUTHOR:** Niello [R]  
**TITLE:** Public Employees Retirement: County and Trial Court  
**INTRODUCED:** 02/15/2023  
**LAST AMEND:** 04/24/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Authorizes a county and the trial court located within the county to elect to separate their joint Public Employees' Retirement Law contract into individual contracts, if the county and the trial court make that election voluntarily, and prescribe a process for this. Prohibits the separation from being a cause for modification of employee retirement benefits.

**STATUS:**

06/08/2023 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

CA SB 660

**AUTHOR:** Alvarado-Gil [D]  
**TITLE:** Public Employees' Retirement Systems  
**INTRODUCED:** 02/16/2023  
**LAST AMEND:** 03/21/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Establishes the California Public Retirement System Agency Cost and Liability Panel, located in the Controller's office. Assigns responsibilities to the panel related to retirement benefit costs, including determining how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same public retirement system or when a member concurrently retires with a specified number or more retirement systems that have entered into reciprocity agreements.

**STATUS:**  
05/18/2023 In SENATE Committee on APPROPRIATIONS: Held in committee.

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**PUBLIC INVESTMENT**

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CA SB 252 **AUTHOR:** Gonzalez [D]  
**TITLE:** Public Retirement Systems: Fossil Fuels: Divestment  
**INTRODUCED:** 01/30/2023  
**LAST AMEND:** 05/18/2023  
**DISPOSITION:** Pending  
**SUMMARY:**  
Prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company. Requires the boards to liquidate investments in a fossil fuel company on or before specified date. Suspends, temporarily, the liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets.  
**STATUS:**  
06/08/2023 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

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**PUBLIC EMPLOYMENT**

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CA SB 765 **AUTHOR:** Portantino [D]  
**TITLE:** Teachers: Retired Teachers: Teacher Preparation  
**INTRODUCED:** 02/17/2023  
**LAST AMEND:** 06/19/2023  
**DISPOSITION:** Pending  
**SUMMARY:**  
Provides that existing law limits the postretirement compensation of a member of the Defined Benefit Program of the Teachers' Retirement Plan to an amount calculated by the State Teachers' Retirement System. Exempts a retired member, who has returned to perform retired member activities for an employer, after retirement to fulfill a critical need in a certificated position from the postretirement compensation limitation. Prohibits a member from utilizing exemption for more than a specified number of years.  
**STATUS:**  
06/19/2023 From ASSEMBLY Committee on EDUCATION with author's amendments.  
06/19/2023 In ASSEMBLY. Read second time and amended. Re-referred to Committee on EDUCATION.

CA SB 885 **AUTHOR:** Labor, Public Employment & Retirement Cmt  
**TITLE:** Public Employees' Retirement  
**INTRODUCED:** 03/14/2023  
**LAST AMEND:** 06/06/2023  
**DISPOSITION:** Pending  
**SUMMARY:**  
Provides that the Judges' Retirement Law prescribes retirement benefits for judges. Provides that existing law requires, if a benefit is payable on account of the judge's death, and the beneficiary is the judge's spouse, that distributions commence on or before the later of December 31 of the calendar year immediately following the calendar year in which the judge dies or December 31

of the calendar year in which the judge would have attained 72 years of age.  
Changes the age for required distributions.

**STATUS:**

06/14/2023 From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND  
RETIREMENT: Do pass to Committee on APPROPRIATIONS.  
(7-0)

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**DISABILITY RETIREMENT**

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CA AB 1020 **AUTHOR:** Grayson [D]  
**TITLE:** County Employees Retirement Law 1937: Disability  
**INTRODUCED:** 02/15/2023  
**LAST AMEND:** 05/30/2023  
**DISPOSITION:** Pending  
**SUMMARY:**  
Relates to the County Employees Retirement Law of 1937. Provides that existing law requires, if a safety member, a firefighter member, or a member in active law enforcement who has completed 5 years or more of service develops heart trouble, that the heart trouble be presumed to arise out of and in the course of employment. Requires the presumption that the member's heart trouble arose out of and in the course of employment to be extended following termination of service for a prescribed length of time.  
**STATUS:**  
06/15/2023 In SENATE. Read second time. To third reading.  
**BOR\_Position:** Neutral 06/07/2023  
**IBLC\_Recommendation:** Neutral 05/03/2023  
**Staff\_Recommendation:** Neutral

CA SB 327 **AUTHOR:** Laird [D]  
**TITLE:** State Teachers' Retirement: Disability Allowances  
**INTRODUCED:** 02/07/2023  
**LAST AMEND:** 05/02/2023  
**DISPOSITION:** Pending  
**SUMMARY:**  
Relates to law that authorizes a member of the State Teachers' Retirement System who is eligible and applies for a disability allowance or retirement to apply to receive a service retirement pending the determination of their application for disability, subject to meeting certain conditions. Prohibits the service retirement date of a member who submits an application for retirement from being earlier than a specified number of calendar days prior to when the application for service retirement is received.  
**STATUS:**  
06/08/2023 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND  
RETIREMENT.

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**WORKERS COMPENSATION**

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CA AB 489 **AUTHOR:** Calderon [D]  
**TITLE:** Workers' Compensation: Disability Payments  
**INTRODUCED:** 02/07/2023  
**DISPOSITION:** Pending  
**SUMMARY:**  
Relates to existing law which, until January 1, 2024, allows an employer to commence a program under which disability indemnity payments are deposited in a prepaid card account for employees. Extends the authorization to deposit

indemnity payments in a prepaid card account until January 1, 2025.

**STATUS:**

06/26/2023 From SENATE Committee on APPROPRIATIONS: To second reading without further hearing pursuant to Senate Rule 28.8.

CA AB 597

**AUTHOR:** Rodriguez [D]  
**TITLE:** Workers' Compensation: First Responders: Stress  
**INTRODUCED:** 02/09/2023  
**LAST AMEND:** 02/23/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Provides that for certain State and local firefighting personnel and peace officers, the term injury includes post-traumatic stress that develops or manifests during a period in which the injured person is in the service. Requires the compensation awarded pursuant to this provision to include full hospital, surgical, medical treatment, disability indemnity, and death benefits. Makes this applicable to emergency medical technicians and paramedics for injuries on and after certain date.

**STATUS:**

02/23/2023 From ASSEMBLY Committee on INSURANCE with author's amendments.

02/23/2023 In ASSEMBLY. Read second time and amended. Re-referred to Committee on INSURANCE.

CA AB 621

**AUTHOR:** Irwin [D]  
**TITLE:** Workers' Compensation: Special Death Benefit  
**INTRODUCED:** 02/09/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Relates to existing law which provides that no benefits, except reasonable expenses of burial not exceeding \$1,000, shall be awarded under the workers' compensation laws on account of the death of an employee who is an active member of the Public Employees' Retirement System, unless the death benefits available under the Public Employees Retirement Law are less than the workers' compensation death benefits. Expands an exemption from the limitation to include state safety members and peace officers.

**STATUS:**

06/14/2023 To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

CA AB 699

**AUTHOR:** Weber A [D]  
**TITLE:** Workers' Compensation: Presumed Injuries  
**INTRODUCED:** 02/13/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Expands presumptions for hernia, pneumonia, heart trouble, cancer, tuberculosis, bloodborne infectious disease, methicillin-resistant Staphylococcus aureus skin infection, and meningitis-related illnesses and injuries to a lifeguard employed on a year-round, full-time basis in the Boating Safety Unit by the City of San Diego Fire-Rescue Department.

**STATUS:**

06/26/2023 From SENATE Committee on APPROPRIATIONS: To second

reading without further hearing pursuant to Senate Rule 28.8.

- CA AB 1107      **AUTHOR:**                      Mathis [R]  
**TITLE:**                              Workers' Compensation: Presumptive Injuries  
**INTRODUCED:**                      02/15/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**  
Makes a workers' compensation system provision applicable to additional members and employees of the Department of Corrections and Rehabilitation, including members of the Office of Correctional Safety or the Office of Internal Affairs.  
**STATUS:**  
03/02/2023                      To ASSEMBLY Committee on INSURANCE.
- CA AB 1145      **AUTHOR:**                      Maienschein [D]  
**TITLE:**                              Workers' Compensation  
**INTRODUCED:**                      02/16/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**  
Provides, only until January 1, 2030, that in the case of certain state nurses, psychiatric technicians, and various medical and social services specialists, the term injury also includes post-traumatic stress that develops or manifests itself during a period in which the injured person is in the service of the department or unit. Applies to injuries occurring on or after January 1, 2024.  
**STATUS:**  
06/07/2023                      To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.
- CA AB 1156      **AUTHOR:**                      Bonta M [D]  
**TITLE:**                              Workers' Compensation: Hospital Employees  
**INTRODUCED:**                      02/16/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**  
Defines injury, for a hospital employee who provides direct patient care in an acute care hospital, to include infectious diseases, cancer, musculoskeletal injuries, post-traumatic stress disorder, and respiratory diseases. Includes the 2019 novel coronavirus disease (COVID-19) from SARS-CoV-2 and its variants, among other conditions, in the definitions of infectious and respiratory diseases.  
**STATUS:**  
03/02/2023                      To ASSEMBLY Committee on INSURANCE.
- CA SB 391      **AUTHOR:**                      Blakespear [D]  
**TITLE:**                              Workers' Compensation: Skin Cancer  
**INTRODUCED:**                      02/09/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**  
Expands the scope of Workers' compensation and skin cancer regulations to certain peace officers of the Department of Fish and Wildlife and the Department of Parks and Recreation.  
**STATUS:**  
06/08/2023                      To ASSEMBLY Committee on INSURANCE.

CA SB 623      **AUTHOR:**                      Laird [D]  
**TITLE:**                                      Workers Compensation: Post-Traumatic Stress Disorder  
**INTRODUCED:**                      02/15/2023  
**LAST AMEND:**                      03/20/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**  
Relates to workers compensation for post-traumatic stress disorder. Expands such provisions to, among others, firefighting members of the State Department of State Hospitals, the State Department of Developmental Services, the Military Department, and the Department of Veterans Affairs.  
**STATUS:**  
05/26/2023                      To ASSEMBLY Committee on INSURANCE.

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**BROWN ACT**

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CA AB 557      **AUTHOR:**                      Hart [D]  
**TITLE:**                                      Open Meetings: Local Agencies: Teleconferences  
**INTRODUCED:**                      02/08/2023  
**LAST AMEND:**                      06/19/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**  
Authorizes the legislative body of a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect. Provides that those circumstances are that, among other things, State or local officials have imposed or recommended measures to promote social distancing.  
**STATUS:**  
06/19/2023                      From SENATE Committee on JUDICIARY with author's amendments.  
06/19/2023                      In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.

CA AB 817      **AUTHOR:**                      Pacheco [D]  
**TITLE:**                                      Open Meetings: Teleconferencing: Subsidiary Body  
**INTRODUCED:**                      02/13/2023  
**LAST AMEND:**                      03/16/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**  
Relates to the Ralph Brown Act. Authorizes a subsidiary body to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency.  
**STATUS:**  
03/16/2023                      To ASSEMBLY Committee on LOCAL GOVERNMENT.  
03/16/2023                      From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.  
03/16/2023                      In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

CA AB 1379      **AUTHOR:**                      Papan [D]  
**TITLE:**                                      Open Meetings: Local Agencies: Teleconferences  
**INTRODUCED:**                      02/17/2023  
**LAST AMEND:**                      03/23/2023  
**DISPOSITION:**                      Pending  
**SUMMARY:**

Relates to teleconferencing. Requires a legislative body electing to use teleconferencing to post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations.

**STATUS:**

03/23/2023 To ASSEMBLY Committee on LOCAL GOVERNMENT.  
03/23/2023 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.  
03/23/2023 In ASSEMBLY. Read second time and amended.  
Re-referred to Committee on LOCAL GOVERNMENT.

CA SB 411

**AUTHOR:** Portantino [D]  
**TITLE:** Open Meetings: Teleconferences: Neighborhood Councils  
**INTRODUCED:** 02/09/2023  
**LAST AMEND:** 04/24/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Authorizes an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, if the city council has adopted an authorizing resolution and a specified fraction of an eligible legislative body votes to use the alternate teleconferencing provisions. Requires an eligible legislative body authorized to provide publicly accessible physical locations for public participation.

**STATUS:**

05/26/2023 To ASSEMBLY Committee on LOCAL GOVERNMENT.

**Note:**

SACRS lobbyists say this is intended for neighborhood councils.

CA SB 537

**AUTHOR:** Becker [D]  
**TITLE:** Open Meetings: Multijurisdictional  
**INTRODUCED:** 02/14/2023  
**LAST AMEND:** 04/24/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Relates to law that authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member. Provides that these circumstances include if a member shows just cause. Expands the circumstances of just cause to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

**STATUS:**

06/15/2023 To ASSEMBLY Committee on LOCAL GOVERNMENT.

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**PUBLIC RECORDS ACT**

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CA AB 1637

**AUTHOR:** Irwin [D]  
**TITLE:** Local Government: Internet Websites and Email Addresses  
**INTRODUCED:** 02/12/2023  
**LAST AMEND:** 05/18/2023  
**DISPOSITION:** Pending  
**SUMMARY:**

Requires, no later than specified date, a local agency that maintains an internet website for use by the public to ensure that the internet website utilizes a .gov top-level domain or a .ca.gov second-level domain and requires a local agency that maintains an internet website that is noncompliant with that requirement to

redirect that internet website to a domain name that does utilize a .gov or .ca.gov domain.

**STATUS:**

06/14/2023 To SENATE Committee on GOVERNANCE AND FINANCE.

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**SOCIAL SECURITY**

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CA SJR 1	<b>AUTHOR:</b>	Cortese [D]
	<b>TITLE:</b>	Social Security Act: Repeal of Benefit Reductions
	<b>INTRODUCED:</b>	12/05/2022
	<b>LAST AMEND:</b>	04/12/2023
	<b>DISPOSITION:</b>	Adopted
	<b>SUMMARY:</b>	Requests the Congress of the United States to enact, and the President to sign, legislation that would repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act.
	<b>STATUS:</b>	
	06/02/2023	Chaptered by Secretary of State.
	06/02/2023	Resolution Chapter No. 2023-084
US HR 82	<b>SPONSOR:</b>	Graves [R]
	<b>TITLE:</b>	Pension Offset and Windfall Elimination Repeal
	<b>INTRODUCED:</b>	01/09/2023
	<b>DISPOSITION:</b>	Pending
	<b>SUMMARY:</b>	Amends title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.
	<b>STATUS:</b>	
	01/09/2023	INTRODUCED.
	01/09/2023	To HOUSE Committee on WAYS AND MEANS.
US S 597	<b>SPONSOR:</b>	Brown S [D]
	<b>TITLE:</b>	Government Pension Offset Repeal
	<b>INTRODUCED:</b>	03/01/2023
	<b>DISPOSITION:</b>	Pending
	<b>SUMMARY:</b>	Amends title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.
	<b>STATUS:</b>	
	03/01/2023	INTRODUCED.
	03/01/2023	In SENATE. Read second time.
	03/01/2023	To SENATE Committee on FINANCE.



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LACERA  
Attention: Public Records Act Requests  
300 N. Lake Ave., Suite 620  
Pasadena, CA 91101**



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