### IN PERSON & VIRTUAL BOARD MEETING



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



**TO VIEW VIA WEB** 



### TO PROVIDE PUBLIC COMMENT

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

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

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

### AGENDA

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

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

9:00 A.M., WEDNESDAY, AUGUST 6, 2025\*

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 <a href="https://LACERA.com/leadership/board-meetings">https://LACERA.com/leadership/board-meetings</a>.

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

Teleconference Locations for Trustees and the Public under California Government Code Section 54953(b). 6953 Cedar Park Avenue, Philadelphia, PA 19138

- 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 July 10, 2025
- V. PUBLIC COMMENT

(Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit <a href="https://LACERA.com/leadership/board-meetings">https://LACERA.com/leadership/board-meetings</a> and complete the request form.

### V. PUBLIC COMMENT (Continued)

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

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email <a href="mailto:PublicComment@lacera.com">PublicComment@lacera.com</a>.)

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

Recommendation that the Board approve the service retirements and survivor benefit applications received as of July 28, 2025, along with any retirement rescissions and/or changes approved at last month's Board meeting. (Memo dated July 28, 2025)

B. Appeals for the Board of Retirement's Meeting of August 6, 2025
Recommendation as submitted by Tamara Caldwell, Division
Manager, Disability Retirement Services: That the Board of Retirement
grant the appeals and requests for administrative hearing received
from Salvador S. Salas and Peggy D. Harris and direct the Disability
Retirement Services Manager to refer each case to a referee.
(Memo dated July 24, 2025)

### VIII. CONSENT ITEMS (Continued)

### C. Service Provider Invoice Approval Request - Stanley Majcher, M.D.

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

(Memo dated July 11, 2025 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.56(a))

### D. Service Provider Invoice Approval Request - Winet Patrick Creighton & Hanes

Recommendation as submitted by Francis J. Boyd, Senior Staff Counsel, Legal Services: That the Board approve the service provider invoice for Winet Patrick Creighton & Hanes.

(Memo dated July 25, 2025 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.56(a))

### E. Request for Proposal—Economic Impact Analysis

Recommendation as submitted by J.P. Harris, Chair, Operations Oversight Committee: That the Board approve the issuance of a Request for Proposal for a consultant to conduct an economic impact analysis of LACERA's retirement benefits. (Memo dated July 23, 2025) (Supplemental memo dated July 23, 2025)

### IX. EXCLUDED FROM CONSENT ITEMS

### X. REPORTS

### A. Federal Legislative & Regulatory Update

Tony Roda, Williams & Jensen Shane Doucet, Doucet Consulting Solutions Barry W. Lew, Legislative Affairs Officer (Presentation) (Memo dated July 23, 2025)

### B. My Summer Legal Internship with LACERA

Introduction: Jean J. Kim, Senior Staff Counsel

1. Jasmine Feng, Legal Summer Intern (Presentation)

### X. REPORTS (Continued)

- 2. Aparajita Pathak, Legal Summer Intern (Presentation)
- C. Assembly Bill 1383: CERL Actuarial Analysis
  Barry W. Lew, Legislative Affairs Officer
  (For Information Only) (Memo dated July 17, 2025)
- D. Report of Revised Pay Items
  Jean J. Kim, Senior Staff Counsel
  (For Information Only) (Memo dated July 18, 2025)
- E. LACERA Property and Liability Insurance Renewal Summary
  Update

  Lames C. Beasley Ir Supervising Administrative Assistant

James C. Beasley, Jr., Supervising Administrative Assistant II (For Information Only) (Memo dated July 15, 2025)

F. 2025 Quarterly Reports of Paid Invoices 4th Quarter - April 1, 2025 to June 30, 2025

Tamara Caldwell, Division Manager, Disability Retirement Services (For Information Only) (Memo dated July 16, 2025 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.56(a))

- G. Post Termination Payroll Adjustments
  Tatiana Bayer, Division Manager, Member Services
  Louis Gittens, Division Manager, Benefits
  (For Information Only) (Memo dated July 23, 2025)
- H. Contracting Activity Report June 2025
  Ricki Contreras, Administrative Services Division Manager
  Elsy Gutierrez, Supervising Administrative Assistant II
  (For Information Only) (Memo dated July 28, 2025)
- I. Monthly Trustee Travel & Education Report June 2025
  Ted Granger, Chief Financial Officer
  (For Information Only) (Memo dated July 24, 2025)
- J. Monthly Status Report on Legislation
  Barry W. Lew, Legislative Affairs Officer
  (For Information Only) (Memo dated July 28, 2025)

### X. REPORTS (Continued)

### K. July 2025 Fiduciary Counsel Contact and Billing Report Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated July 28, 2025)

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

### XI. ITEMS FOR STAFF REVIEW

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

### XII. ITEMS FOR FUTURE AGENDAS

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

### XIII. GOOD OF THE ORDER (For Information Purposes Only)

### XIV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

- A. Applications for Disability
- B. Disability Retirement Appeals
- C. Staff Recommendations

### 1. An L. Ning – Recommendation to Grant her Application for Service-Connected Disability Retirement with the Option of an Earlier Effective Date

Recommendation as submitted by Jason E. Waller, Senior Staff Counsel, Disability Litigation: That the Board, pursuant to Government Code section 31720, 1) determine that An L. Ning is incapacitated from her duties as a Judicial and Administrative Support I, based on Dr. Perry Maloff's May 1, 2025 medical report, and 2) grant her application for service-connected disability retirement with the option of an earlier effective date. (Memo dated July 18, 2025)

### XV. EXECUTIVE SESSION

- A. Conference with Legal Counsel Existing Litigation (Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)
  - Daphane Poingsett v. LACERA
     Los Angeles Superior Court, Case No. 25STCP00850

XVI. ADJOURNMENT

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

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

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email <a href="mailto:PublicComment@Jacera.com">PublicComment@Jacera.com</a>, 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., THURSDAY, JULY 10, 2025

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

### TRUSTEES PRESENT:

Les Robbins, Chair

Ronald Okum, Vice Chair

Shawn R. Kehoe, Secretary (Alternate Seventh Member)

Jason E. Green (Joined the meeting at 10:14 a.m.)

Nancy Durazo

**Bobbie Fesler** 

JP Harris (Alternate Retired)

Elizabeth Ginsberg

Aleen Langton

Wayne Moore

David Ryu (Joined the meeting at 9:19 a.m.)

### STAFF ADVISORS AND PARTICIPANTS

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Laura Guglielmo, Assistant Executive Officer

Jonathan Grabel, Chief Investment Officer

Jude Perez, Deputy Chief Investment Officer

Steven P. Rice, Chief Counsel

Ted Granger, Chief Financial Officer

Dr. Glenn Ehresmann, Medical Advisor

Francis J. Boyd, Senior Staff Counsel

Allison Barrett, Senior Staff Counsel

Tamara Caldwell, Disability Retirement Manager

Louis Gittens, Benefits Division Manager

Milliman,

Craig Glyde, Actuary

### I. CALL TO ORDER

The meeting was called to order by Chair Robbins at 9:04 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

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

- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953 (f)
  - A. Just Cause
  - B. Action on Emergency Circumstance Requests
  - C. Statement of Persons Present at AB 2449 Teleconference Locations

There was nothing to report. No trustees participated under Section 54953(f).

### IV. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of June 4, 2025

Trustee Okum made a motion, Trustee Kehoe seconded, to approve the minutes of the Regular Meeting of June 4, 2025. The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Okum, Robbins

Abstain: Moore

Absent: Ryu

### 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: Jan Bautista, Jay Lee, Laura Or, Maisha Coulter. The Web Watcher winner was Ana Chang.

### B. Member Spotlight

Mr. Popowich recognized LACERA member, Alicia E. Lozano.

### C. Chief Executive Officer's Report

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

### VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

### Safety Law Enforcement

Service-Connected Disability Applications

On a motion by Trustee Kehoe, seconded by Trustee Okum, the Board of Retirement approved a service-connected disability retirement for the following named employees who met the burden of establishing permanent

incapacity from the performance of their usual duties and a real and measurable connection between their incapacity and employment.

<u>APPI</u>	<u>ICATION NO.</u> 681E	<u>NAME</u> GALARNEAU, DEAN P.
	682E	GULIYEV, FAHRI M.
	683E	RODRIGUEZ, VERONICA
	684E*	LEZAMA PEREZ, LUIS S.
	685E	LUPIAN, FRAY M.
	686E	SMITH, AMORE
	687E**	SATTERFIELD, JOHN L., JR.
	688E	SALINAS, ALBERTO
	689E	INFANTE, DAVID A.
	690E	RIVERA-MACIAS, MARTHA A.
	691E	BRINGAS, PETER E.
	692E	ELLIOTT, GEOFFREY A.
	693E*	VALENZUELA, JAIME
	694E	MARTEL, LAURA
	695E	LOGAN, SEAN P.
	696E	COLITTI, STEVEN J.
	697E	WINFIELD, GARY J.
	698E	JIMENEZ, ISMAEL
	699E	TISCARENO, JAVIER
		·

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins

Absent: Ryu

<sup>\*</sup>Granted SCD - Retroactive

<sup>\*\*</sup>Granted SCD - Employer Cannot Accommodate

Safety Fire, Lifeguards

Service-Connected Disability Applications

On a motion by Trustee Okum, seconded by Trustee Kehoe, the Board of Retirement approved a service-connected disability retirement for the following named employees who met the burden of establishing permanent incapacity from the performance of their usual duties and a real and measurable connection between their incapacity and employment.

APPLICATION NO.	<u>NAME</u>
1966B*	DEAGON, KEITH J.
1967B	CASTILLEJO, JEFFREY A.
1968B	GREENLEE, THOMAS M.
1969B**	LEVASSEUR, BRIAN (DEC'D)
1970B	IMBRENDA, TONY J.
1971B	BAYER, DEAN A.
1972B	ARVIZU, JON A.
1973B	HOWELL, ERIC M.
1974B	ROMO, WILLIAM V.
1975B	FRESCAS, BILL E.
1976B	VALENZUELA, GILBERT
1977B	PRYOR, RICHARD E.
1978B	HEAGLE, KYLE E.
1979B	DOWTY, ANTHONY M.
1980B	DRC-2402-01642

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins

Absent: Ryu

### General Members

Service-Connected Disability Applications

On a motion by Trustee Okum, seconded by Trustee Langton, the Board of Retirement made a motion to approve a service-connected disability

<sup>\*</sup>Granted SCD - Retroactive

<sup>\*\*</sup>Granted SCD - Survivor Benefit

retirement for the following named employees who met the burden of establishing permanent incapacity from the performance of their usual duties and a real and measurable connection between their incapacity and employment.

APPLICATION NO.	NAME LEE LIVE 100 K
2950C	LEE, HYEJOO K.
2951C*	TURNER, THERESA A.
2952C*	THOMAS, SABRINA Y.
2953C**	LUNDY, EILEEN
2954C	MORAN, RENE
2955C	IGWE, ROSE N.
2956C*	MONREAU, G GILLIAN
2957C	FIERROS, DANIEL
2958C	STANTON, PHILIP
2959C	PASCUAL, AIDA L.
2960C**	CHANG, ROBERT
2961C***	GUYNESS,STANLEY L. (DEC'D)
2962C	RENTERIA, VERONICA
2963C	LEE, GINA C.
2964C	LLIBRE, SANDRA
2965C	SHAFER, BRENDA V.
2966C	MUNIZ, CLAUDIA
2967C*	HO, TAY A.
2968C****	TE, SHERRY
	,

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum,

Robbins

Absent: Ryu

<sup>\*</sup>Granted SCD – Employer Cannot Accommodate

<sup>\*\*</sup>Granted SCD - Retroactive

<sup>\*\*\*</sup>Granted SCD - Survivor Benefit

<sup>\*\*\*\*</sup>Granted SCD – Salary Supplement

### General Members

Nonservice-Connected Disability Applications

On a motion by Trustee Okum, seconded by Trustee Langton, the Board of Retirement made a motion to approve a nonservice-connected disability retirement for the following named employee who met the burden of establishing permanent incapacity from the performance of her usual duties.

APPLICATION NO.	<u>NAME</u>
4514*	ESPINOZA, CARRIE M
4515	FRANCISCO, KATRINA R.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins

Absent: Ryu

### VIII. CONSENT ITEMS

Trustee Harris made a motion, Trustee Okum seconded, to approve consent items A-E. The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins

Absent: Ryu

### A. Ratification of Service Retirement and Survivor Benefit Application Approvals

Recommendation that the Board approve the service retirements and survivor benefit applications received as of July 1, 2025, along with any retirement rescissions and/or changes approved at last month's Board meeting. (Memo dated July 1, 2025)

<sup>\*</sup>Granted NSCD - Retroactive

### VIII. CONSENT ITEMS (Continued)

- B. **Dismiss with Prejudice the Appeal of Carlos H. Fernandez**Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice Carlos H. Fernandez's appeal for service-connected disability retirement. (Memo dated June 5, 2025)
- C. Dismiss with Prejudice the Appeal of Miguel A. Vega, Jr.
  Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice Miguel A. Vega, Jr.'s appeal of LACERA's decision that all benefits accrued after April 13, 2020, are forfeited under Government Code sections 7522.72 and 7522.74. (Memo dated June 5, 2025)
- D. Appeal for the Board of Retirement's Meeting of July 10, 2025
  Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board grant the appeal(s) and request(s) for administrative hearing received from Scott W. Garrett and Genieve R. Atkinson and direct the Disability Retirement Services Manager to refer each case to a referee. (Memo dated June 30, 2025)
- E. Service Provider Invoice Approval Request Winet Patrick Gayer Creighton & Hanes

Recommendation as submitted by Francis J. Boyd, Senior Staff Counsel, Legal Services: That the Board approve the service provider invoice for Winet Patrick Gayer Creighton & Hanes. (Memo dated June 24, 2025 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.56(a))

### IX. EXCLUDED FROM CONSENT ITEMS

There were no items pulled for discussion.

### X. NON-CONSENT ITEMS

A. Mainframe Hosting Contract Renewal: Mainline Information
Systems in Partnership with Data Management Inc.
Recommendation as submitted by Kathy Delino, Chief, Information

Technology Officer: That the Board authorize LACERA to renew our

### X. NON-CONSENT ITEMS (Continued)

Contract for hosting LACERA's mainframe technology with Mainline Information Systems in partnership with Data Management Inc. at an annual cost of \$446,100 and a three-year cost of \$1,338,300. (Memo dated June 24, 2025)

Ms. Delino and Mr. Lugo were present and answered 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: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins

Absent: Ryu

### B. Microsoft Contract Ratification (3-Year Renewal: FY 2025-28)

Recommendation as submitted by Luis Lugo, Deputy Chief Executive Officer and Kathy Delino, Chief, Information Technology Officer: That the Board ratifies the LACERA Amendment to the Licensed Support Provider Agreement No. ITARC-00929 for Microsoft Products and Services Under Microsoft EA No. 8084445 between County of Riverside and Softchoice Corporation, executed on June 24, 2025, by Deputy Chief Executive Officer Luis A. Lugo. The total value of this agreement is \$2,169,190.37, distributed as follows: Year 1 – \$719,259.29, Year 2 - \$724,971.79, and Year 3 - \$724,959.29. (Memo dated June 24, 2025)

Ms. Delino and Mr. Lugo were present and answered questions from the Board.

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

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins

Absent: Ryu

- X. NON-CONSENT ITEMS (Continued) (Mr. Ryu joined the meeting at 9:19 a.m.)
  - C. Application of Kathleen M. Cady for Reinstatement to Active Membership Pursuant to Government Code Section 31680.4 and 31680.5

Recommendation as submitted by Louis Gittens, Benefits Division Manager: That the Board 1) Determine, based upon the medical evaluation conducted on May 21, 2025 that Kathleen M. Cady is not incapacitated for the duties assigned to her in the position of Assistant Bureau Chief, DA; and 2) Grant the application of Kathleen M. Cady for reinstatement to active membership. (Memo date of June 27, 2025)

Mr. Gittens was present and answered questions from the Board.

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

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins, Ryu

### XI. REPORTS

### A. 2025 STAR COLA Overview

Ted Granger, Chief Financial Officer (Presentation) (Memo dated June 25, 2025)

Mr. Granger and Mr. Glyde of Milliman provided a presentation and answered questions from the Board

Trustee Kehoe made a motion, Trustee Langton seconded, to return this item to staff to assess the legal options available and to identify any that can be considered for implementation by LACERA itself or brought to the Board of Supervisors for discussion and potential resolution.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins, Ryu

### XI. REPORTS (Continued) (Mr. Green joined the meeting 10:14 a.m.)

### B. Report on Retired Annuitants Employed Under 960 Hour Requests for FY 2024-2025

Luis Lugo, Deputy Chief Executive Officer (For Information Only) (Memo dated June 20, 2025)

This item was received and filed.

### C. Contracting Activity Report – May 2025

Ricki Contreras, Administrative Services Division Manager Elsy Gutierrez, Supervising Administrative Assistant II (For Information Only) (Memo dated June 24, 2025)

This item was received and filed

### D. Monthly Trustee Travel & Education Report – May 2025

Ted Granger, Chief Financial Officer (For Information Only) (Memo dated June 27, 2025)

This item was received and filed

### E. Monthly Status Report on Legislation

Barry W. Lew, Legislative Affairs Officer (For Information Only) (Memo dated June 25, 2025)

This item was received and filed

### F. June 2025 Fiduciary Counsel Contact and Billing Report

Steven P. Rice, Chief Counsel (For Information Only) (Memo dated June 24, 2025) (Privileged and Confidential/Attorney-Client Communication/Attorney

Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

This item was received and filed

### XII. ITEMS FOR STAFF REVIEW

There were no items to report.

July 10, 2025 Page 12

### XIII. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

Mr. Lugo introduced the new interns and hires for the month of July.

### XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

### APPLICATION NO. & NAME AND BOARD ACTION

5461B - VALDOVINOS, ROSA M.

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

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Green, Langton, Moore, Robbins

Absent: Okum, Ryu

5462B - SALAS, SALVADOR S.

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

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Green, Langton, Moore, Robbins, Ryu

Absent: Okum

### XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

### APPLICATION NO. & NAME AND BOARD ACTION

5463B - WILLIAMS, RANDALL S.

This item was pulled by staff for further development.

5464B - VALINO, DONNA CHERYLL P.

Trustee Kehoe made a motion, Trustee Langton seconded, to grant a service-connected disability retirement with the option of an earlier effective date pursuant to Government Code Sections 31720 and 31724.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Green, Langton, Moore, Robbins, Ryu

Abstain: Okum

### XVI. EXECUTIVE SESSION

### A. Conference Legal Counsel - Existing Litigation

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

 Robert Renko v. Board of Retirement Los Angeles Superior Court, Case No. 24STCV29322

There is nothing to report

### XVII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:40 p.m.

SHAWN R. KEHOE, SECRETARY

LES ROBBINS, 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 entire working lives to serving the community. Meet one of our long-serving members who is on the road to retirement.





### Pre-Retiree Member

### **Chris Fedoroff**

**Official Court Reporter, Court Support Services Division** 

L.A. Superior Court Years of Service: 27

**Notable Contributions:** Chris Fedoroff is set to retire on August 8, after 27 years of service. As an Official Court Reporter, Chris documents official court proceedings and keeps safe records of his transcriptions for future reference. He started in municipal courts reporting misdemeanor trials and slowly moved up to covering felony trials at the L.A. Superior Court.

**Special Job Skills:** Certified by the State of California to transcribe four simultaneous speakers at 200 words per minute with 95% accuracy.

**Interests & Hobbies:** Enjoys making music in his home recording studio. He also loves playing golf, pickleball, and surfing.

**Retirement Plans:** Chris has a long list of things he wants to do once he retires. At the top of that list is spending time with his wife, solving jigsaw puzzles and watching movies.



July 29, 2025

TO: Each Trustee,

> **Board of Retirement Board of Investments**

FROM:

Luis A. Lugo Deputy Chief Executive Officer

SUBJECT: CHIEF EXECUTIVE OFFICER'S REPORT – AUGUST 2025

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

### **LACERA Summit**

We are excited to announce that LACERA will host its first in-person all-hands staff meeting and luncheon in September 2025. This event, previously called "The Forum" has been re-branded "The Summit" to reflect its objective to allow everyone at LACERA to come together to discuss our organizational goals, strategies and values, and to recognize our team members who have helped us reach ever higher. The program's theme is "Values in Action," reinforcing the importance of our behaviors and actions in the successful achievement of our mission -To produce, protect, and provide the promised benefits to our members.

The Summit will be held on Thursday, September 18, 2025, at Lake Avenue Church. Trustees are encouraged to attend. The Member Service Center and Call Center will be closed from 9:00 a.m. to 1:00 p.m. on this date to ensure that all staff can attend together. This convening is especially important in a hybrid work environment, as many team members have never met one another. Advanced notification of this temporary closure will be posted on our website, on the screens in the Member Service Center, and via a recorded message for all callers.

### **Board of Retirement (BOR) Strategic Planning Update**

Strategic Plan Priority No. 3, Investing in People, has the goal to recruit, motivate, hire and retain a highly engaged and skilled workforce. Strategic Objective 3.1, Develop and implement a framework aimed at promoting and embracing Diversity, Equity and Inclusion (DEI), supports this Strategic Priority. Inclusivity is a core value at LACERA, aimed at cultivating an engaged and empowered workforce. This month we would like to highlight some of the team's work in this area.

### **Statement of Commitment**

Over the past several months, the IDEA (Inclusion Diversity Equity and Accessibility) Council developed a document that succinctly summarizes our existing organizational philosophy, policies, and practices that demonstrate LACERA's commitment to IDEA. In July, management shared this Statement of Commitment with the Operations Oversight Committee and to all staff during our monthly Brown Bag meeting. We will soon post this Statement of Commitment on our public and member facing website, LACERA.gov, as well as our intranet site, LACERA Connect.

### **Summer Internship Program**

LACERA's summer internship program reinforces LACERA's ongoing commitment to IDEA by providing meaningful work experience and competitive pay for college and graduate students interested in a wide variety of careers. Each Intern is paired with at least one mentor and given real projects with a clear scope of work to complete during their brief tenure. Because Interns typically on- and off-board at varying times, this year Human Resources held a mid-summer networking luncheon for our current cohort of 13 Interns and their mentors. The chart below shows where summer Interns are assigned. Two divisions, Administrative Services and Information Security, each have one additional Intern currently in background. These two Interns will continue throughout the school year and are not reflected below.

2025 Summer Intern Assignment by Division				
No. of Interns	Division			
4	Investments Office *			
2	Legal Office			
1	Member Services			
1	Retiree Healthcare			
5 Systems				
13				
*Investments Office Interns were selected through partnerships with				

<sup>\*</sup>Investments Office Interns were selected through partnerships with SEO-PREA, who also funded two Interns, and Girls Who Invest.

While we plan to survey Interns and Mentors at the conclusion of their assignment to identify opportunities for further improvement, informal feedback from our mentors is overwhelmingly positive, as it cultivates their own engagement.

### **Retirement Benefits Specialist I Trainee Program**

In July, LACERA opened and suspended the Retirement Benefits Specialist I (RBS I) Trainee program exam. Successful applicants are classified as a County Temporary employee and will undergo an extensive training program consisting of virtual and inperson classroom, production and customer service (on-the-job) training. After completing the training, appointees are assigned to work in Benefits, Member Services Call Center, Member Services Outreach, or Retiree Healthcare.

This program is very competitive. After advertising for the required two-week minimum, we received 294 applications. Applicants will be assessed via a written test, oral interview, and mock call, rated and banded. We will then invite top candidates into the program, subject to our extensive background process. As we have done in recent years, we expect to "over-hire" RBS I candidates to allow for anticipated attrition within the program and throughout the RBS series. As experienced permanent staff retire or promote, staff in the RBS series have opportunities to promote up the ladder. As the entry-level classification, RBS I's are foundational to this employee growth. Over-hiring at this entry-level helps to ensure our ability to meet our service level commitment to our members. Management believes the authorized budget will be sufficient to cover the cost of over-hiring but will monitor the actual attrition and the budget to ensure sufficient funding is available. If an additional appropriation is required, management will report back to the Board of Retirement and to the Board of Investments with such a request.

### **Retiree Healthcare**

Anthem Lifetime Maximum Benefit (LMB) Update

Effective July 1, 2025, the Anthem Blue Cross I, II and Prudent Buyer plans lifetime maximum benefit (LMB) will be increasing from \$1M to \$1.5M.

As we look towards the next health plan renewal cycle (effective July 1, 2026), LACERA has already engaged the County of Los Angeles CEO's office in eliminating or increasing the Lifetime Maximum Benefit (LMB). As we begin to engage carriers in renewal negotiations for the 2026/2027 plan year, we expect a LMB decision from the County CEO on August 18, 2025. We will update the Board of Retirement (BOR) on our progress.

LAL:nm CEO Report August 2025.doc

**Attachments** 



July 29, 2025

**TO:** Each Trustee,

Board of Retirement Board of Investments

FROM: JJ Popowich, Assistant Executive Officer

SUBJECT: 2025 Election for the Seventh Member and Alternate Safety Member of

the Board of Retirement and the Fourth Member of the Board of

**Investments Update** 

LACERA continues its coordinated outreach efforts in partnership with the Board of Supervisors Executive Office (BOS EO) to promote the 2025 Safety Member Election.

On July 31, 2025, LACERA will distribute an email to Active Safety Members with detailed voting instructions. This will be followed by a reminder email on August 21, 2025, encouraging members to cast their votes before the August 29<sup>th</sup> deadline. These communications are part of a broader campaign to ensure member awareness and participation in the election process.

LACERA SAFETY MEMBER ELECTION CALENDAR				
DATE	EVENT	COMPLETE		
04/09/2025	"Powers & Duties" LACERA.com Article & Social Media Posts	<b>(</b>		
04/15/2025	Board of Supervisors Approves Election Memo			
04/16/2025	"Meet the Trustees" LACERA.com Article & Social Media Post	<b>(</b>		
04/24/2025	"Get to Know the Committee" LACERA.com Article & Social Media Post	<b>(</b>		
04/30/2025	LACERA Safety Member Call for Candidates Postcard (Email/Mail)			
04/30/2025	EO Notifies Safety Member Department Heads About Election	<b>②</b>		
05/15/2025	EO Notifies & ds Election Coordinators			
05/23/2025	Safety Members Notified (County Email)			
05/23/2025	Candidate Filing Period Begins	<b>②</b>		
05/30/2025	LACERA Publishes Newsletter Election Announcement	<b>©</b>		
06/23/2025	Candidate Filing Period Ends	$\odot$		

LACERA SAFETY MEMBER ELECTION CALENDAR				
06/27/2025	Registrar Certifies Candidate List	$\odot$		
07/03/2025	Registrar Determines Election Required	<b>©</b>		
07/02/2025	Ballot Order Determined (If Election is Required)	<b>©</b>		
07/17/2025	County Issues Safety Member Ballot Instructions (Email)	<b>©</b>		
07/31/2025	Voting Instructions Sent (LACERA Email Blast)			
08/01/2025	Physical Ballots Mailed			
08/04/2025	Safety Members Receive Voting Credentials Email			
08/04/2025	VOTING BEGINS			
08/21/2025	LACERA Voting Reminder (Email)			
08/29/2025	VOTING ENDS			
09/09/2025	Candidate Notification of Preliminary Election Results			
09/11/2025	LACERA Notified of Preliminary Election Results			
09/16/2025	Last Day for Candidates to File Election Protest			
10/21/2025	Board of Supervisors Certifies Election Results			

NOTED AND REVIEWED:

Luis A. Lugo, DCEO

JJ: JJ

Attachment



If you're having issues viewing this email, right click to download the image or read the information on lacera.com.



### Dear Safety Member:

Election time is approaching. Elections to fill the seats of the Fourth Member of the Board of Investments and the Seventh Member and Alternate Safety Member of the Board of Retirement will commence on Monday, August 4, 2025. Eligible Safety Members will be able to cast votes online, by phone, or by paper ballot.

Watch for an email from "LACERA Election Admin" in your work email inbox on August 4, which will contain voting instructions for the online and televoting options. If you cannot find the email, please search your inbox using the sender's name, as it may have gone into your spam or other folders.

You will also receive a paper ballot during the week of August 4th. If you do not receive the paper ballot in the mail by Friday, August 8, notify your Departmental Election Coordinator to request a duplicate ballot. If you vote by paper ballot, your ballot must be received by August 29, 2025. Ballots received in the mail after August 29 will not be counted. No eligible member may vote more than once for each seat in the election. The first vote cast (whether online, telephonically, or by paper ballot) will be the one counted.

For more information about this election, including a list of departmental election coordinators, list of qualified candidates and their statements, and weekly updated voter turnout report, please visit the LACERA Elections page on the Board of Supervisors – Executive Office website.



### CEO DASHBOARD

II.

# **Member Services**



### Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2025

Events / Webinar **Attendance** Current Mo.:



**Events /** Webinar

Webinar **Satisfaction** 1-5 Point Scale 4.5



Member Service Center Satisfaction 98.14%

**MS Main Queue Total Calls** Current Mo.

3 Month Avg.

7,908

8,533

917 Current Mo.: Year-to-Date:

19,679

**Total Calls** 

7,359

7908

Year-to-Date:

291

21

Resp. Rate Change 44.1% 0.20%

Resp. Rate Change 22.7% 0.93%

**Member Service Call Center Queue Key Performance Indicators (KPI)** 150% 100% May 25 MS Main CC ■ MS My LACERA Support

**Key Performance Indicator** (Components by Queue)

**MSCC Main Queue My LACERA Support Queue** 92.5% 92.5%

92.8% 67.2% Agent Utilization (Goal:65%)

After Call Survey (Goal: 90%)

HR PRO SUPPORT

68.2%

Grade of Service (Goal: 80% in 60 sec) Call Monitoring (Goal: 95%)

**MS CALL BACK OUEUE** 

93.8%

65.3%

67.2%

■ MS Call Back Queue ■ HR Pro Support Queue **MSCC MAIN OUEUE MY LACERA SUPPORT** ■ Calls Answered ■ Calls Abandoned ■ Calls Answered ■ Calls Abandoned

■ Calls Answered ■ Calls Abandoned (0%) **Total Calls** Total Calls 1115 15 1.040 15

Calls Answere	ed Calls Abandoned
	6 (1%) otal Calls 961 955 (99%)
Queue KPI:	78.23%

	(93%)		(95%)		J0%)		3370)
Queue KPI:	95.20%	Queue KPI:	94.40%	Queue KPI:	103.40%	Queue KPI:	78.23%
Avg. Speed of Answer	Average Duration						
0:03:15	0:16:58	0:01:39	0:12:25	0:00:22	0:12:55	0:09:06	0:13:14



### Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2025

### **TOP REASONS MEMBERS CONTACT MEMBER SERVICES**

**Member Services Call Center** 

**Member Service Center (Outreach)** 

1. Retirement Counseling	1. Retirement Counseling	
2. Insurance Benefits	2. RHC	
3. Death	3. Workshops/Appointments	

### **Contact Center Email/Secure Message Performance**

M

Emails (welcome@lacera.com):

303

•••

**Secure Message (My LACERA)** 

1,058

**Service Level: 24 Bus. Hours** 

**Member Service Center** 

**On Target** 

Service Level: 24 Bus. Hours

**On Target** 

### **Member Service Center (Outreach)**

# Appointments February March April May June Total FYTD 14,324 10 0 0 0 0 0 IN-PERSON VIRTUAL PHONE ONLY SPECIAL CASES

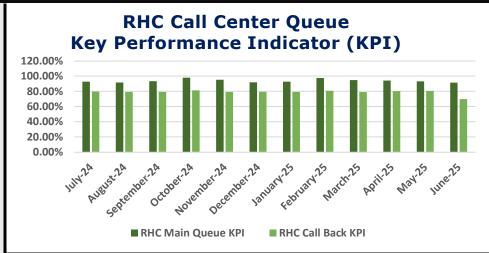


## Healthcare Retiree

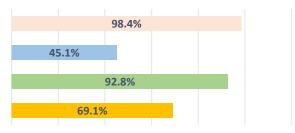


### Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2025

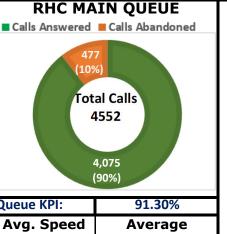




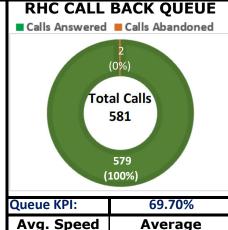


Agent Utilization (Goal:65%) After Call Survey (Goal: 90%) Grade of Service (Goal: 80% in 60 sec) Call Monitoring (Goal: 95%)

### **TOP RHC CALL TOPICS**







**Average Duration** 0:10:45

On Target

- 1. New Carrier Rates
- 2. Medical/Dental Enrollments
- 3. Medicare Part B

### **RHC Email/Secure Message Performance**



Emails (healthcare@lacera.com): 399

of Answer

0:26:54

Service Level: 24 Bus. Hours

. . .

Secure Message (Mv LACERA)

598

Service Level: 24 Bus. Hours

On Target



### **Striving for Excellence**

### Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2025

Applications
1,069
Pending: Applications

in Process

72 Received: New Applications

949 Received Year-to-Date

To Board - Initial (Presented to BOR)

To Board - Initial Year-to-Date

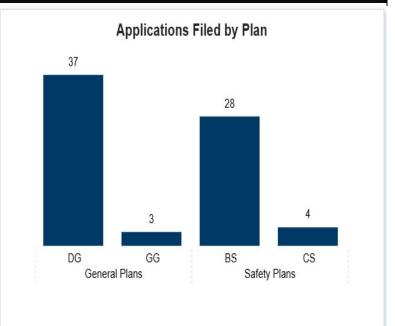
23

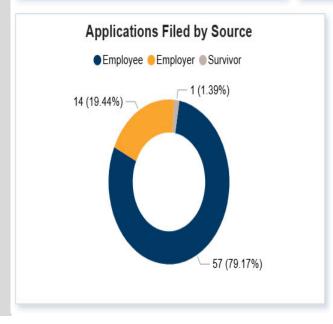
Closed (Incomplete/Withdrawn)

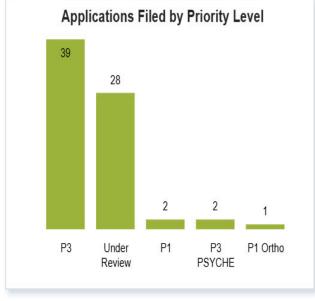
205

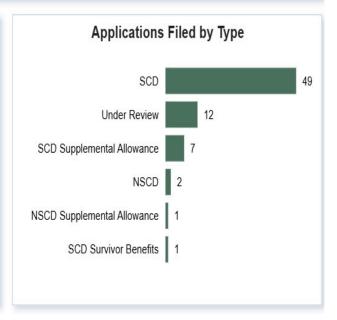
Closed Year-to-Date





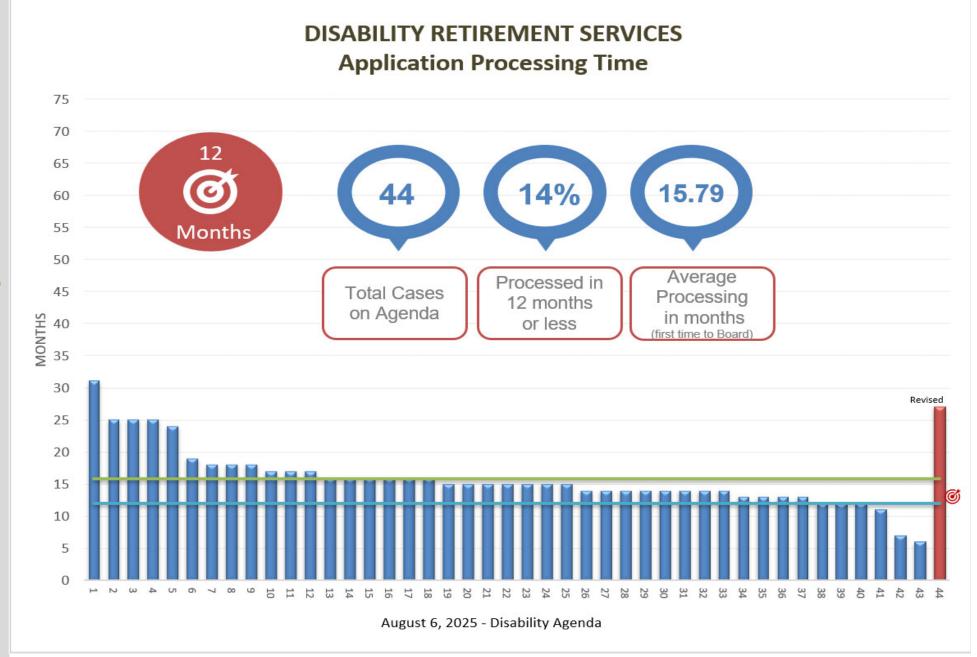






### In.

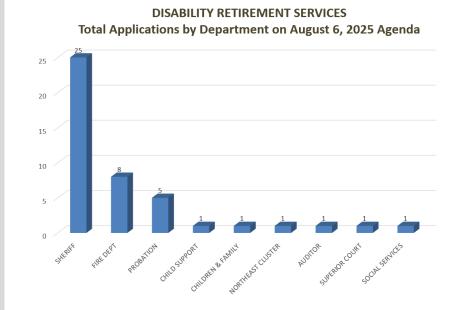
### Striving for Excellence



### Striving for Excellence

By Department

**Applications** 





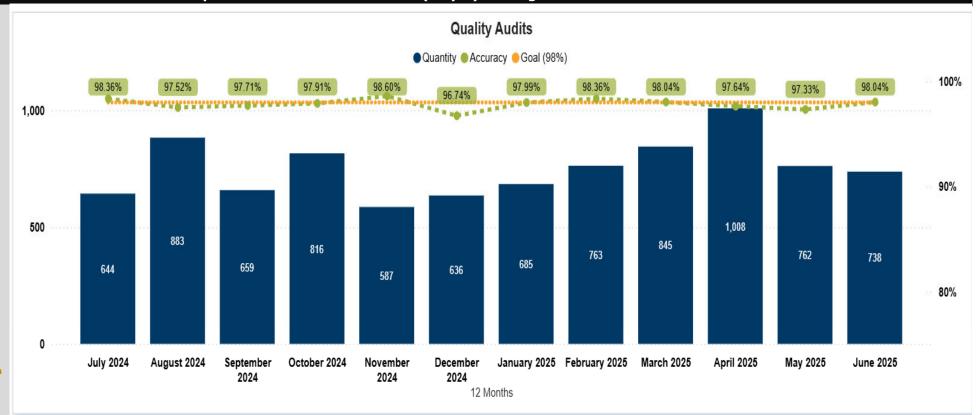
Disability
Retirement
Services
Applications by
Department

DEPARTMENT	No. of Applications	% of Inventory
SHERIFF	476	44.57%
PROBATION DEPARTMENT	190	17.79%
L A COUNTY FIRE DEPT	184	17.23%
CHILDREN & FAMILY SERVICES	24	2.25%
DEPT OF PUBLIC SOCIAL SERVICES	22	2.06%
PUBLIC HEALTH PROGRAM	16	1.50%
PUBLIC WORKS	16	1.50%
NORTHEAST CLUSTER (LAC+USC)	16	1.50%
MENTAL HEALTH	15	1.40%
SUPERIOR COURT/COUNTY CLERK	13	1.22%
DISTRICT ATTORNEY	13	1.22%
CORRECTIONAL HEALTH	10	0.94%
COASTAL CLUSTER-HARBOR/UCLA MC	9	0.84%
HEALTH SERVICES ADMINISTRATION	9	0.84%
INTERNAL SERVICES	8	0.75%
PUBLIC DEFENDER	6	0.56%
AMBULATORY CARE NETWORK	6	0.56%
RANCHO LOS AMIGOS HOSPITAL	5	0.47%
MEDICAL EXAMINER	4	0.37%
PARKS AND RECREATION	4	0.37%
CHIEF EXECUTIVE OFFICE	3	0.28%
PUBLIC LIBRARY	3	0.28%
CHILD SUPPORT SERVICES	2	0.19%
AGING DEPARTMENT	2	0.19%
SFV CLUSTER-OLIVE VIEW/UCLA MC	2	0.19%
COUNTY COUNSEL	2	0.19%
ASSESSOR	2	0.19%
ANIMAL CONTROL	2	0.19%
BEACHES & HARBORS	1	0.09%
BOARD OF SUPERVISORS	1	0.09%
REG-RECORDER/COUNTY CLERK	1	0.09%
COMMUNITY HEALTH PROGRAMS	1	0.09%
Grand Total	1068	100.00%



# **Striving for Excellence in Quality**

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2025



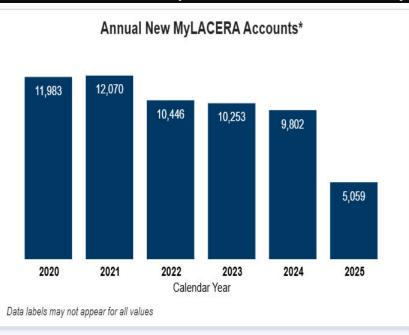
June 2025		Samples	Accuracy
	Data Entry	119	99.12%
	Payment Contract	338	97.41%
	Retirement Election	281	98.33%
	Total	738	98.04%

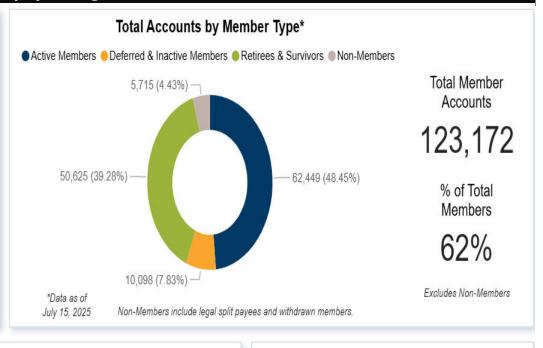
Prior audit values may update due to updated data.

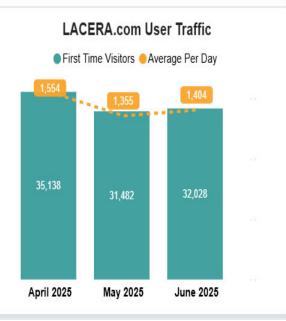
# In.

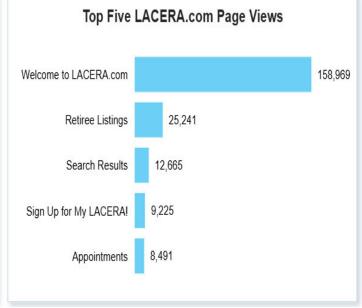
# **Service Online For All**

#### Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2025









# Busiest Day 06/24/2025

Home Page Tile	Views	% of Change	
Investments	2,995	3.17%	
Ready to Retire	4,949	-3.36%	
Sign Up for My LACERA!	9,225	-3.37%	
Resource Center	3,518	-7.54%	
Careers	3,049	-12.54%	
Board Meetings and Agendas	3,647	-17.82%	

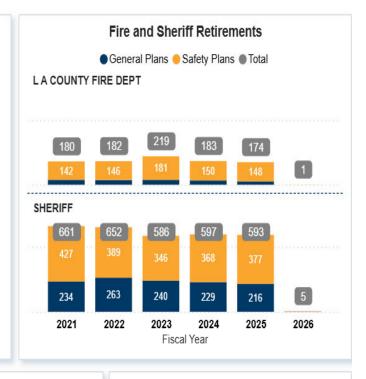


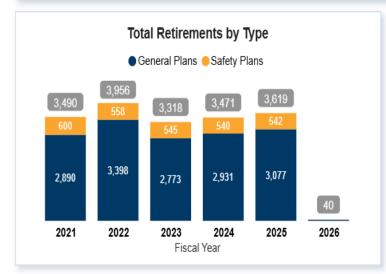
# **Member Snapshot**

#### Metrics reported based on July 15, 2025

	Active Inactive Re			Reti	red	Total			
	Active Vested	Active Non- Vested	Inactive Vested	Inactive Non- Vested	Service Retirement	SCD- Disability Retirement	NSCD- Disability Retirement	Survivors	
General Plans	65,248	22,322	7,883	12,537	49,872	3,133	584	8,407	169,986
AG	34		8	30	10,472	795	127	4,077	15,543
BG	7		5	3	543	33	5	78	674
CG	6		5	7	340	36	6	69	469
DG	30,052	113	3,706	3,628	21,624	2,199	434	2,292	64,048
EG	11,100	4	2,211	330	16,431			1,851	31,927
GG	24,049	22,205	1,948	8,539	462	70	12	41	57,326
∃ Safety Plans	10,150	2,025	547	1,012	5,208	7,520	77	2,223	28,762
AS			1	2	1,652	2,183	23	1,719	5,580
BS	6,441	44	385	347	3,538	5,294	53	499	16,601
CS	3,709	1,981	161	663	18	43	1	5	6,581
Total	75,398	24,347	8,430	13,549	55,080	10,653	661	10,630	198,748

Membership Count vesting status excludes reciprocal service credit.





# Monthly Benefit Allowance Distribution Members and Survivors

Gross Benefit Range General Plans Safety Plans Total \$0 to \$3,999 1,422 37,406 35,984 \$4,000 to \$7,999 17,618 4,487 22,105 10,114 \$8,000 to \$11,999 5,446 4,668 \$12,000 to \$15,999 1,600 3,161 4,761 \$16,000 to \$19,999 562 838 1,400 226 400 \$20,000 to \$23,999 174 \$24,000 to \$27,999 60 94 154 39 > \$28,000 22 61 Total 61,483 14,918 76,401

nthly Benefit
Average Benefit
\$4,486.67
\$9,910.74
\$5,534.04

# Survivor Average Monthly Benefit

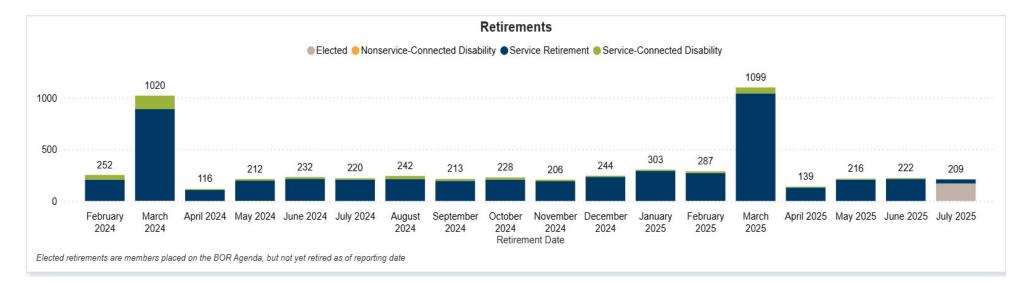
\$3,835.96

Data labels may not appear for all values

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



# **Member Snapshot**



#### Retirements Metrics reported based on July 15, 2025

Monthly Reti	rements
Retirement Type	July 2025
Elected	169
Service Retirement	40
Total	209

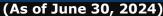
Retired Members Payro	oll
(As of 6/30/2025)	
Monthly Payroll	\$412.84m
Payroll YTD	\$4.8b
New Retired Payees Added	339
Seamless %	95.28%
New Seamless Payees Added	4,833
Seamless YTD	97.35%
By Check %	2.00%
By Direct Deposit %	98.00%

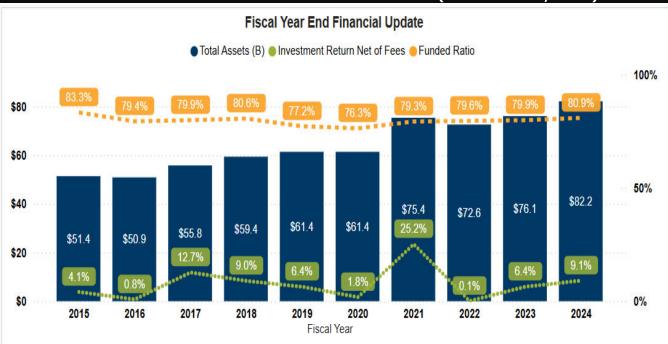
/*************************************	ealthcare Prog	ram
(M	o. Ending: 6/30/2	025)
	<u>Employer</u>	<u>Member</u>
Medical	\$705.3	\$48.7
Dental	\$52.3	\$4.7
Part B	\$103.9	\$0.0
Total	\$861.5	<b>\$53.4</b> .

Health Care	Enrollments *
(Mo. Ending	g: 6/30/2025)
Medical	57,397
Dental	59,627
Part B	39,777
LTC	426
Total	157,227

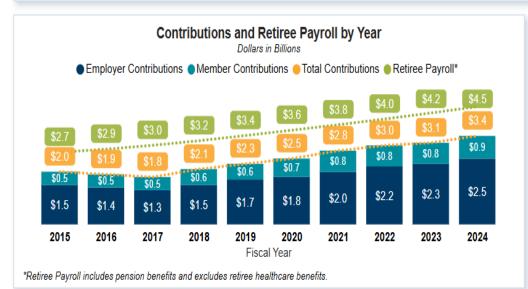


# **Key Financial Data**





#### **Funding Metrics** Contributions 10.88% \$2.5B Employer NC **Employer Annual Contribution** 14.73% 25.61% UAAL Employer % of Payroll 7.00% \$861.0M Member Annual Contribution Assumed Rate \$608.6M 8.46% Star Reserve Member % of Payroll \$79.2B **Investment Returns** Total Net Assets net of fees 9.1% 1-Year Return 5.2% 3-Year Return 7.4% 10-Year Return

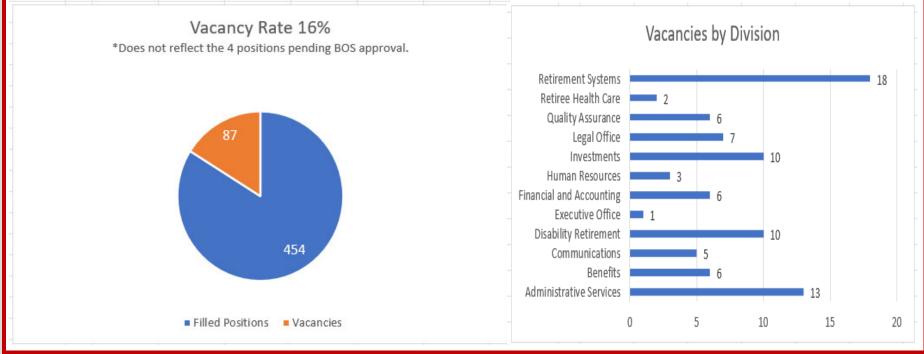


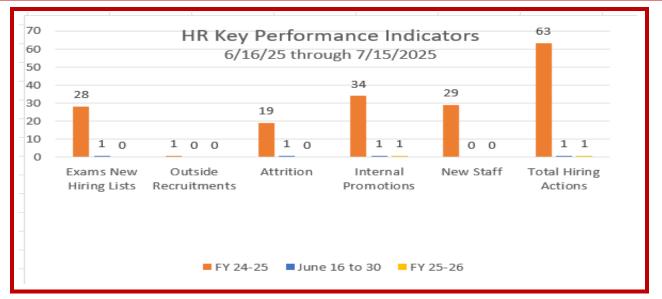


Recruiting for Our Future

# **Human Resources**

Metrics reported based on July 15, 2025





Page 13



# **Human Resources**

# Metrics reported based on July 15, 2025

Current Recruitments			
Classification	Division	Status	
Accountant II	FASD	Selections made	
Disability Retirement Specialist	Disability Retirement	Selections made	
Finance Analyst II, LACERA	Investments	Applications being accepted	
Finance Analyst III, LACERA	Investments	Resume canvass	
Legal Secretary (Investments)	Legal	Selection in process	
Retirement Benefits Specialist I (Trainee)	Various	Applications being accepted	
Section Head	Various	Applications being accepted	
Senior Human Resources Assistant	Human Resources	Selection in process	
Senior Writer	Communications	Applications being accepted	



### **ADMINISTRATIVE/OPERATIONS**

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
RFQ: eDiscovery	Legal / InfoSec	12/1/2023	Contract Development	GlobalRelay
RFP: Auditing and Consulting Services Pool	Internal Audit	2/13/2025	Contract Development	<ul> <li>Crowe</li> <li>HORNE</li> <li>Grant Thornton</li> <li>Canaudit</li> <li>Tap International Inc.</li> <li>Armanino</li> <li>Simpson &amp; Simpson</li> <li>Eide Bailly</li> <li>MGO</li> <li>GoldSRD</li> </ul>
RFP: Financial Auditor Search	Internal Audit	4/30/2025	Bid Review	<ul> <li>BDO</li> <li>CLA</li> <li>Grant Thornton</li> <li>Eide Bailly</li> <li>Plante Moran</li> <li>Moss Adams/ Baker Tilly</li> </ul>
RFP: Quality Assurance and Process Management Classification and Compensation	Human Resources	7/21/2025	Solicitation Process	•

<sup>\*</sup>Subject to change



### **INVESTMENTS**

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
Real Assets Emerging Manager Program Discretionary Separate Account Manager	Investments	3/29/2023	Contract Development Bid Review	<ul> <li>ORG Portfolio Management</li> <li>Barings</li> <li>Belay Investment Group</li> <li>Hamilton Lane</li> <li>Cambridge Associates</li> <li>Seed Partners</li> <li>Stable Asset Management</li> <li>Wafra Inc.</li> <li>Artemis Real Estate Partners</li> <li>Aether Investment Partners</li> <li>Neuberger Berman Group</li> <li>The Townsend Group</li> <li>BGO Strategic Capital Partners</li> <li>BlackRock</li> <li>StepStone</li> <li>GCM Grosvenor</li> </ul>
RFP: Passive Cash Overlay Investment Manager Search	Investments	06/13/2025	Bid Review	•

<sup>\*</sup>Subject to change

Date	Conference
<b>August, 2025</b> 17-19	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Chicago, IL
<b>September, 2025</b> 8-10	Council of Institutional Investors (CII) Fall Conference San Francisco, CA
24-26	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension HR Summit Philadelphia, PA
28-October 1	CRCEA (California Retired County Employees Association) Fall Conference Pleasanton, CA
October, 2025 3	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
12-15	National Association of Corporate Directors (NACD) Directors Summit 2025 Washington D.C.
20-24	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
22-24	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
19-21	Pacific Pension Institute (PPI) Executive Seminar Brisbane, Australia
22-24	Pacific Pension Institute (PPI) Asia Pacific Roundtable Sydney, Australia
25-26	NCPERS (National Conference on Public Employee Retirement Systems) Program for Advanced Trustee Studies (PATS) Ft. Lauderdale, FL
25-26	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Ft. Lauderdale, FL
26-29	NCPERS (National Conference on Public Employee Retirement Systems) FALL (Financial, Actuarial, Legislative & Legal) Conference Ft. Lauderdale, FL

Date	Conference
<b>November, 2025</b> 4-6	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
9-12	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Honolulu, HI
11-14	SACRS Fall Conference Huntington Beach, CA
<b>December, 2025</b> 7-11	Pacific Pension Institute (PPI) West Asia Study Mission to Abu Dhabi and Riyadh Abu Dhabi, United Arab Emirates (December 7-9) Riyadh, Kingdom of Saudi Arabia (December 10-11)
11	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual

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





July 28, 2025

**TO:** Trustees, Board of Retirement

**FOR:** Board of Retirement Meeting on August 6, 2025

**SUBJECT:** Ratification of Service Retirement and Survivor Benefit Application Approvals

The attached report reflects service retirements and survivor benefit applications received as of the date of this memo, along with any retirement rescissions and/or changes approved at last month's Board meeting. Any retirement rescissions or changes received after the date of this memo up to the date of the Board's approval, will be reflected in next month's report.

#### **BENEFIT APPROVAL LIST**

#### SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

NAME	<u>DEPARTMENT</u>	RETIRED	SERVICE
JUAN J. ARREOLA	SHERIFF Dept.#SH	08-31-2025	19 YRS 01½ MOS
MARVIN D. BALDWIN	LA COUNTY FIRE DEPT Dept.#FR	08-30-2025	24 YRS 09 MOS
WALTER P. BERGMAN	LA COUNTY FIRE DEPT Dept.#FR	07-31-2025	29 YRS 07 MOS
PHILLIP R. BRIONES	SHERIFF Dept.#SH	09-25-2025	30 YRS 04 MOS
DAVID C. BUCHANAN	SHERIFF Dept.#SH	09-18-2025	32 YRS 10 MOS
PAMELA D. BUTLER	SHERIFF Dept.#SH	09-29-2025	28 YRS 00 MOS
JASON R. CARPENTER	SHERIFF Dept.#SH	09-27-2025	25 YRS 03½ MOS
CHRISTOPHER A. COLLINS	L A COUNTY FIRE DEPT Dept.#FR	07-31-2025	28 YRS 05½ MOS
WILLIAM R. EDWARDS	LA COUNTY FIRE DEPT Dept.#FR	08-31-2025	35 YRS 03½ MOS

#### **BENEFIT APPROVAL LIST**

#### SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
CARLOS M. ESTRADA	SHERIFF Dept.#SH	07-16-2025	35 YRS 06 MOS
JAMES A. FERNANDEZ	L A COUNTY FIRE DEPT Dept.#FR	09-27-2025	31 YRS 00 MOS
PAUL J. HALLENBERG	L A COUNTY FIRE DEPT Dept.#FR	09-01-2025	04 YRS 10½ MOS
BRENETHAT. JACKSON	SHERIFF Dept.#SH	08-30-2025	25 YRS 00 MOS
MITCHELL R. JONES	SHERIFF Dept.#SH	08-30-2025	28 YRS 02 MOS
DONALD M. LIN	SHERIFF Dept.#SH	08-30-2025	27 YRS 05 MOS
ROBERT E. LONG	SHERIFF Dept.#SH	10-08-2025	34 YRS 02½ MOS
RICHARD D. MULLEN	L A COUNTY FIRE DEPT Dept.#FR	10-01-2025	40 YRS ½ MOS
DAVID A. NILSON	LA COUNTY FIRE DEPT Dept.#FR	07-25-2025	29 YRS 10½ MOS

#### **BENEFIT APPROVAL LIST**

#### SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	DEPARTMENT	RETIRED	SERVICE
MICHAEL G. PEREA	SHERIFF Dept.#SH	07-01-2025	28 YRS 08½ MOS
ROBERT P. QUIROZ	LA COUNTY FIRE DEPT Dept.#FR	08-30-2025	35 YRS 10 MOS
JOSE A. SANDOVAL	SHERIFF Dept.#SH	09-27-2025	27 YRS 04 MOS
JEFFERY A. SERPA	SHERIFF Dept.#SH	07-30-2025	34 YRS 07 MOS
DANIEL J. TOBIN	SHERIFF Dept.#SH	09-28-2025	35 YRS 01 MOS

#### **BENEFIT APPROVAL LIST**

NAME	<u>DEPARTMENT</u>	RETIRED	SERVICE
ANAHID ABAD	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2025	26 YRS 00 MOS
BRIDGET C. ABAEKOBE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-31-2025	09 YRS 02½ MOS
ROSELINE ALUYI	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	09-01-2025	36 YRS 07 MOS
MOOLER ANG	PUBLIC WORKS Dept.#PW	07-31-2025	36 YRS 08½ MOS
DAVID G. ARELLANES	PUBLIC WORKS Dept.#PW	09-19-2025	14 YRS 05½ MOS
CHRISTINE E. ARMAND	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-30-2025	10 YRS 11 MOS
MARIBEL C. AVILES	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	07-31-2025	25 YRS 02½ MOS
CATHY L. BARKER	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-30-2025	29 YRS 04 MOS
GARY W. BARKER	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	08-30-2025	34 YRS 01 MOS

#### **BENEFIT APPROVAL LIST**

NAME	<u>DEPARTMENT</u>	RETIRED	SERVICE
JULIE BASS	CHILDREN & FAMILY SERVICES Dept.#CH	09-27-2025	25 YRS 07 MOS
JACQUELINE M. BATTLE	PUBLIC HEALTH PROGRAM Dept.#PH	09-30-2025	21 YRS 05 MOS
TERRI R. BLACK	PROBATION DEPARTMENT Dept.#PB	07-31-2025	38 YRS 02½ MOS
ALESSANDRA BONATTI-HARA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-10-2025	06 YRS 07 MOS
JAMES H. BOOTH	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-31-2025	33 YRS ½ MOS
JEFFREY BOXER	DISTRICT ATTORNEY Dept.#DA	08-30-2025	39 YRS 07 MOS
KEVIN A. BUGH	PUBLIC WORKS Dept.#PW	09-28-2025	38 YRS 11 MOS
HAROLD CAREY	AMBULATORY CARE NETWORK Dept.#HN	10-12-2025	35 YRS 09½ MOS
SEDIGHEH CERVENKA	AGING DEPARTMENT Dept.#AG	08-31-2025	25 YRS 07½ MOS

#### **BENEFIT APPROVAL LIST**

NAME	<u>DEPARTMENT</u>	RETIRED	SERVICE
WINNIE CHAN	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-28-2025	17 YRS 02½ MOS
JERRY P. CHANG	REGIONAL PLANNING Dept.#RP	07-31-2025	28 YRS 02½ MOS
MAURICE CHAU	PUBLIC WORKS Dept.#PW	08-15-2025	25 YRS 04½ MOS
CHRISTINE A. CLARE	HEALTH SERVICES ADMINISTRATION Dept.#HS	09-30-2025	18 YRS 00 MOS
YOLANDA D. CLARVOE	PROBATION DEPARTMENT Dept.#PB	07-22-2025	35 YRS 01 MOS
ERVIN COLEMAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-17-2025	10 YRS 10 MOS
DESIREE Y. CRAWFORD	SHERIFF Dept.#SH	08-30-2025	27 YRS 00 MOS
PHILLIP J. CROULET	PROBATION DEPARTMENT Dept.#PB	08-02-2025	26 YRS 09½ MOS
REMOLITUS V. CRUZ	CORRECTIONAL HEALTH Dept.#HC	09-27-2025	20 YRS 00 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
LORI L. DERY	DISTRICT ATTORNEY Dept.#DA	08-30-2025	39 YRS 08 MOS
AUDREY DEVILLE	CHILD SUPPORT SERVICES Dept.#CD	10-01-2025	20 YRS ½ MOS
HELENA A. DITKO WILLIA	MENTAL HEALTH Dept.#MH	07-19-2025	17 YRS 00 MOS
KOHAR EBOKIAN	CHILDREN & FAMILY SERVICES Dept.#CH	07-31-2025	18 YRS 05½ MOS
DAVID ELVEY	PUBLIC WORKS Dept.#PW	07-25-2025	09 YRS 11½ MOS
BOBBY R. ENTZMINGER	PROBATION DEPARTMENT Dept.#PB	09-27-2025	36 YRS 04 MOS
SEGUNDO B. ESTRELLA JR	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-27-2025	26 YRS 07½ MOS
DEBORAH L. FLORES-ARELL	PUBLIC WORKS Dept.#PW	08-29-2025	44 YRS 00 MOS
RENE FRANCIS	PROBATION DEPARTMENT Dept.#PB	05-09-2025	34 YRS 04½ MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	DEPARTMENT	RETIRED	SERVICE
LIDIA FUKUCHI	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	07-31-2025	31 YRS 01½ MOS
LAURA A. FULTON	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-31-2025	17 YRS 11 MOS
ANA GAMEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-26-2025	25 YRS 04 MOS
MARIA G. GARCIA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-29-2025	25 YRS 00 MOS
LISA GEOPPO	HEALTH SERVICES ADMINISTRATION Dept.#HS	08-30-2025	23 YRS 08 MOS
DONNA MARIE GERHART	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-01-2025	36 YRS 05½ MOS
PATRICIA W. GILKEY	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-27-2025	24 YRS 05 MOS
DAVID W. GIST	REG-RECORDER/COUNTY CLERK Dept.#RR	07-15-2025	16 YRS 10½ MOS
HILDA G. GONZALEZ	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	06-30-2025	14 YRS 01½ MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	DEPARTMENT	RETIRED	SERVICE
ALMA GONZALEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-27-2025	13 YRS 10 MOS
MARIA R. GONZALEZ	PROBATION DEPARTMENT Dept.#PB	09-30-2025	22 YRS 11 MOS
JUSTIN P. GRIOTT	PUBLIC WORKS Dept.#PW	06-27-2025	12 YRS 02 MOS
DOREEN HAMILTON	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-20-2025	12 YRS 05 MOS
DARRELL W. HARRINGTON	HEALTH SERVICES ADMINISTRATION Dept.#HS	07-16-2025	27 YRS 00 MOS
RUTH E. HAWKINS	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	08-30-2025	55 YRS 00 MOS
ENA V. HERNANDEZ	AMBULATORY CARE NETWORK Dept.#HN	08-31-2025	25 YRS ½ MOS
JOSEPH G. HERNANDEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-15-2025	30 YRS 05½ MOS
MARILOU H. HERRIN	HEALTH SERVICES ADMINISTRATION Dept.#HS	08-30-2025	30 YRS 03 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
ANTOINETTE M. HOLLAND	CHILD SUPPORT SERVICES Dept.#CD	07-31-2025	27 YRS 01½ MOS
DEBORAH G. HOLT	CHILDREN & FAMILY SERVICES Dept.#CH	08-30-2025	12 YRS 00 MOS
LINGNA HU	PUBLIC HEALTH PROGRAM Dept.#PH	07-26-2025	17 YRS 09 MOS
YI-WEN HUANG	SHERIFF Dept.#SH	09-26-2025	25 YRS 08 MOS
SAMMY L. HUDSON	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	08-31-2025	21 YRS 02½ MOS
DARRELL HUNTER	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-31-2025	30 YRS 04½ MOS
FEBE HURTADO	AMBULATORY CARE NETWORK Dept.#HN	09-27-2025	38 YRS 06 MOS
HECTOR M. JARA	SHERIFF Dept.#SH	09-26-2025	25 YRS 07 MOS
THELMA JENNINGS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-16-2025	42 YRS 10 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
LILIA JIMENEZ	SHERIFF Dept.#SH	07-31-2025	37 YRS 11½ MOS
CECIL M. JOHNSON	SHERIFF Dept.#SH	08-29-2025	44 YRS 08 MOS
JACK JOHNSON	PROBATION DEPARTMENT Dept.#PB	07-07-2025	16 YRS 11 MOS
KAREN KAISERMAN	SUPERIOR COURT/COUNTY CLERK Dept.#SC	07-16-2025	38 YRS 07 MOS
KELLY D. KERNELL GREE	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-30-2025	35 YRS 04 MOS
HERMINEH KESHISHIAN	CHILDREN & FAMILY SERVICES Dept.#CH	09-30-2025	25 YRS 05 MOS
LEONILA-NIUE M. KEY	PROBATION DEPARTMENT Dept.#PB	09-27-2025	40 YRS 01 MOS
CHIQUITA KINGCADE	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	07-11-2025	16 YRS ½ MOS
MARIFRANCE S. KRAMPACH	SHERIFF Dept.#SH	09-27-2025	45 YRS 08 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
ANEESHA S. KUMAR	L A COUNTY FIRE DEPT Dept.#FR	05-20-2025	15 YRS 05 MOS
MARTHA ANGEL LACAYO-MARTI	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-27-2025	26 YRS 07 MOS
PHILLIP L. LAZARO	CORRECTIONAL HEALTH Dept.#HC	08-31-2025	16 YRS 06 MOS
THOMAS LEE	ALTERNATE PUBLIC DEFENDER Dept.#AD	08-14-2025	30 YRS 03½ MOS
YU-KAI LEE	SHERIFF Dept.#SH	09-27-2025	17 YRS 00 MOS
JOSE A. LEIVA	CHILD SUPPORT SERVICES Dept.#CD	09-27-2025	31 YRS 05 MOS
NELLY A. LEIVA	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	09-27-2025	23 YRS 04 MOS
LAURA LEPE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-31-2025	27 YRS 06½ MOS
JONATHAN S. LO PRESTI	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-18-2025	42 YRS 11 MOS

#### **BENEFIT APPROVAL LIST**

NAME	<u>DEPARTMENT</u>	RETIRED	SERVICE
TRINIDAD M. LOPEZ	SHERIFF Dept.#SH	09-27-2025	18 YRS 02 MOS
LINDA L. LUI	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-02-2025	14 YRS 07½ MOS
ELGIN G. LUI	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-28-2025	26 YRS 09 MOS
HONGBO MA	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	08-29-2025	24 YRS 00 MOS
ROCHELLE MACIAS	INTERNAL SERVICES Dept.#IS	08-30-2025	38 YRS 07 MOS
CARMEN MACKEY	LA COUNTY FIRE DEPT Dept.#FR	08-29-2025	17 YRS 06 MOS
NAOMI MAEMURA LEEP	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-30-2025	36 YRS 01 MOS
ISABEL E. MALFAVON	SHERIFF Dept.#SH	08-30-2025	14 YRS 02 MOS
MELANY MANALO	PUBLIC HEALTH PROGRAM Dept.#PH	08-30-2025	18 YRS 07 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
SUSAN MARTINEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-30-2025	40 YRS 00 MOS
SHAWN W. MC ADORY	PARKS AND RECREATION Dept.#PK	07-30-2025	36 YRS 05 MOS
ALEXANDRO MEZA-CONTRER	CHILDREN & FAMILY SERVICES Dept.#CH	08-30-2025	10 YRS 05 MOS
MARCIA MSHEWA	CORRECTIONAL HEALTH Dept.#HC	09-30-2025	14 YRS 06 MOS
DARLENE P. MURPHY	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-08-2025	26 YRS 08 MOS
HIFUMI NAKAGAWA	SHERIFF Dept.#SH	08-30-2025	18 YRS 00 MOS
TABENYANG NDIPAGBOR	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-30-2025	33 YRS 09 MOS
GINETTE NEWMAN-REED	MENTAL HEALTH Dept.#MH	08-31-2025	38 YRS 03½ MOS
STEPHEN T. NIWA	COUNTY COUNSEL Dept.#CC	08-30-2025	20 YRS 03 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
BRIAN E. NOLLNER	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-30-2025	35 YRS 01 MOS
ROGELIO D. NORIEGA	PUBLIC WORKS Dept.#PW	06-13-2025	33 YRS 02½ MOS
COCO OROPEZA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-02-2025	27 YRS 06½ MOS
MICHAEL A. OWENS	PROBATION DEPARTMENT Dept.#PB	07-31-2025	37 YRS 01½ MOS
VIRGINIA F. OWENS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2025	09 YRS 03 MOS
MARIA A. PADILLA	DISTRICT ATTORNEY Dept.#DA	09-13-2025	46 YRS 02½ MOS
PRISCILLA A. PADUA	CORRECTIONAL HEALTH Dept.#HC	06-30-2025	27 YRS 00 MOS
LUZ PARDINI	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-30-2025	30 YRS 07 MOS
LAURENCE W. PARKS	SHERIFF Dept.#SH	09-28-2025	28 YRS 04 MOS

#### **BENEFIT APPROVAL LIST**

NAME	<u>DEPARTMENT</u>	RETIRED	SERVICE
PATRICIA A. PEART	AMBULATORY CARE NETWORK Dept.#HN	06-28-2025	45 YRS 01 MOS
LAURA A. PENNINGTON	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-30-2025	38 YRS 03 MOS
ANNA M. PEREZ	CHILDREN & FAMILY SERVICES Dept.#CH	07-11-2025	23 YRS 06½ MOS
JESUS J. PEREZ	HEALTH SERVICES ADMINISTRATION Dept.#HS	09-30-2025	28 YRS 00 MOS
LINDA PINON	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2025	27 YRS 01 MOS
MELINDA R. PIT PIT	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-30-2025	33 YRS 01 MOS
ARCEL D. POBLETE	MENTAL HEALTH Dept.#MH	09-27-2025	35 YRS 05 MOS
CHERYL A. POLSKY	CHILDREN & FAMILY SERVICES Dept.#CH	08-02-2025	38 YRS 11½ MOS
LYSANDER R. RAMOS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-01-2025	41 YRS 06½ MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
LESLEA K. REMUSAT	INTERNAL SERVICES Dept.#IS	09-26-2025	30 YRS 04 MOS
GABRIELA REYNA	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	07-02-2025	36 YRS 08½ MOS
MINNIE L. RICHARD	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-28-2025	26 YRS 09 MOS
KENNETH P. RICHARD	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-27-2025	32 YRS 08 MOS
DEBRA R. ROBERSON	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-22-2025	28 YRS 01 MOS
PRINCESS N. ROJAS	CHILDREN & FAMILY SERVICES Dept.#CH	09-15-2025	36 YRS 1/2 MOS
DAVID ROUSSE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-16-2025	18 YRS 07 MOS
TRISHA M. SALCIDO	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-30-2025	21 YRS 11 MOS
YVONNE T. SANCHEZ	SHERIFF Dept.#SH	07-27-2025	26 YRS 08½ MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
DIANE A. SANTOS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-30-2025	27 YRS 06 MOS
HRACH SARGSYAN	INTERNAL SERVICES Dept.#IS	07-31-2025	12 YRS 05½ MOS
MATTHEW C. SELL	ASSESSOR Dept.#AS	09-26-2025	36 YRS 00 MOS
JATIN K. SHAH	AMBULATORY CARE NETWORK Dept.#HN	10-02-2025	14 YRS 01½ MOS
MALIKA SHAKOOR	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-04-2025	17 YRS 06½ MOS
CEOLA E. SHELTON	CHILDREN & FAMILY SERVICES Dept.#CH	10-14-2025	38 YRS 09½ MOS
LORRAINE SINELKOFF	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-29-2025	32 YRS 00 MOS
MARCUS A. SMITH JR	PROBATION DEPARTMENT Dept.#PB	08-16-2025	39 YRS 04 MOS
VERONICA SOLIS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-30-2025	34 YRS 04 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
WILLIAM A. SPOJA III	PUBLIC WORKS Dept.#PW	10-01-2025	08 YRS 02½ MOS
SONYA STANDMORE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-30-2025	24 YRS 00 MOS
JINBO SU	CORRECTIONAL HEALTH Dept.#HC	08-29-2025	21 YRS 01 MOS
ROXANNE E. TAKEUCHI	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-27-2025	27 YRS 05 MOS
MARY M. TERRELL	PUBLIC WORKS Dept.#PW	08-31-2025	39 YRS 11½ MOS
JOSE TERRONES	PARKS AND RECREATION Dept.#PK	07-27-2025	17 YRS 10 MOS
ELIZABETH M. THAYER	ASSESSOR Dept.#AS	09-12-2025	20 YRS 1/2 MOS
LISA THIGPEN	MENTAL HEALTH Dept.#MH	07-03-2025	25 YRS 04½ MOS
AUDRY L. THOMPSON	AMBULATORY CARE NETWORK Dept.#HN	08-30-2025	38 YRS 00 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
FUNMI S. TOFOWOMO	CHILDREN & FAMILY SERVICES Dept.#CH	09-29-2025	24 YRS 08 MOS
MARTHA A. TORRES	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-19-2025	20 YRS 00 MOS
CHRISTINE M. TRUEBE	ASSESSOR Dept.#AS	10-10-2025	22 YRS 01½ MOS
TIM M. TU	TREASURER AND TAX COLLECTOR Dept.#TT	09-27-2025	20 YRS 01 MOS
MARY E. UDENGWU	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-22-2025	27 YRS 00 MOS
DARIN UNO	PROBATION DEPARTMENT Dept.#PB	09-28-2025	35 YRS 00 MOS
NELSON P. VALDEZ	PROBATION DEPARTMENT Dept.#PB	07-16-2025	05 YRS 10 MOS
VICTORIA L. VANDERHORCK	SHERIFF Dept.#SH	09-27-2025	35 YRS 04 MOS
PATRICIA A. VARELA	LA COUNTY FIRE DEPT Dept.#FR	09-26-2025	46 YRS 09 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
JOCELYN VENTILACION	CHIEF EXECUTIVE OFFICE Dept.#AO	07-26-2025	41 YRS 00 MOS
EVANGELINE L. VILLANUEVA	CHILDREN & FAMILY SERVICES Dept.#CH	06-28-2025	33 YRS 05 MOS
KATRINA K. WADE	PROBATION DEPARTMENT Dept.#PB	08-02-2025	25 YRS 04½ MOS
LINDA K. WARREN-BROWN	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-30-2025	35 YRS 00 MOS
SANAE M. WASHINGTON	PROBATION DEPARTMENT Dept.#PB	09-27-2025	35 YRS 05 MOS
ANTHONY J. WILBURN	ALTERNATE PUBLIC DEFENDER Dept.#AD	06-10-2025	00 YRS 03½ MOS
CLARA J. WILKERSON	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	26 YRS 00 MOS
EDNA M. WILKIE	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-27-2025	21 YRS 08 MOS
PATRICIA L. WILLIAMS	MENTAL HEALTH Dept.#MH	09-27-2025	10 YRS 00 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
SCOTT A. WILLIS	PUBLIC LIBRARY Dept.#PL	08-31-2025	39 YRS 08½ MOS
GERK H. WONG	AGRICULTURAL COMM./WTS & MEAS. Dept.#AW	07-25-2025	28 YRS 00 MOS
HYUNKU YO	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-27-2025	25 YRS 00 MOS
TIMOTHY B. YOUNG	PUBLIC HEALTH PROGRAM Dept.#PH	07-31-2025	18 YRS 02½ MOS
ASCENCION ZAPATA	TREASURER AND TAX COLLECTOR Dept.#TT	06-28-2025	34 YRS 09 MOS
ASTKHIK ZARGARYAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-31-2025	25 YRS 08½ MOS

#### **BENEFIT APPROVAL LIST**

#### **GENERAL SURVIVOR APPLICATIONS**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
BRUCE E. BRODIE	ALTERNATE PUBLIC DEFENDER Dept.#AD	04-14-2009	07 YRS 03 MOS
HUSBAND of SHEILA A BRODIE dec'd on 04-13-2009, Sect. #31781.1			
ENA COLEMAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	11 YRS 02 MOS
SPOUSE of JAMES E COLEMAN dec'd on 03-28-2025, Sect. #31781.3			
CANDACE N. PINEDA	PUBLIC WORKS Dept.#PW	05-07-2025	08 YRS ½ MOS
WIFE of ARMANDO PINEDA dec'd on 05-06-2025, Sect. #31781.3			
DEXTER R. WOODFORD S R.	PUBLIC HEALTH PROGRAM Dept.#PH	04-02-2025	33 YRS 02½ MOS
SPOUSE of REFEKA Y BROOKS dec'd on 04-01-2025, Sect. #31781.1			

#### **BENEFIT APPROVAL LIST**

NAME	<u>DEPARTMENT</u>	RETIRED	SERVICE
PAUL D ANGELO	SHERIFF Dept.#SH	07-31-2025	07 YRS 03 MOS
BRADLEY S. DIETZE	SHERIFF Dept.#SH	07-15-2025	16 YRS 03½ MOS
SHONNA M. HILL	DISTRICT ATTORNEY Dept.#DA	07-23-2025	04 YRS 08 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
JUDITH ANZAI	INTERNAL SERVICES Dept.#IS	08-01-2025	10 YRS 08 MOS
JENNIFER H. CHAU	PUBLIC WORKS Dept.#PW	07-01-2025	14 YRS 03 MOS
VICTORIA E. CORRALEJO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-22-2025	44 YRS 07 MOS
DIANE DUARTE	INTERNAL SERVICES Dept.#IS	06-24-2025	15 YRS 06 MOS
LULA S. ESKANDER	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	07-12-2025	04 YRS 05 MOS
GRADY ESKED JR	PROBATION DEPARTMENT Dept.#PB	07-09-2025	16 YRS 09½ MOS
SHIRLEY D. FLAGG	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-02-2025	30 YRS 01 MOS
SCOTT A. FRAKES	PROBATION DEPARTMENT Dept.#PB	06-16-2025	05 YRS 04 MOS
DEBORAH A. HEINEMAN	PUBLIC LIBRARY Dept.#PL	08-28-2025	12 YRS 04 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
MICHAEL D. HEINLEIN	CHILDREN & FAMILY SERVICES Dept.#CH	05-03-2024	00 YRS 07 MOS
EVELYN HERNANDEZ	LA COUNTY FIRE DEPT Dept.#FR	07-07-2025	08 YRS 03 MOS
YVONNE L. HOLMES	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-22-2025	13 YRS 02 MOS
CECILIA L. HSIA	MENTAL HEALTH Dept.#MH	09-01-2025	05 YRS 10 MOS
ROBERTO O. JAVATE	AUDITOR - CONTROLLER Dept.#AU	06-26-2025	10 YRS 07 MOS
SHRIBALA KUMAR	MENTAL HEALTH Dept.#MH	07-31-2025	16 YRS 04 MOS
WEI-YI KUNG	LACERA Dept.#NL	07-05-2025	02 YRS 01 MOS
JENNIFER D. LEE	DISTRICT ATTORNEY Dept.#DA	08-04-2025	11 YRS 08 MOS
DEBRA LOSNICK	SUPERIOR COURT/COUNTY CLERK Dept.#SC	07-16-2025	26 YRS 06 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
MARIBETH J. MACALINTAL	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-28-2025	34 YRS 10 MOS
NANCY V. MAHER	PUBLIC HEALTH PROGRAM Dept.#PH	07-31-2025	18 YRS 11 MOS
ERNESTO T. MANALO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-17-2025	00 YRS 07 MOS
SCOTT A. MUELLER	INTERNAL SERVICES Dept.#IS	09-01-2025	37 YRS 07½ MOS
REGINALD L. NEAL	DISTRICT ATTORNEY Dept.#DA	10-01-2025	13 YRS 02½ MOS
RAMESH P. PATEL	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	07-01-2025	07 YRS 01 MOS
BARBARA S. PHILLIPS	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	06-19-2025	10 YRS 10 MOS
CAROL A. PORTER	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-30-2025	12 YRS 11½ MOS
MARIO L. POSADA	REG-RECORDER/COUNTY CLERK Dept.#RR	07-14-2025	12 YRS 11 MOS

#### **BENEFIT APPROVAL LIST**

<u>NAME</u>	<u>DEPARTMENT</u>	RETIRED	SERVICE
MONA F. PRUITT-THOMA	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-25-2025	17 YRS 03½ MOS
SHAWN D. REGAN	HEALTH SERVICES ADMINISTRATION Dept.#HS	05-08-2025	11 YRS 05 MOS
ANGELA RIOS	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	09-13-2025	30 YRS 01 MOS
SARAH A. ROJAS	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-30-2025	07 YRS 06 MOS
ELIZABETH A. RYAN	REG-RECORDER/COUNTY CLERK Dept.#RR	08-25-2025	04 YRS 09 MOS
MARIA O. SALAZAR	CHILD SUPPORT SERVICES Dept.#CD	09-18-2025	04 YRS 09 MOS
SOCORRO SANDOVAL	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	06-10-2025	33 YRS 09 MOS
FEL M. SARNO	PROBATION DEPARTMENT Dept.#PB	12-31-2024	07 YRS 11 MOS
SUSAN SKELDING COU	CHILD SUPPORT SERVICES Dept.#CD	06-14-2025	06 YRS 08 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
BETTY J. SMITH	SOUTHWEST CLUSTER (MLK JR MC) Dept.#HK	06-25-2025	11 YRS 08 MOS
SHAWNDA L. STEWART	HEALTH SERVICES ADMINISTRATION Dept.#HS	06-24-2025	18 YRS 11 MOS
MARY E. THOMPSON	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-22-2025	14 YRS 02 MOS
FRANCISCO A. TORRES	SHERIFF Dept.#SH	06-27-2025	14 YRS 03 MOS
SHERI LYNN TOWNSEND	MENTAL HEALTH Dept.#MH	08-21-2025	34 YRS 02 MOS
ROBERT WADA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-11-2025	20 YRS 05 MOS
BRIAN K. WILLIAMS	BOARD OF SUPERVISORS Dept.#BS	04-19-2025	06 YRS 02 MOS
JULIE T. WILSON	SHERIFF Dept.#SH	08-05-2025	39 YRS 08 MOS
MARK L. WOODS	HEALTH SERVICES ADMINISTRATION Dept.#HS	09-21-2025	14 YRS 09½ MOS

## BOARD OF RETIREMENT MEETING OF AUGUST 6, 2025 RESCISSIONS/CHANGES FROM BENEFIT APPROVAL LIST APPROVED ON JULY 9, 2025

#### SAFETY MEMBER APPLICATIONS FOR SERVICE RETIREMENT

NAME	DEPARTMENT	UPDATE
ARLENE GARCIA	SHERIFF	CHANGE TO AUGUST 31, 2025
KLAUS H. GIRMES	SHERIFF	CHANGE TO AUGUST 30, 2025
PAULA L. DOBRZANSKI	SHERIFF	RESCISSION OF RETIREMENT
WILLIAM M. BOYCE	L A COUNTY FIRE DEPT	CHANGE TO JULY 31, 2025

#### GENERAL MEMBER APPLICATIONS FOR SERVICE RETIREMENT

NAME	DEPARTMENT	UPDATE
PAULA L. DOBRZANSKI	SHERIFF	RESCISSION OF RETIREMENT
MELANIE R. MILLER	SUPERIOR COURT/COUNTY CLERK	CHANGE TO AUGUST 16, 2025
SHERYL M BEASLEY-WAIT	SUPERIOR COURT/COUNTY CLERK	CHANGE TO JULY 31, 2025
ARTHUR C. VELASQUEZ	SHERIFF	RESCISSION OF RETIREMENT
ALMAS E. WHITNEY	REG-RECORDER/COUNTY CLERK	RESCISSION OF RETIREMENT
YVETTE R. BURLEY	SUPERIOR COURT/COUNTY CLERK	CHANGE TO AUGUST 30, 2025
CHRISTOPHER J. BEBOUT	PUBLIC WORKS	CHANGE TO SEPTEMBER 02, 2025
GWEN LEE D. LEDESMA-TABA	AMBULATORY CARE NETWORK	CHANGE TO AUGUST 31, 2025



July 24, 2025

TO: **Each Trustee** 

**Board of Retirement** 

Tamara Caldwell, Division Manager FROM:

**Disability Retirement Services** 

APPEAL(S) FOR THE BOARD OF RETIREMENT'S MEETING SUBJECT:

**OF AUGUST 6, 2025** 

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

Salvador S. Salas 5462B In Pro Per Deny SCD

Deny SCD - Ineligible for 5449B Peggy D. Harris Marcy Railsback

**NSCD** 

TLC:kw



July 11, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Tamara Caldwell, Division Manager

**Disability Retirement Services** 

FOR: August 6, 2025, Board of Retirement Meeting

SUBJECT: SERVICE PROVIDER INVOICE APPROVAL REQUEST - STANLEY

MAJCHER, M.D.

On January 1, 2015, the Board of Retirement adopted a policy whereby staff is authorized to approve and pay vendor invoices up to a cumulative amount of \$15,000.00 per vendor. Invoices from vendors exceeding \$15,000.00 per case shall be submitted to the Board of Retirement for approval prior to payment.

Dr. Stanley Majcher completed his initial report and record review for the application of Carrie Espinoza and is requesting approval for payment of the attached invoice. This was an extensive case with 10,830 pages of record review. The total outstanding balance is \$21,725.60.

**IT IS THEREFORE RECOMMENDED THAT** the Board approve the service provider invoice for Stanley Majcher, M.D.

TC:rl

Confidential Attachment

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



July 25, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Francis J. Bovd 1

Senior Staff Counsel

FOR: August 6, 2025, Board of Retirement Meeting

SUBJECT: SERVICE PROVIDER INVOICE APPROVAL REQUEST - WINET

**PATRICK CREIGHTON & HANES** 

On January 1, 2015, the Board of Retirement adopted a policy whereby staff is authorized to approve and pay vendor invoices up to a cumulative amount of \$15,000.00 per vendor. Invoices from vendors exceeding \$15,000.00 per case shall be submitted to the Board of Retirement for approval prior to payment.

Jennifer Creighton at Winet Patrick Creighton & Hanes was hired to investigate and process a disability-retirement application filed by a LACERA employee. This confidential file is identified as 2H2024K.

Currently, Ms. Creighton's firm has been paid \$20,147.36 for services provided. Enclosed are her most recent invoices dated May 31, 2025, totaling \$13,166.50, and June 30, 2025, totaling \$485.70. The total outstanding balance for both invoices is \$13,652.20. The charges are appropriate given the complexity of the issues presented in this disability-retirement application.

**IT IS THEREFORE RECOMMENDED THAT** the Board approve the service provider invoice for Winet Patrick Creighton & Hanes.

FJB:rl

Confidential Attachment

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



#### SUPPLEMENTAL AGENDA INFORMATION

July 23, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Barry W. Lew &

Legislative Affairs Officer

FOR: August 6, 2025 Board of Retirement Meeting

SUBJECT: Request for Proposal—Economic Impact Analysis

Due to an incorrect assumption by staff that the Operations Oversight Committee could have approved the release of the attached Request for Proposal at its meeting of July 10, 2025, the Important Dates in Section 4.1 of the attached Request for Proposal have been updated to reflect the Board of Retirement's (BOR) approval for its release at the August 6, 2025, meeting.

Event Description	Original Dates	Corrected Dates
RFP release date	July 11, 2025	August 8, 2025
Intent to Respond closing date	August 8, 2025	September 5, 2025
Written questions from Respondents due date	August 15, 2025	September 12, 2025
LACERA's response to Respondents' questions	August 22, 2025	September 19, 2025
RFP due date	August 29, 2025	September 26, 2025
Finalist Interviews (as warranted)	September 2025	October 2025
Selection Notification (estimate)	October 2025	November 2025
Commencement of work	Upon contract execution	Upon contract execution

Economic Impact Analysis Board of Retirement July 23, 2025 Page 2

**Reviewed and Approved:** 

**Luis Lugo, Deputy Chief Executive Officer** 

#### **Attachment**

RFP: Economic Impact Analysis

cc: Luis Lugo

JJ Popowich
Laura Guglielmo
Steven P. Rice
Kathy Delino
Chait Errande
Cynthia Martinez



July 23, 2025

TO: Each Member

**Board of Retirement** 

FROM: Operations Oversight Committee

JP Harris, Chair

Nancy Durazo, Vice Chair

Aleen Langton Wayne Moore

Shawn Kehoe, Alternate

FOR: August 6, 2025 Board of Retirement Meeting

SUBJECT: Request for Proposal—Economic Impact Analysis

#### RECOMMENDATION

That the Board of Retirement approve the issuance of a Request for Proposal for a consultant to conduct an economic impact analysis of LACERA's retirement benefits.

#### **LEGAL AUTHORITY**

The Operations Oversight Committee (OOC) assists the Board of Retirement (BOR) with its oversight responsibilities with respect to retirement system performance and specifically overseeing pension administration cost effectiveness (OOC Charter, pages 7, 10). This Request for Proposal (RFP) aligns with this authority to determine the cost-effectiveness of LACERA's retirement benefits and their economic impact to the County of Los Angeles and State of California.

#### BACKGROUND

The Los Angeles County Employees Retirement Association (LACERA) was established in 1938 to provide pension benefits to employees of the County of Los Angeles. Since then, LACERA's trust fund has grown to \$79 billion as of fiscal year 2024. During that same fiscal year, LACERA paid out \$4.5 billion in retirement benefits to its members and beneficiaries.

As institutions within their local communities, public sector pension plans have a positive and measurable economic impact on the people and businesses within those communities and statewide. For example, in 2007, the State Association of County Retirement Systems (SACRS) commissioned a study that highlighted the positive economic impact that 1937 Act County Retirement Systems have throughout the State of California. Similarly, the National Institute of Retirement Security (NIRS) has conducted biannual economic impact studies (Pensionomics) that measure the impact of state and local public sector pension plans across the country.

Economic Impact Analysis Board of Retirement July 23, 2025 Page 2

In 2022, LACERA in conjunction with its public affairs consultant EKA engaged Beacon Economics to conduct an economic impact analysis of the pension benefits that LACERA provides to its member and beneficiaries, our primary stakeholders. Other important stakeholders for LACERA include its plan sponsor (County of Los Angeles), state and federal legislators, and members of the public.

The purpose of the analysis was to enhance LACERA's engagement with its stakeholders by demonstrating the value of LACERA's pension benefits in supporting economic activity on a local and statewide level.

#### **DISCUSSION**

Staff indicated to the BOR that the original economic impact analysis would be refreshed approximately every three years. The original analysis addressed the economic impact of LACERA's retirement benefits on the County of Los Angeles and its supervisorial districts as well as on a statewide basis.

In addition to refreshing the original analysis, staff believes that a more granular analysis on economic impact with respect to the state and federal legislative districts within the County of Los Angeles is necessary. LACERA has engaged legislatively at the state and federal level with lawmakers in the Los Angeles County Delegation, and the 2022 economic impact analysis is a strategic resource in our engagement efforts. However, the 2022 analysis is framed at the county and state level. Analyzing the economic impact of LACERA's retirement benefits within the County's state and federal legislative districts can provide more specific insight to lawmakers on the effect of LACERA's retirement benefits on their districts. Such data will further enhance LACERA's credibility as a constituent and ensure that LACERA's voice is heard when needed.

IT IS THEREFORE RECOMMENDED THAT THE BOARD approve the issuance of a Request for Proposal for a consultant to conduct an economic impact analysis of LACERA's retirement benefits.

#### **Attachment**

RFP: Economic Impact Analysis

cc: Luis Lugo Chait Errande

JJ Popowich Cynthia Martinez

Laura Guglielmo

Steven P. Rice Kathly Delino



# REQUEST FOR PROPOSAL

**Economic Impact Analysis** 

Barry W. Lew, Legislative Affairs Officer 626-564-2370/blew@lacera.com 300 NORTH LAKE AVENUE, SUITE 650 PASADENA, CA 91101

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# LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION REQUEST FOR PROPOSAL (RFP) ECONOMIC IMPACT ANALYSIS JULY 23, 2025

#### 1. **INTRODUCTION**

#### 1.1. Purpose of Request

The Los Angeles County Employees Retirement Association (LACERA), a \$79 billion public pension fund, is seeking proposals from qualified firms to provide an economic impact analysis of LACERA's retirement benefits. LACERA invites qualified firms to respond to this RFP (Respondent).

#### 1.2. Background Information

LACERA is a tax-qualified defined benefit public pension fund established to administer retirement, disability, and death benefits for the employees of the County of Los Angeles and other participating agencies pursuant to the County Employees Retirement Law of 1937 (CERL) (California Government Code Section 31450, et seq.), the California Public Employees' Pension Reform Act of 2013 (PEPRA) (California Government Code Section 7522, et seq.), LACERA's Bylaws and Board Policies, and other applicable California law. LACERA also administers the County's medical and dental retiree health benefits program.

LACERA operates as an independent governmental entity separate and distinct from Los Angeles County and the other participating agencies. LACERA has approximately 195,000 members, including 120,000 active members and 75,000 retired members. About 58,000 retired members and survivors take part in the medical and dental retiree healthcare programs. In addition to benefits administration, the fund invests in assets to support payment of the promised pension benefits as well as additional sums to support the retiree healthcare program.

The Respondent(s) selected through this RFP process may be recommended to LACERA's Board of Retirement (BOR). The BOR has responsibility over the administration of pension and healthcare benefits and other fund administrative issues. The BOR comprises four Trustees elected by the general, safety, and retired members, four Trustees appointed by the County's Board of Supervisors, and the sitting County Treasurer and Tax Collector as an ex officio Trustee. The BOR also has two alternate Trustees, one elected by safety members, and one elected by retired members.

The Boards and their trustees have fiduciary duties as defined in Article XVI, Section 17 of the California Constitution and CERL, with duties owed to the plan members and their beneficiaries taking precedence over any other duties.

LACERA is inviting vendors to submit proposals to conduct an economic impact analysis of LACERA's retirement benefits. In 2022, LACERA engaged Beacon Economics to conduct an economic impact analysis of LACERA's pension benefits. The analysis evaluated the effect of the pension benefits within the County of Los Angeles across its five districts and their effect

statewide in California. The analysis also highlighted the generation of fiscal revenues from the pension benefits at the county, state, and federal level.

LACERA also engages with state and federal legislators whose districts are within the County of Los Angeles to increase our presence and visibility with those legislators as well as provide education and information about LACERA's history, organization, and operations.

The purpose of this RFP is to select a consultant to provide an updated economic impact analysis for the Pension Plan portfolio. The scope of work includes an economic impact analysis of the Pension Plan covering the County of Los Angeles and the State of California. It would also include economic impact analyses specific to the County of Los Angeles' supervisorial districts and the state and federal legislative districts within the County of Los Angeles (see attached samples of the Beacon Economics report and legislative fact sheets from CalSTRS).

The full scope of work is detailed in the next section below.

For additional information about LACERA, please refer to LACERA's Annual Financial Report, which is posted on the LACERA website, www.lacera.com.

#### 2. **SCOPE OF SERVICES**

LACERA seeks to hire a consultant to perform the following services and deliverables related to the economic impact of LACERA's pension benefits:

- A. **Economic Impact Analysis.** Consultant shall conduct an analysis that includes the economic, fiscal, and social impacts of LACERA's pension benefits. Consultant shall produce a comprehensive report (see attached Beacon Economics report) that includes but is not limited to the following:
  - a. Executive Summary
  - b. Glossary
  - c. Data
  - d. Methodology
  - e. Analysis
  - f. Economic and fiscal impacts per supervisorial district in the County of Los Angeles
  - g. Membership Diversity and Demographic Breakdown
  - h. Conclusion
- B. Legislative Dataset. Consultant shall conduct economic impact analyses of LACERA retirees who reside in the legislative districts of the California State Legislature (Assembly and Senate) and the U.S. House of Representatives within the County of Los Angeles ("Los Angeles County Delegation"). Consultant shall produce a dataset that would enable LACERA to create legislative fact sheets (see attached examples from CalSTRS) outlining the economic impact of LACERA's retirement benefits within the state and federal legislative districts of the County of Los Angeles. The dataset shall include the following data:

- a. Retirement membership data: retirement member type (member or survivor), retirement type (service or disability), gender, average benefit amount, average retirement age, average service credit
- b. Retirement benefits paid (amount by district and statewide)
- c. Economic impact of retirement benefits paid within district
- C. **Presentation of Report.** Consultant shall attend a meeting of the Board of Retirement in-person to present the findings of its economic impact analysis.

#### 3. MINIMUM QUALIFICATIONS

All Respondents must clearly show and document in the proposal the following minimum qualifications:

The ideal consultant shall have substantial experience consisting of at least five years in conducting economic impact analyses for public sector agencies.

#### 4. INSTRUCTIONS TO RESPONDENTS

#### 4.1. RFP Important Dates

The following table provides a tentative schedule of important dates and deadlines for this RFP. All dates are subject to modification by LACERA without notice.

Event Description	Date
RFP release date	August 8, 2025
Intent to Respond closing date	September 5, 2025
Written questions from Respondents due date	September 12, 2025
LACERA's response to Respondents' questions	September 19, 2025
RFP due date	September 26, 2025
Finalist Interviews (as warranted)	October 2025
Selection Notification (estimate)	November 2025
Commencement of work	Upon contract execution

## 4.2. Response Requirements and Formatting

Respondents to this RFP must submit the following for delivery no later than **5:00 PM PDT** on **Friday**, **September 26**, **2025**, through the LACERA Vendor Gateway Portal. Registration is required to access the portal and to participate in the bid process.

Respondents must upload the electronic copy of the proposal in PDF or Microsoft Word format via the LACERA Vendor Gateway Portal.

If Respondent requires any confidential information to be exempt from public disclosure, then submissions should also include one **unbound** copy, and one **electronic copy**, each marked "**CONFIDENTIAL**." The redacted copies should redact all material from the proposal that the Respondent believes in good faith is exempt from disclosure under the California Public Records Act, (California Government Code section 7920.000, et seq., the "Act"). Redactions should appear as blacked out material. Large sections, tables, or entire blank page(s) shall include the word "CONFIDENTIAL" or "PROPRIETARY" inserted. Each Respondent must indicate the basis for each redaction under the Act (defined below) with a citation to the code section and subsection relied upon. LACERA cannot guarantee that redacted information will not be publicly available. Please see the **Section 5** below "*Notice to Respondents Regarding the Public Records Act AND RALPH M. BROWN ACT*" for further information. An electronic copy of both the original and the redacted response in PDF format saved on separate DVDs, each labeled accordingly.

4.2.1. Submittals shall be double-sided with text in at least 10-point font, but no larger than 12-point font limited to 25 pages, including Exhibits. Submittals shall address all RFP sections in the same order presented and be responsive to each section.

All responses to this RFP should follow the outline of the RFP requirements and should fully respond to each section as appropriate and to all questions, if any, in Exhibit C and should contain at a minimum:

- 4.2.1.1. <u>Cover Letter</u>. A cover letter (1 page) shall be signed by the individual(s) who is (are) authorized to bind the Respondent contractually. The letter shall contain a statement to the effect that the Respondent is not currently under investigation by any regulatory agency, state or federal, for any reason. The letter should identify your firm's competitive advantage, the specific team that will be working on the LACERA account, and the reasons why the firm should be selected.
- 4.2.1.2. <u>Minimum Qualifications Certification</u>. You must certify, by completing and signing EXHIBIT B, that your firm meets the minimum qualifications required.
- 4.2.1.3. <u>Table of Contents</u>. The response must contain a Table of Contents that identifies the major sub-sections of the Questionnaire.
- 4.2.1.4. <u>Attachments</u>. Optional material such as brochures or company information may be included as an attachment but will not be counted as responsive to this RFP and will not be used in scoring.
- 4.2.2. All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the submission deadline. Responses to this RFP may be changed or withdrawn in writing if modifications are received prior to the submission deadline. Modification to or withdrawal of a proposal received after the submission deadline will not be considered. Responses received after the specified deadline may be considered for evaluation

solely at the discretion of LACERA. In addition, LACERA reserves the right to request more information or clarifications from Respondents, or to allow corrections of errors or omissions.

4.2.3. Proposals not following these instructions or not including complete information as requested may result in a lower evaluation score or the proposal being declared non-responsive. For each part of the response, restate the RFP item immediately above the response. Pages in the proposal shall be numbered. When asked, please provide details, and state all qualifications or exceptions. All information supplied should be concise and relevant to qualifications.

#### 4.3. Contacts with LACERA Personnel

Contacts with LACERA personnel about this RFP, and all inquiries and requests for information shall be directed to the Point of Contact identified below:

Barry W. Lew Legislative Affairs Officer LACERA

Gateway Plaza Email: blew@lacera.com 300 North Lake Avenue, Suite 650 Phone: 626-564-2370 Pasadena, CA 91101-4199

#### 4.4. Quiet Period

To ensure that prospective Respondents to this RFP have equal access to information about the RFP and communications related to the RFP are consistent and accurate so that the selection process is efficient and fair, a quiet period will be in effect from the date of issuance of this RFP until the selection of one or more Respondents is completed and announced.

This RFP and other relevant information related to the RFP, including addenda, modifications, answers to questions, and other updates, will be available to the public at lacera.com and LACERA Gateway Vendor Portal:

https://lacera.cobblestone.software/gateway/SolicitationPublicSearch.aspx

Each Respondent to this RFP will be subject to the same terms and conditions and will receive the same information.

During the quiet period, Respondents are not allowed to communicate with any LACERA staff member or Board member regarding this RFP except through the point of contact named herein. Respondents violating the quiet period may be disqualified at LACERA's discretion.

Respondents who have existing relationships with LACERA must limit their communications between LACERA staff and Board members to the subject of the existing services provided by them.

#### 4.5. Questions relating to this RFP

All questions, inquiries, and requests for additional information concerning this RFP should be received no later than **5:00 PM PDT**, **Friday**, **September 12**, **2025**, through the 'My Questions/Answers' section of the Opportunity Details page in the LACERA Vendor Gateway Portal. All Questions received, along with their corresponding responses, will be posted in the 'Questions & Answers' Section of the Opportunity Details page in the LACERA Vendor Gateway Portal on or about 5:00 PM PDT, Friday, September 19, 2025.

#### 4.6. RFP Scoring and Selection Criteria

RFPs will be scored according to Exhibit G, *Selection Criteria*. LACERA staff may select Respondents based upon the selection criteria or using a combination of onsite interviews and reference verification.

The highest scoring Respondents may be invited to an interview by LACERA's Board(s). At LACERA's discretion, selected Respondents may be offered the opportunity to present their materials to the Board(s).

#### 4.7. Intent to Respond

If your firm chooses to respond to this RFP, please send the Intent to Respond, Exhibit F, via email to Barry W. Lew, by **5:00 p.m. PDT, Friday, September 5, 2025.** Failure to send your Intent to Respond may disqualify your firm from submitting a response to this RFP.

# 5. NOTICE TO RESPONDENTS REGARDING THE PUBLIC RECORDS ACT AND THE RALPH M. BROWN ACT

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 7920.000, et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a Respondent believes that any portion of its proposal is exempt from public disclosure or discussion under the Act, the Respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY" in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," a Respondent represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and a Respondent may be required to justify in writing why such material should not be disclosed by LACERA under the Act. Fee and pricing proposals are not considered "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY."

If LACERA receives a request pursuant to the Act for materials that a Respondent has marked "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY," and if LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will deny disclosure of

those materials. LACERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed appropriate in LACERA's sole discretion. LACERA retains the right to disclose all information provided by a Respondent.

If LACERA denies public disclosure of any materials designated as "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," the Respondent agrees to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its Boards, officers, fiduciaries, employees, and agents from and against:

- 1. All claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation attorneys' fees, expenses, and court costs of any nature whatsoever (collectively, Claims) arising from or relating to LACERA's non-disclosure of any such designated portions of a proposal; and
- 2. All Claims arising from or relating to LACERA's public disclosure of any such designated portions of a proposal if LACERA determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any Respondent to the Boards for hiring, such recommendation, the reasons for the recommendation, and the relevant proposal(s) will appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

Nothing in this RFP requires LACERA to withhold any documents from production under the Act.

#### 6. **DIVERSITY, EQUITY, AND INCLUSION**

LACERA values diversity, equity, and inclusion ("DEI"), and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA takes a broad view of diversity, inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender identity, disability status, national origin, and culture. LACERA expects its business partners to respect and reflect LACERA's value of DEI. With respect to diversity, please respond to the questions in Exhibit G (Diversity, Equity, and Inclusion Questionnaire). The response must include:

- Description of diversity policies, practices, and procedures maintained by the firm regarding equal employment opportunity, including the recruitment, development, retention, and promotion of a diverse and inclusive workforce, non-discrimination based on gender, race, ethnicity, sexual orientation, age, disability status, veteran's status, and other legally protected categories, and prohibition of sexual harassment in the workplace. If the Respondent has written policies that address these matters, provide copies along with the response to this RFP.
- The oversight, monitoring, and other compliance processes for implementation and enforcement of the firm's diversity policies, practices, and procedures, including the name of the individual who is responsible for oversight of the firm's method to measure the effectiveness of the policies, and conclusions as to effectiveness.
- Any judicial, regulatory, or other legal findings, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past ten (10) years

#### 7. NOTICE TO RESPONDENTS REGARDING LACERA DATA PROTECTION

LACERA, its consultants, vendors, and contractors have a duty to protect all LACERA data, including without limitation, information related to members and beneficiaries, finances, systems, and operations.

The finalist selected through this procurement will have access to sensitive information protected by LACERA's internal policies, State, and Federal law. In such a case, by submitting a proposal, Respondent agrees to subject itself to certain contractual terms designed to protect such information, including without limitation SOC-2 reports (or, in the alternative, a Security Controls Assessment as per Exhibit E) – used when vendor might have access to or use of LACERA systems or information. Respondents shall inform LACERA in their response if they have any limitations to agreeing to such terms. Respondents that do not make reservations shall lose their right to do so at the contracting phase.

#### 8. **CONTRACT NEGOTIATIONS**

Upon Board approval, staff will enter contract negotiations with the approved Respondent(s). LACERA may end negotiations, at its sole discretion, if it believes a satisfactory agreement cannot be negotiated. LACERA reserves the right to award a contract based upon proposals received; you should not rely upon the opportunity to alter your proposal (e.g., services to be provided, fees, etc.) during contract negotiations.

The final contract must allow LACERA to terminate a) for its convenience, b) if funds are not appropriated for the services to be provided, and c) for default.

The general form of the contract LACERA intends to use for this engagement is attached as **Exhibit D**. By sending a proposal without comment on the general form contract, Respondent agrees to each term in the contract, and will not seek any modifications to the contract. LACERA has the right to change or negotiate contract terms different than those in Exhibit D in our sole discretion.

Respondents are required in their response to identify and explain any exception that it desires to take to any of the terms and conditions of this RFP. In addition, a Respondent will be deemed to have agreed to each clause in the agreement (and not to seek inclusion of additional clauses), unless the Respondent identifies an objection or inclusion, sets forth the basis for the objection or inclusion, and provides substitute language to make the clause acceptable to the Respondent or to address an issue the Respondent feels is not addressed by the agreement in its response to this RFP. If a satisfactory agreement cannot be negotiated with one or more of the firms, LACERA may, at its sole discretion, terminate such negotiations. LACERA, may then, at its option, initiate fee negotiations with another firm, and so on.

At LACERA's discretion the term of the contract entered under this RFP may be terminated at LACERA's convenience at any time.

#### 9. **RESERVATIONS BY LACERA**

In addition to the other provisions of this RFP, LACERA reserves the right to:

- 9.1. Cancel or modify this RFP, in whole or in part, at any time.
- 9.2. Make such investigation as it deems necessary to determine the Respondent's ability to furnish the required services, and the Respondent agrees to furnish all such information for this purpose as LACERA may request.
- 9.3. Reject the proposal of any Respondent who has failed to comply with the requirements of this RFP, or who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner or for any other reason in LACERA's sole discretion.
- 9.4. Waive irregularities to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
- 9.5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of LACERA in LACERA's sole discretion, which may not be the proposal offering the lowest fees or achieving the highest score.
- 9.6. Request additional documentation or information from Respondents. Requested information may vary by Respondent. LACERA may ask questions of any Respondent to seek clarification of a proposal or to ensure the Respondent understands the scope of the work or other terms of the RFP.
- 9.7. The right to choose not to enter into an agreement with any of the Respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.
- 9.8. Determine the extent, without limitation, to which the services of a successful Respondent are or are not actually utilized.
- 9.9. Defer selection of a winning bidder to a time of LACERA's choosing.
- 9.10. Consider information about a Respondent in addition to the information submitted in the response or interview.
- 9.11. Add terms and conditions during contract negotiations.
- 9.12. The information that a Respondent submits in response to this RFP becomes the exclusive property of LACERA. LACERA will not return any proposal or reimburse proposal preparation expenses.

LACERA shall not be liable for any costs Respondents incur in connection with the preparation or submission of a proposal.

(The rest of this page is left intentionally blank)

#### **EXHIBIT A**

# PROPOSAL COVER PAGE AND CHECKLIST (TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)

•		

Respondent Address:

Respondent Name:

By submitting this response, the undersigned hereby affirms and represents that they have reviewed the proposal requirements and have submitted a complete and accurate response to the best of their knowledge. By signing below, I hereby affirm that the Respondent has reviewed the entire RFP and intends to follow all requirements.

Respondent specifically acknowledges the following facts:

- 1. Respondent has the required technical expertise and has sufficient capacity to provide the services outlined in the RFP.
- 2. Respondent has no unresolved questions about the RFP and believes that there are no ambiguities in the scope of work.
- 3. The fee schedule or price proposal sent in response to the RFP is for the entire scope of work and no extra charges or expenses will be paid by LACERA.
- 4. Respondent has completely disclosed to LACERA all facts bearing upon any possible interests, direct or indirect, that Respondent believes any member of LACERA, or other officer, agent, or employee of LACERA presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.
- 5. Materials contained in proposals and all correspondence and written questions sent during the RFP process may be subject to disclosure pursuant to the "California Public Records Act (California Government Code Section 7920.000, et. Seq., the "Act").
- 6. Respondent is not currently under investigation by any state or federal regulatory agency for any reason.
- 7. The signatory below is authorized to bind the Respondent contractually.

[/s]

#### **EXHIBIT B**

# MINIMUM QUALIFICATIONS CERTIFICATION (TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)

All Respondents must sign and return this attachment, along with written evidence of how you meet each qualification. The undersigned hereby certifies that the Respondent submitting this response fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

#### Minimum Qualifications include:

• Substantial experience consisting of at least five years in conducting economic impact analyses for public sector agencies.

The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.

Authorized Signature

Date

Name and Title (please print)

Name of Firm

#### **EXHIBIT D**

#### **AGREEMENT FOR SERVICES**

THIS IS THE GENERAL FORM AND CONTENT OF THE CONTRACT LACERA INTENDS TO USE. IN SUBMITTING A PROPOSAL WITHOUT COMMENT ON THE CONTRACT, THE BIDDER WILL BE DEEMED TO HAVE AGREED TO EACH CLAUSE IN THE AGREEMENT BELOW (AND TO NOT SEEK ANY MODIFICATIONS TO THE AGREEMENT), UNLESS BIDDER'S PROPOSAL IDENTIFIES AN OBJECTION OR INCLUSION, SETS FORTH THE BASIS FOR THE OBJECTION OR INCLUSION, AND PROVIDES SUBSTITUTE LANGUAGE TO MAKE THE CLAUSE ACCEPTABLE TO BIDDER.

LACERA RESERVES THE UNILATERAL RIGHT IN ITS SOLE DISCRETION TO MAKE CHANGES TO THE CONTRACT PRIOR TO EXECUTION, WHICH CHANGES WILL NOT PROVIDE BIDDER WITH AN OPPORTUNITY TO MAKE FURTHER CHANGES TO THE OTHER TERMS OF THE CONTRACT.

#### [TEMPLATE AGREEMENT BELOW THE BREAK]

#### **CONTRACT FOR {---Type of Service---}**

This Contract for {---Type of Service---} ("Contract") is made and entered into by and between Los Angeles County Employees Retirement Association ("LACERA") and {---Company Name---} ("Vendor"), and is effective as of the date shown in Section 5.

#### **Recitals**

LACERA seeks the services of a company that offers {---Brief Description of Service---}.

Vendor represents that they offer the {---Contract Title---} that LACERA seeks.

#### [INSERT ADDITIONAL RECITALS AS NEEDED]

#### **Contract**

#### 1. <u>Services to be Provided</u>.

- 1.1 Vendor agrees to perform the services ("Services") described in the Statement of Work ("Statement of Work") attached to this Contract as Attachment A.
- 1.2 Vendor agrees to perform the Services at LACERA's offices, and with LACERA's consent, via telephone or email, and when appropriate, at a location of Vendor's choice.

- 1.3 All writings prepared or furnished by Vendor to LACERA in the performance of this Contract shall be the exclusive property of LACERA and may be used by LACERA, as LACERA deems appropriate.
- 1.4 Vendor's quality of service will be at least equivalent to that which Vendor provides to other clients it serves in the same capacity. Vendor will be held to the same standard of care, skill, prudence, and diligence that applies to other experts practicing in a like enterprise.

#### 2 Independent Contractor.

- 2.1 Vendor agrees to perform the Services as an independent contractor and agrees they will be acting at all times as such. Neither party intends, and this Contract may not be construed, to create any relationship of agent, servant, employee, partnership, joint venture, or association between Vendor and LACERA. Vendor is not and will not be deemed to be for any purpose (including, without limitation, Workers' Compensation) an employee of Los Angeles County (the "County"). Vendor is not entitled to any rights, benefits, or privileges of County employees. Vendor is not eligible to participate in any insurance, savings, pension, or deferred compensation offered by LACERA or the County.
- 2.2 Vendor has no power or authority to assume or create any obligation or responsibility, express or implied, on behalf of LACERA or the County, or to bind LACERA or the County in any way whatsoever.
- 2.3 Vendor accepts full and complete responsibility for filing all tax returns and paying all taxes, which may be required, or due for payments received from LACERA under this Contract. LACERA will memorialize payments for Vendor's services on a Form 1099.
- 2.4 Vendor represents and warrants that they comply with all applicable federal, state, and local laws, including without limitation, those laws respecting business licenses, withholding, reporting, and payment of taxes. Vendor further represents and warrants that they will report any income accruing to him from this Contract to the appropriate taxing authorities.

#### 3. LACERA's Project Director.

LACERA's Project Director, or designee, has responsibility for determining whether the Services are performed to LACERA's satisfaction. LACERA's Project Director is {---Project Director---}.

#### 4. Indemnification and Insurance.

4.1 Vendor shall indemnify, defend and save harmless LACERA, its agents, officers and employees from and against any and all liability, damage, suit, cost of suit, or expense, including defense costs and attorney's fees, arising out of or connected with claims for damages of any nature whatsoever arising from or connected with Vendor's operations or its services, including, without limitation, claims for bodily injury, death, personal injury, or property damage, including damage to Vendor's property.

- 4.2. Without limiting Vendor's obligations to indemnify LACERA, Vendor will provide and maintain at its own expense during the term of this Contract the insurance programs specified in this Contract. Such insurance will be primary and not contributing with any other insurance of self-insurance programs maintained by LACERA, and Vendor agrees to provide and maintain such insurance at its own cost and expense.
- 4.2.1 Certificate(s) or other evidence of coverage satisfactory to LACERA shall be delivered to prior to commencing services under this Contract and annually thereafter to:

LACERA
Administrative Services, Vendor Management Group
300 N. Lake Avenue, Suite 650
Pasadena, CA 91101-4199
vendormanagement@lacera.com

- 4.3 Such certificates or other evidence shall:
  - 4.3.1 Specifically identify this Contract.
  - 4.3.2 Clearly evidence all coverage's required in this Contract.
- 4.3.3. Contain the express condition that LACERA is to be given written notice by mail at least 45 days in advance of cancellation for all policies, or, alternatively, in the event the insurers that otherwise provide satisfactory insurance hereunder do not assume third-party notification provisions, Vendor hereby agrees to notify LACERA at least 45 days in advance of any cancellation of any of the policies provided for herein.
- 4.3.4 Include copies of the additional insured endorsement to the commercial general liability policy, adding that LACERA, its trustees, officers, and employees as insureds for all activities arising from this Contract.
- 4.3.5 Self-Insured Retentions must be declared to and approved by the LACERA. LACERA may require Vendor to purchase coverage with no retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention will be satisfied by the named Vendor
- 4.3.6 LACERA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- 4.4 Insurer Financial Ratings. Insurance is to be provided by an insurance company acceptable to LACERA with an A.M. Best rating of not less than A-, X, unless otherwise approved by LACERA.
- 4.5 Failure to Maintain Coverage. Vendor's failure Vendor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to LACERA, shall constitute a

material breach of the contract upon which LACERA may immediately terminate or suspend this Contract. LACERA, at its sole option, may obtain damages from Vendor resulting from said breach.

- 4.6 Compensation for LACERA Costs. In the event that Vendor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to LACERA, Vendor shall pay full compensation for all costs incurred by LACERA.
- 4.7 Cooperation Regarding Insurance. LACERA may elect to procure insurance against loss or damage it may sustain in connection with Vendor's performance under this Contract. Vendor will promptly cooperate with any reasonable request for information regarding Vendor which is required to obtain such insurance.
- 4.8 Survival of Obligations. Vendor's obligations under this Section 4 shall survive expiration or termination of this Contract.
- 4.9 Commercial General Liability. Vendor shall provide and maintain a Commercial General Liability insurance policy, which names LACERA as additional insured. Such policy shall cover legal liability for bodily injury and property damage arising out of Vendor's business operations and services that Vendor provides pursuant to this Contract. Such policy shall include, without limitation, endorsements for Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least \$3,000,000 per occurrence and an annual aggregate of at least \$3,000,000. If such insurance is written on a Claims Made Form, such insurance shall be endorsed providing an extended reporting period of not less than five (5) years following termination or expiration of this Contract.
- 4.10 Auto Liability. Vendor shall provide and maintain a comprehensive auto liability insurance policy endorsed for all "owned", "non-owned", and "hired" vehicles, or coverage for any "auto", with a combined single limit of not less than One Million Dollars (\$1,000,000) per accident.
- 4.11 Workers' Compensation. Vendor shall bear sole responsibility and liability for furnishing Workers' Compensation benefits to Vendor's employees for injuries arising from or connected with any services provided to LACERA under this Contract. Vendor shall provide and maintain a program of Workers' Compensation, in an amount and form to meet all applicable statutory requirements. In all cases, worker's compensation insurance also shall include Employer's Liability Insurance with limits of not less than \$1,000,000, each accident, and \$1,000,000, disease, covering all of Vendor's employees.
- 4.12 Errors and Omissions. Vendor shall provide and maintain insurance covering liability arising from any error, omission, negligent or wrongful act of the Vendor, its officers, employees, or Agents, with limits of at least \$1,000,000 per claim and an annual aggregate of at least \$2,000,000. The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Contract.
- 4.13 Cyber Liability Insurance. Without limiting any of the obligations or liabilities of Vendor, Vendor shall carry and maintain, at its own expense including any applicable deductibles or retention, Cyber Liability insurance with limits of not less than \$2,000,000 for each occurrence and an annual aggregate of \$5,000,000 covering claims involving privacy violations, information theft, damage to or

destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy coverage shall include, but not be limited to:

- 4.13.1 Privacy Liability Coverage. This coverage shall include LACERA and its members for breaches of their private information in the case of a data breach.
- 4.13.2 Notification Costs. This coverage shall cover the costs of notifying third parties and LACERA members potentially affected by a data breach.
- 4.13.3 Crisis Management. This coverage shall include the costs of managing the public relations outfall from most data breach scenarios.
- 4.13.4 Credit/Identity Monitoring. This coverage shall include coverage for affected members for at least 24 months or the minimum legally required period, whichever is longer.
- 4.13.5 Theft and Fraud Coverage. This coverage shall include the costs of theft or destruction of the LACERA's data and theft of funds.
- 4.13.6 Network and Business Interruption. This coverage shall include any expense due to an intentional interruption of the LACERA's computer systems.
- 4.13.7 Data Loss and Restoration. This coverage shall include the costs of diagnosing and repairing the cause of the loss and restoring all data.

#### 5. <u>Term</u>.

The term of this Contract begins on {---Effective Date---} (the "Start Date"), and unless terminated for convenience, ends on the earlier of (i) full performance of the Services by Vendor and acceptance by LACERA or (ii) {---Contract Term Length--- (one to three years) after the Start Date. This Contract automatically renews up to four times for subsequent and successive one year periods under the same terms, conditions, and compensation, unless either party delivers its written request for changes not less than ninety (90) days prior to the end of the then current term of the Contract. Neither party is required to renew or extend this Contract.

#### 6. Non-Exclusive Services.

This Contract is not exclusive. Vendor has the right to perform services for others during the term of this Contract, but Vendor agrees not to engage in any business, work or services of any kind under contract, or otherwise, for any person, organization or agency, which in the opinion of LACERA is detrimental to the interests of LACERA or that would materially interfere with the performance of the Services. Vendor agrees to disclose such information regarding business, work, or services they perform on behalf of any person, organization, or agency as LACERA may reasonably require verifying Vendor's compliance with this Section.

#### 7. Compensation.

LACERA agrees to pay Vendor according to the Fee Schedule attached as Exhibit B for performing the Services. Vendor's expenses are included in the compensation described in Attachment B and therefore Vendor is not entitled to any separate reimbursement for any expenses incurred by it in discharging its duties under this Contract, unless otherwise agreed by LACERA.

#### 8. <u>Invoices</u>.

Vendor agrees to submit invoices to LACERA's Project Director, in arrears, by the tenth day of each calendar month for Services performed during the previous calendar month. Each invoice must (a) describe in detail the Services performed and expenses incurred by Vendor during the invoice period, (b) show the cumulative charges year-to-date (based on a fiscal year beginning July 1) for all Services and expenses, and (c) include such other information as LACERA may reasonably request. Each invoice will be payable within thirty days of receipt by LACERA. If LACERA's Project Director disputes any portion of an invoice, however, LACERA will pay the undisputed portion only and notify Vendor in writing of the disputed portion. Vendor and LACERA agree to act in good faith to resolve such disputes.

#### 9. <u>Contract Not Assignable</u>.

Vendor may not assign any of its rights, duties, or obligations under this Contract without the prior written consent of LACERA, which LACERA may grant or withhold in its sole discretion.

#### 10. <u>Confidentiality</u>.

10.1 Confidential Information. Vendor understands that, during the performance of this Contract, it will have access to confidential and proprietary LACERA information, policies and procedures, benefits, business practices, and technology concerning LACERA's operations, as well as sensitive confidential member information and business critical non-member information (collectively, "Confidential Information"). For clarity, Confidential Information includes all information of any and every kind provided to Vendor, regardless of whether it may previously have been disclosed by LACERA or others in other contexts, in that LACERA needs to know to whom, when, where, and how all of its information has been disseminated and reserves to itself the right to determine to whom, when, where, and how such information is released. Confidential Information further includes all information related in any way to LACERA provided to Vendor.

Confidential Information may be provided to Vendor or generated or stored by Vendor in written, electronic, verbal, and all other forms. Vendor understands and agrees that:

- 10.1.1 Vendor shall not disclose Confidential Information to any person within its organization except those persons required to perform the services of the Contract.
- 10.1.2 Vendor shall not disclose Confidential Information to any third party without LACERA's advance written approval.
- 10.1.3 Vendor's agreement not to disclose Confidential Information includes an agreement not to disclose information even on a no-names basis.

- 10.1.4 Vendor will use best efforts, including but not limited to the highest level of care Vendor accords to its own most sensitive information and the most sensitive information of its other clients, to secure and maintain the confidential nature of the Confidential Information.
- 10.1.5 Vendor will not use the Confidential Information for any purpose other than to perform the services required by this Contract. This confidentiality provision will survive the termination of the Contract.

#### 11. Nondiscrimination.

Vendor hereby promises and agrees that it will comply with Subchapter VII of the Civil Rights Act of 1964, 43USC Section 2000e through 2000e (17), to the end that no person shall, on grounds of race, creed, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract, or under any project, program or activity supported by this Contract.

Vendor shall take affirmative action to ensure that applicants and employees are treated in an unbiased manner without regard to their race, color, religion, sex, age, ancestry, or national origin, physical or mental handicap, marital status, or political affiliation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

#### 12. <u>Compliance with Laws</u>.

Vendor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required to be included in this Contract are incorporated by this reference. Vendor shall indemnify and hold LACERA harmless from any loss, damage or liability resulting from a violation by Vendor of any such laws, rules, regulations, ordinances, and directives.

#### 13. Conflict of Interest.

No officer or employee of LACERA whose position enables him or her to influence the award of this Contract or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity or in any way remunerated by Vendor, or have any direct or indirect financial interest in this Contract or in Vendor.

#### 14. Modifications.

Any modification to this Contract must be in writing, signed by Vendor and LACERA, to be effective.

#### 15. Termination for Default.

Services performed under this Contract may be terminated in whole or in part by LACERA providing to Vendor a written Notice of Default if (1) Vendor fails to perform the services within the time specified in this Contract or any extension approved by LACERA, or (2) Vendor fails to perform any other covenant or condition of this Contract, or (3) Vendor fails to make progress so as to endanger its performance under this Contract.

Vendor shall have ten (10) calendar days from the date of the Notice of Default in which to cure the Default(s), however, in its sole discretion, LACERA may extend this period or authorize a longer period for cure.

Without limitation of any additional rights or remedies to which it may be entitled, if LACERA terminates all or part of the services for Vendor's Default, LACERA, in its sole discretion, may procure replacement services and Vendor shall be liable for all excess costs incurred by LACERA in connection with those replacement services, as determined by LACERA in its sole discretion.

If it is determined that Vendor was not in Default under the provisions of this Contract, or that the Default was excusable, then the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued under Section 16. Termination for Convenience.

#### 16. Termination for Convenience.

Services performed under this Contract may be terminated in whole or in part at any time LACERA or Vendor deems that termination is in its best interest. LACERA or Vendor shall terminate services by delivering a written Termination Notice which specifies the extent to which services are terminated and the effective termination date.

After receiving a Termination Notice under this section, and unless otherwise expressly directed by LACERA, Vendor shall take all necessary steps and shall stop services on the date and to the extent specified in the Termination Notice and shall complete services not so terminated.

#### 17 <u>SOC-2</u>

SOC-2 Report. The Vendor shall have an annual audit performed by an independent audit firm. The audits shall include the Vendor's and any subcontractor's handling of Confidential Information and shall address all areas relating to information technology security and operational processes to provide such security. The audits shall be performed in accordance with the guidance set forth in Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2), as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly recognized professional organization, as agreed to in writing by LACERA. The audit shall assess the security of information technology security and operational process to provide such security as follows:

17.1 The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the "SOC 2 Audit" or "SOC 2 Report"). The initial SOC 2 Audit shall be scheduled

and completed within six months of executing the Contract. All subsequent SOC 2 Audits that are arranged after this first audit shall be performed and submitted annually.

- 17.2 The SOC 2 Audit shall report in writing on the Vendor's and any subcontractor's system(s) and the suitability of the design and operating effectiveness of controls of the information functions and/or processes to meet the requirements of the Contract, including the security requirements.
- 17.3 The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the Vendor for the information functions or processes for the services offered to LACERA under the Contract. The Vendor shall ensure the audit includes all subcontractors operating in the performance of the Contract.
- 17.4 All SOC 2 Audits, including those of the Vendor and any subcontractors, shall be performed at no additional expense to LACERA.
- 17.5 The Vendor and all relevant subcontractors shall promptly provide a complete copy of the final SOC 2 Report(s) to the Project Director upon completion of each SOC 2 Audit engagement.
- 17.6 The Vendor shall provide to LACERA, within thirty (30) calendar days of the issuance of each SOC 2 Report, a documented corrective action plan that addresses each audit finding or exception contained in a SOC 2 Report. The corrective action plan shall identify in detail the required remedial action by the Vendor or subcontractor(s) along with the implementation date(s) for each remedial action.
- 17.7 If the Vendor or any subcontractor fails to obtain an annual SOC 2 Report, LACERA shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report. The audit will include the information functions and processes utilized or provided by the Vendor and any relevant subcontractor under the Contract. The Vendor and any subcontractor agree to allow the independent audit firm to access its facilities for purposes of conducting this audit engagement. They will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. LACERA will invoice the Vendor for the expense of the SOC 2 Report(s), or deduct the cost from future payments to the Vendor.

#### 18. <u>Disaster Recovery & Business Continuity</u>

Vendor will implement and maintain disaster recovery and business continuity procedures that are reasonably designed to recover data processing systems, data communications facilities, information, data and other business related functions of LACERA in a manner and time frame consistent with legal, regulatory, and business requirements applicable to LACERA.

#### 19. <u>Data Breach Verification.</u>

19.1 Vendor shall provide an annual written, signed attestation that to the best of its knowledge, no data breach, hacking, or incidental divulging of any data has occurred, and that no data has been compromised ("Incident"). The attestation shall verify that adequate internal policies and procedures exist to prevent data theft and unauthorized access.

- 19.2 Vendor shall provide an annual system penetration test in support of the attestation made above. Vendor shall provide the results of penetration tests to LACERA.
- 19.3 Vendor at its own cost, shall comply with California Civil Code § 1798.29(e) and California Civ. Code § 1798.82(f). In the event of a security breach of more than 500 records, the Vendor shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General.
- 19.4 Vendor at its own cost, shall notify any California resident whose unencrypted personal information, as defined, was acquired, or reasonably believed to have been acquired, by an unauthorized person as required by California Civil Code §1798.29(a) and California Civ. Code §1798.82(a).
- 19.5 Notwithstanding the legal notification requirements in the preceding paragraphs, Vendor will immediately, which means no more than 48 hours after discovery, notify LACERA upon its discovery of any Incident whether such Incident includes LACERA data or not. Such notice shall include the nature and extent of the breach, the type of data compromised, and a summary of mitigation taken.

#### 20. Entire Contract and Severability.

This document (including Attachments A and B) constitutes the final, complete, and exclusive statement of the terms of the Contract between LACERA and Vendor for the services to be performed and supersedes all prior and contemporaneous understandings or Contracts of the parties. The provisions of this Contract are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions or parts thereof shall nevertheless be binding and enforceable and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision which comes closest to the intent of the parties.

#### 21. Governing Law and Venue.

- 21.1 This Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to principles of conflicts of laws.
- 21.2 Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract or the transactions it contemplates (whether in contract, tort, equity, or otherwise), shall bring the legal action or proceeding in either the United States District Court or in any court of the State of California sitting in Los Angeles County.
- 21.3 Each party to this Contract consents to the exclusive personal and subject matter jurisdiction of any United States District Court sitting in the County of Los Angeles and any court of the State of California sitting in the County of Los Angeles, and their appellate courts for the purpose of all legal actions and proceedings arising out of or relating to this Contract or the transactions it contemplates, including all claims of any nature or type, whether in contract, tort, statutory, equitable, legal, or otherwise.

#### 22. Attorney's Fees.

In the event of litigation between the parties concerning this Contract, the prevailing party shall be entitled to recover reasonable costs and expenses incurred therein, including without limitation attorney's fees. These expenses shall be in addition to any other relief to which the prevailing party may be entitled and shall be included in and as part of the judgment or decision rendered in such proceeding.

#### 23. <u>Interpretation</u>.

Vendor acknowledges they have been given the opportunity to have counsel of their own choosing to participate fully and equally in the review and negotiation of this Contract. The language in all parts of this Contract shall be construed in all cases according to its fair meaning, and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

#### 24. Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, or preceding or subsequent, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

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#### **EXHIBIT E**

#### IT SECURITY CONTROLS

ALL RESPONDENTS SHALL PROVIDE A COPY OF THEIR LATEST SECURITY COMPLIANCE CERTIFICATION REPORT. ACCEPTABLE COMPLIANCE CERTIFICATION REPORTS ARE SOC2, OR ISO 27001, OR HIPAA.

ADDITIONALLY, IF SELECTED THROUGH THIS RFP PROCESS, RESPONDENT SHALL COMMIT TO PROVIDE FUTURE CERTIFICATION REPORTS AND AN ANNUAL WRITTEN, SIGNED ATTESTATION FOR ANNUAL VENDOR SECURITY POSTURE ASSESSMENT.

THE SELECTED RESPONDENT SHALL PROVIDE A SIGNED ATTESTATION THAT, TO THE BEST OF ITS KNOWLEDGE, NO DATA BREACH, HACKING, OR INCIDENTAL DIVULGIING OF ANY DATA HAS OCCURRED, THAT NO DATA HAS BEEN COMPROMISED ("INCIDENT"), AND THAT ADEQUATE INTERNAL POLICIES AND PROCEDURES EXIST TO PREVENT DATA THEFT AND UNAUTHORIZED ACCESS.

IF RESPONDENTS HAVE NOT COMPLETED ANY OF THE ABOVE COMPLIANCE REPORTS, THEY MUST COMPLETE AND SIGN THE VENDOR DATA SECURITY QUESTIONNAIRE DOCUMENT IN ORDER TO ASSESS THEIR SECURITY POSTURE AND SUITABILITY OF THE DESIGN AND OPERATING EFFECTIVENESS OF CONTROLS, INFORMATION FUNCTIONS, AND PROCESSES.

[VENDOR DATA SECURITY QUESTIONNAIRE ON NEXT PAGE]

Attachment E

# L//CERA

## **VENDOR QUESTIONNAIRE**

1	GENERAL INFORMATION	
Name o	f Vendor:Click or tap here to enter text.	
Vendor	s a(an): □Individual □Corporation □ Partnership □Other Click or tap here to enter text.	
2	SAFEGAURDS ON LACERA CONFIDENTIAL INFORMATION	
a)	Does / will the vendor hold LACERA Confidential or LACERA member PII information?  If yes, please provide details. Response: Click or tap here to enter text.	□Yes □No
b)	Is LACERA information physically or virtually segregated from the vendor and its vendor's other clients?  If yes, please provide details. Response: Click or tap here to enter text.	□Yes □No
c)	Provide brief description on the type of connection (encryption and authentication) for information exchange and the vendor organization. Response: Click or tap here to enter text.	between LACERA
d)	Is LACERA information encrypted at rest?	□Yes □No
e)	Describe the teams within vendor's organization that have access to the LACERA information: Response: Click or tap here to enter text.	
f)	Are vendor's production and test/development areas separated?  If yes, please provide brief details. Response: Click or tap here to enter text.	□Yes □No
3	VENDOR Security and INCIDENT RESPONSE PROGRAM	
a)	Provide documentation on vendor Information Security Policy and Incident Response programs.  Response: Click or tap here to enter text.	
b)	Provide confirmation and/or attestation to a 72-hour breach notification.  Response: Click or tap here to enter text.	
c)	Vendor agrees to a periodic review for compliance to LACERA policies and security requirements. Response: Click or tap here to enter text.	
4	VENDOR PENETRATION TEST AND SOC2 REPORTS	
a)	Has the vendor completed a Penetration test?  Provide summary report of the latest Penetration Test. Response: Click or tap here to enter text.	□Yes □No
b)	Has the vendor completed an Independent Service Auditors compliance exam such as SOC 2?  If yes, please provide the latest audit report and proceed to the last section of this questionnaire sign and da Response: Click or tap here to enter text.	□Yes □No ate the document.
	If compliance report has not been completed, please proceed to the next sections.	

#### 5. EMAIL SECURITY CONTROLS

If the ar	swer to any question in this section is "No", please provide additional details in the "Additional Comments" se	ection.
a)	Do you tag external emails to alert employees that the message originated from outside the organization?	□Yes □No
b)	Do you pre-screen emails for potentially malicious attachments and links?  If "Yes", complete the following:  Provide your email security provider. Response: Click or tap here to enter text.  Do you have the capability to automatically detonate and evaluate attachments in a sandbox to determine	□Yes □No
	if they are malicious.	□Yes □No
c)	Have you implemented any of the following to protect against phishing messages? (check all that apply):  Sender Policy Framework (SPF)  DomainKeys Identified Mail (DKIM)  Domain-based Message Authentication, Reporting & Conformance (DMARC)  None of the above	
d)	Can your users access email through a web application or a non-corporate device?	□Yes □No
,	If "Yes", do you enforce Multi-Factor Authentication (MFA)?	□Yes □No
e)	Do you use Office 365 in your organization?	□Yes □No
	If "Yes", do you use the Office 365 Advanced Threat Protection add-on?	□Yes □No
Respon	se: Click or tap here to enter text.	
6	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" set Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.	ection. □Yes □No
6 If the ar	. INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" set Do you use a cloud provider to store data or host applications?	
6 If the ar a)	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" section you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.	□Yes □No
6 If the ar a)	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" see Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.  Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)?  Do you encrypt all sensitive and confidential information?	□Yes □No
6 If the ar a)	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" see Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.  Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)?  Do you encrypt all sensitive and confidential information?  If "No", are the following compensating controls in place:	□Yes □No □Yes □No □Yes □No
6 If the ar a)	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" set Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.  Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)?  Do you encrypt all sensitive and confidential information?  If "No", are the following compensating controls in place:  1. Segregation of servers that store sensitive and confidential information?	□Yes □No □Yes □No □Yes □No
6 If the ar a) b) c)	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" see Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.  Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)?  Do you encrypt all sensitive and confidential information?  If "No", are the following compensating controls in place:  1. Segregation of servers that store sensitive and confidential information?  2. Access control with role-based assignments?	□Yes □No □Yes □No □Yes □No □Yes □No □Yes □No
6 If the ar a) b) c)	INTERNAL SECURITY  Isswer to any question in this section is "No", please provide additional details in the "Additional Comments" see Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.  Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)?  Do you encrypt all sensitive and confidential information?  If "No", are the following compensating controls in place:  1. Segregation of servers that store sensitive and confidential information?  2. Access control with role-based assignments?  Do you allow remote access to your network?	□Yes □No □Yes □No □Yes □No □Yes □No □Yes □No □Yes □No
6 If the ar a) b) c)	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" so Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.  Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)?  Do you encrypt all sensitive and confidential information?  If "No", are the following compensating controls in place:  1. Segregation of servers that store sensitive and confidential information?  2. Access control with role-based assignments?  Do you allow remote access to your network?  If "Yes", do you use MFA to secure all remote access to your network?  Do you use a next-generation antivirus (NGAV) product to protect all endpoints across your enterprise?	□Yes □No
6 If the ar a) b) c) d)	INTERNAL SECURITY  Issuer to any question in this section is "No", please provide additional details in the "Additional Comments" so Do you use a cloud provider to store data or host applications?  If "Yes", provide the name of the cloud provider. Response: Click or tap here to enter text.  Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)?  Do you encrypt all sensitive and confidential information?  If "No", are the following compensating controls in place:  1. Segregation of servers that store sensitive and confidential information?  2. Access control with role-based assignments?  Do you allow remote access to your network?  If "Yes", do you use MFA to secure all remote access to your network?  Do you use a next-generation antivirus (NGAV) product to protect all endpoints across your enterprise?  If "Yes", provide name of your NGAV provider. Response: Click or tap here to enter text.  Do you use an endpoint detection and response (EDR) tool that includes monitoring and logging?	□Yes □No

i)	Do you record and track all software and hardware assets deployed across your organization?	□Yes □No
j)	How frequently do you install critical and high severity patches across your enterprise?	□Yes □No
k)	Do you use a protective DNS service (PDNS) to block access to known malicious websites?	□Yes □No
l)	Do you implement PowerShell best practices as outlined by Microsoft?	□Yes □No
m)	Do you utilize a Security Information and Event Management system (SIEM)?	□Yes □No
n)	Do you utilize a Security Operations Center (SOC)?  If "Yes", complete the following:	□Yes □No
	Is your SOC monitored 24 hours a day, 7 days a week?  If your SOC is outsourced, provide name of your SOC provider. Response: Click or tap here to enter text.	□Yes □No
	ONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other releases you are utilizing that are not listed here.)	vant IT security
Respon	se: Click or tap here to enter text.	
7	. PHISHING CONTROLS	
a)	Do all employees at your company complete mandatory cybersecurity training?  If "Yes", does such training include phishing simulation?	□Yes □No
8	. BACKUP AND RECOVERY	
If the ar	nswer to any question in this section is "No", please provide additional details in the "Additional Comments" se	ection.
Do you If "Yes":	use a data backup solution?	□Yes □No
a)	Which best describes your data backup solution?  Backups are kept locally but separate from your network (offline/air-gapped backup solution).  Backups are kept in a dedicated cloud backup service.  You use a cloud-syncing service (e.g. Dropbox, OneDrive, SharePoint, Google Drive).	
b)	Check all that apply:  Your backups are encrypted  You have immutable backups  Your backups are secured with different access credentials from other administrator credentials  You utilize MFA for both internal and external access to your backups  You have tested the successful restoration and recovery of key server configurations and data from backup are able to test the integrity of backups prior to restoration to ensure that they are free of malware	ups
c)	Estimated amount of time it will take to restore essential functions using backups in the event of a widespress ransomware attack within your network.  □0-24 hours □1-3 days □4-6 days □1 week or longer	ad malware or
d)	Has the vendor completed Disaster Recovery testing?  If yes, please provide RTO/RPO objectives (Return Time or Return Point Objectives).  Response: Click or tap here to enter text.	□Yes □No
	ONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other rele es you are utilizing that are not listed here.)	vant IT security
	se: Click or tap here to enter text.	

a)	Has the vendor received any complaints or written der breach of private information, network security, defama computer virus infections, theft of information, damage vendor's network?	ation, content infringement, identity theft, denial of s	service attacks,
b)	Has the vendor been the subject of any government a	ction, investigation, or other proceedings regarding	any alleged violation
	of privacy law or regulation?		□Yes □No
c)	Has the vendor notified customers, clients or any third	party of any security breach or privacy breach?	□Yes □No
ADDITI	ONAL COMMENTS (Use this space to explain any "No"	answers in the above section and/or to list other re	elevant IT security
measur	es you are utilizing that are not listed here.)		
Daanaa	Clials and the band to and the stand		
Respon	se: Click or tap here to enter text.		
C	ERTIFICATION, CONSENT AND SIGNATURE		
	ndor has read the foregoing and understands that compl	•	•
	s or services. I hereby declare that, after inquiry, the ab	ove statements and particulars are true, and I have	not suppressed or
misstate	ed any material fact.		
Print or	Type Vendor's Name: Click or tap here to enter text.	Title of Signee: Click or tap here to enter text.	
Signatu	re of Signee: Click or tap here to enter text.	Date signed: Click or tap here to enter text.	

9. INCIDENTS

#### **EXHIBIT F**

#### INTENT TO RESPOND

Intent to Respond.

Barry W. Lew

LACERA – Executive Office

To:

Co.:

If you choose to respond to this RFP, please send this form to <u>blew@lacera.com</u> via email no later than **5:00 p.m. PT, Friday, September 5, 2025.** Failure to send your Intent to Respond may disqualify your firm from submitting a proposal.

LACERA's responses to written requests for clarification or other information will be provided to all Respondents that have submitted an Intent to Respond.

From:

Title: Co.:

Phone: Email: Re:	626-564-2370 blew@lacera.com Intent to Respond	Phone: Email: Date:
Our firm inte	nds to submit a response for LACERA's F	RFP for economic impact analysis.
Please send	inquiries to the following contact:	
Name:		
Title:		
Company:		
Mailing Addr	ess:	
Telephone:		
Facsimile:		
Email Addres	SS:	

#### **EXHIBIT G**

#### **SELECTION CRITERIA**

The selection criteria below and the weighting schedule of the evaluation factors is a guide only and does not bind or limit LACERA in any way in its selection of vendor(s).

An evaluation committee will review, evaluate, and rank all responsive proposals by the evaluation criteria described below. LACERA may invite the highest ranked Respondents for presentations and interviews at which time each will have a limited amount of time to further describe their experience and qualifications, and to answer questions.

LACERA will evaluate proposals based upon the proven ability of the Respondent to satisfy the requirements in an efficient, cost-effective manner, considering quality of service. LACERA will evaluate responses against the following criteria and factors.

LACERA will consider the criteria, without a specific weighting, unless noted below. The balancing of the factors is in LACERA's sole discretion. LACERA reserves the right to consider factors other than those listed in making its choice.

	CRITERIA
1	Adherence to RFP instructions
2	Professional capability, demonstrated competence, and specialized experience
3	Experience and education of key personnel
4	Nature and quality of completed services for other clients
5	Work plan and methodology
6	Diversity and inclusion efforts within firm
7	Proposed agreement terms and price proposal

#### **EXHIBIT H**

#### **DIVERSITY, EQUITY, AND INCLUSION QUESTIONNAIRE**

#### **LACERA Due Diligence Regarding Diversity, Equity, and Inclusion**

LACERA values diversity, equity, and inclusion ("DEI"), and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA takes a broad view of diversity, inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender, gender identity, disability status, national origin, and culture. LACERA expects consultants, vendors, and other third-party providers to respect and reflect LACERA's value of DEI. LACERA's ongoing monitoring of third-party service providers incorporates an assessment of vendors' commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces.

#### **SECTION I**

COMPANY BACKGROUND
1. Name of your Business
2. Name of person completing this survey
3. Your email address
4. Is your business public or private?
a) □ Public b) □ Private
5. How many full-time employees are at your business?
a)

6. Which of the following best describes the industry your business is in?

a) ☐ Advertising & Marketing
b) ☐ Architecture, Construction, Design, & Engineering
c)  Consulting & Professional Services
d) ☐ Education
e)   Entertainment, Sports & Leisure
f)   Finance & Financial Services
g) 🗆 Government
h) 🗆 Healthcare & Pharmaceuticals
i) 🗆 Hospitality, Hotels & Tourism
j) 🗆 Insurance
k) 🗆 Manufacturing
I) 🗆 Market Research & Other Research
m)   Non-Profit & Charities
n) 🗆 Retail & Consumer Packaged Goods
o)   Technology & IT
p) 🗆 Transportation & Delivery
q) 🗆 Utilities, Energy, and Extraction
r) 🗆 Other (please specify)
7. Does your business identify as one of the following diverse supplier classifications?
a) 🗆 No
b) ☐ Women Business Enterprise (WBE)
c)   Minority Business Enterprise (MBE)
d) ☐ Small Business
e) Disadvantage Business Enterprise (DBE)
f) Ueteran-owned Small Business (VOSB)
g)   Service-Disabled Veteran-owned Small Business (SDVOSB)
h) ☐ LGBTQ-Owned
i) ☐ HubZone Small Business
j) 🗆 8(a) Small Business
k) $\square$ None of the above
I) □ Other (please describe)
8. Please select any of the following certifications your organization has signed or certifications you have received. (Select all that apply.)
a)   National Minority Supplier Development Council (NMSDC)
b) Women's Business Enterprise National Council (WBENC)
c) $\square$ National Gay & Lesbian Chamber of Commerce (NGLCC)
d) United States Hispanic Chamber of Commerce (USHCC)
-,

e) ☐ Asian Pacific American Chamber of Commerce (APAAC)  f) ☐ Native American Chamber of Commerce (NACC)  g) ☐ Vets First Certification Program (for veteran-owned small businesses)  h) ☐ U.S. Business Leadership Network (USBLN, for disabled-owned small businesses)  i) ☐ None of the above  j) ☐ Other (please describe)
9. If you answered yes to question 8, please provide LACERA with a copy of the certifications for each diverse supplier classification.
SECTION II
DEI IN THE WORKPLACE
Policy
1. Describe your business's approach to diversity, equity, and inclusion ("DEI") in the workplace and its relation to your strategic objectives.
2. Does your business have a written policy (or policies) addressing workplace DEI ("Policy")? A Policy defines the business's commitment, policies, and practices regarding equal employment opportunity, including the recruitment, development, retention, and promotion of a diverse and inclusive workforce and non-discrimination based on gender, race, ethnicity, sexual orientation, gender identity, age, veteran's status, and other legally protected categories. A Policy (or policies) may be a standalone document or part of a larger business document.
a) □ Yes b) □ No
If yes, please provide a copy of your business's Policy.
3. Does your Policy address sexual harassment in the workplace?
a) □ Yes b) □ No
If not, please explain.
4. If your business does not have a written DEI policy, do you commit to promptly adopting and providing a copy of a Policy, if your business is awarded a contract with LACERA?
a) □ Yes b) □ No
Oversight

- 1. Who is responsible for overseeing the Policy's implementation? Please provide the name and title. What processes are employed to implement and enforce the business's Policy?
- 2. Who is responsible for overseeing compliance with the Policy? Please provide the name and title. What processes are employed to promote compliance with the Policy?
- 3. What oversight, if any, does your business's board and/or executive team exercise regarding the business's DEI policy and efforts?

4. What data, trends, or analysis does the business's board or executive committee receive regarding the business's effectiveness in adhering to DEI policies, objectives, and compliance?
5. Under what circumstances would an allegation of non-compliance with the Policy prompt notification and/or consideration by the business's board or executive committee?
Track Record
1. Has your business been subject to any judicial, regulatory, or other legal findings, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past twelve years?
a) □ Yes b) □ No
Please describe.
2. Please identify the number of confidential settlements and/or non-disclosure agreements related to workplace discrimination and/or sexual harassment entered into by your business during the past twelve years. Please describe the nature of each settlement within the terms of the confidential settlement.
Objectives and Compliance Strategies
1. Does your business integrate DEI into executives' performance reviews and/or incentive pay objectives?
a) □ Yes b) □ No
Please describe.
2. Does your business conduct pay disparity analyses to discern any disparities by gender, race, ethnicity, or other attributes of diversity?
a) □ Yes b) □ No

Please describe or explain why not.

3. Does your business have a clawback or recoupment policy in place by which workplace misconduct, such as sexual harassment, may trigger the recoupment of incentive pay, awards bonuses, or other compensation?
a) □ Yes b) □ No
4. Does your business provide paid family leave provisions?
a) □ Yes b) □ No
If yes, please describe.

- 5. Please explain any other incentives or risk mitigation strategies your business employs to
- 6. How does your business promote an accessible workplace for employees with disabilities?
- 7. Please describe any DEI objectives or goals your business has.
- 8. Describe any affiliations or leadership positions related to DEI in the services industry with which your business is involved.

#### SECTION III

#### **DEI DEMOGRAPHICS AND ATTRIBUTES**

promote compliance with your DEI policies.

1. LACERA seeks to understand the track record of vendors in accessing and retaining talent inclusive of diverse backgrounds.

We invite all businesses to provide the demographics and diversity attributes of their leadership (such as boards or executive committees) and professionals, consistent with applicable laws, regulations, and privacy considerations in the markets in which they operate.

Please complete the attached DEI Demographic worksheet by entering the number of employees for each category (not the percentage of employees). Blank cells will be interpreted as having a value of zero.

#### Job Categories:

• Board of directors, and CEO, CFO & COO: This row includes all members of the business/organization's governing board (or executive committee), as well as CEO, CFO, COO, or equivalent positions.

- Managers: All professionals who have a role in decision-making that affects all areas of business operations.
- Supervisors: All professionals who have a role to work alongside employees to ensure that they perform tasks that align with the goals managers set.
- Support Staff: All professionals who have a role in supporting the business functions, such as marketing, client service, operations, accounting, IT, and legal.
- If an employee is both, a member of the board of directors or occupies the position of CEO, CFO, or COO, as well as serves as a member of the staff, the individual may be counted in both rows.

The categories have the same definitions as the diversity categories used by the United States Equal Employment Commission (EEOC) in its Employer Report EEO-1.

See www.eeoc.gov/employers/eeo1survey/index.cfm for further information.

2. Is your business willing to provide the business's workforce composition in a similar format on a periodic basis, if awarded a contract with LACERA?
a)

#### **EXHIBIT I**

## BEACON ECONOMICS ECONOMIC IMPACT STUDY SAMPLE LEGISLATIVE FACT SHEETS

## Economic, Fiscal, and Social Impacts of LACERA Pensioners

September 2022







## About Beacon Economics

Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis they need to understand the significance of on-the-ground realities and to make informed business and policy decisions.

#### **Practice Areas**

Economic, Fiscal, and Social Impact Analysis Regional and Sub-Regional Analysis

Economic and Revenue Forecasting Housing, Land Use, and Real Estate Advisory

Sustainable Growth and Development Litigation Support and Expert Testimony

#### **Project Advisors**

Christopher Thornberg, PhD, Founding Partner

#### **Project Team**

Mazen Bou Zeineddine, Manager, Economic, Fiscal and Social Impact Analysis

Samuel Maury-Holmes, Senior Research Associate, Economic, Fiscal, and Social Impact Analysis

**Johnathan Cahill**, Research Associate, Economic, Fiscal, and Social Impact Analysis

#### **Expertise in Economic Impact Analysis**

Since 2011, Beacon Economics has conducted multiple comprehensive analyses that have provided reliable and quantifiable data on the economic impact of various industries and organizations, including universities and higher education institutions such as USC, UCLA, Cal State Pomona, and Loyola Marymount. Analyses evaluate major economic impacts associated with these entities and their fiscal impact on national, state, and local governments. They also incorporate a comprehensive assessment of the social and qualitative impacts associated with these institutions. By combining sampling methods, financial data, surveys, and other available economic resources with current frameworks for studying economic impacts, Beacon Economics estimates the amount of economic activity generated in the local and broader economy by calculating the spending of entities and other participants in the affected region.

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### Key Economic Terms

Term	Definition
Direct Effect	The output of goods or services resulting from immediate spending by LACERA pensioners. These expenditures are spent on household spending categories, including housing, food, finance, retail, transportation and entertainment.
Indirect Effect	The additional output of goods or services generated by supply chain interactions. For example, when a pensioner spends money on groceries, that grocery store will go to a wholesaler and purchase additional goods, thereby generating an indirect impact.
Induced Effect	As businesses increase productivity from the direct and indirect effects, their payroll expenditures grow through more hiring or increased salaries. As a result, household spending expands. These new personal market transactions, generating additional outputs of goods and/or services, are the induced effect.
Secondary Effect	Sum of indirect and induced effects.



**Total Impact** The sum of the direct, indirect, and induced effects.

**Employment** The number of jobs supported through spending by LACERA pen-

sioners, including direct, indirect and induced effects.

**Labor Income** The value of all forms of employment income paid for all types of

impacts, including health benefits, bonuses, etc.

Output The total value of production generated through project spending,

including the value of intermediate inputs: the goods and services used in the production of equipment, raw materials, energy, and

other production inputs.

**Tax Revenue** Money collected to support federal, state, and local governments.

**Defined Benefit Plan** A retirement plan sponsored by the employer where the retiree

is paid out a fixed amount that is calculated by several factors

including salary and length of employment.

**Defined Contribution Plan** A retirement plan that involves the employee and potentially the

employer where contributions are made from the employees' paycheck towards an investment account that funds the retirement plan. These plans include programs such as the 401(k) or

403(b).



## Executive Summary

The Los Angeles County Employees Retirement Association (LACERA or "the Agency") is an independent government agency managing retirement funds primarily for Los Angeles County employees. Established in 1938 to oversee a pension trust designated for eligible county workers, the agency has since grown substantially in both importance and value — becoming a multibillion-dollar fund and serving thousands of county employees. Contributions toward the plan are made by the employer and the employee, which is then administered by LACERA. Given the complex nature of financial investment strategies, LACERA established the Board of Investments in 1971 to prioritize diversification and ensure long-term strategic goals are met. LACERA's retirement plans are all *defined benefit plans*, a retirement option providing a specific, fixed, pre-established payment amount once the individual retires. Defined benefit plans (DB pensions) provide significant impacts across the communities they serve. A 2021 study of nationwide DB pensions found that pensioners generated roughly \$1.3 trillion in economic output and supported approximately 7 million jobs across the United States<sup>1</sup>.

Pensioners under LACERA provide significant value to the local economy. Most of these pensioners dedicated their careers towards public service for Los Angeles County, and now continue to benefit the economy by spending a majority of their income in and around the county. As of 2022, there were just under 73,400 LACERA pensioners receiving benefits nationwide – of which slightly over 60,500 resided in California. The majority of California-based LACERA pensioners live in the Los Angeles County area, with approximately 42,300 pensioners or 70% of the statewide total retirees, who spend approximately \$2.0 billion (after tax deductions) annually. This study examines the economic and fiscal impact of Los Angeles County retirees' household spending utilizing an input-output model to assess what contributions LACERA pensioners make toward the local economy through supporting jobs, wages, and generating economic output. It is important to note that this analysis does not capture the full breadth impact of LACERA as an organization. The agency spends well over \$100 million annually for operational expenditures including employee

<sup>1</sup> https://www.nirsonline.org/2021/01/pension-spending-supports-1-3-trillion-in-output-6-9-million-jobs-192-billion-in-tax-revenue-across-u-s-economy/



salaries and benefits, services, and supplies. These expenditures in and of themselves have considerable impacts on the economy – however, for the purposes of this report, the economic, fiscal and social impact analysis will be concentrated on the benefits provided from pensioner and household spending. The *Social Impact* section of the report highlights non-quantitative benefits associated with LACERA. Pensioners often make significant contributions toward charities, philanthropic organizations, and much more — and LACERA pensioners are no exception. Pensions such as LACERA are important to public agencies because they help attract and retain top talent, across all public services. As a result, the importance of pension funds such as LACERA is substantial. The social impact section highlights the benefits pensioners provide to their community, as well as how their spending helps at-risk industries.

#### **Key Facts**

- LACERA's pensioners generate approximately \$2.7 billion in economic output annually across Los Angeles County, supporting approximately 23,643 jobs and generating roughly \$819.4 million in labor income. Statewide, LACERA's total annual impacts are over \$2.9 billion, supporting 24,931 jobs and generating \$917.4 million in labor income.
- LACERA's pensions ripple throughout the Los Angeles County region. Of the \$2.7 billion in annual economic output, approximately \$586.9 million was generated in District 1, \$497.3 million in District 2, \$435.6 million in District 3, \$529.2 million in District 4, and \$606.3 million in District 5.
- In addition to the economic benefits, LACERA's pensions generate massive fiscal revenues annually for various government agencies. Statewide, a total of \$388.5 million is generated in fiscal revenue annually from pensioner spending, with \$172.8 million in state and local taxes and \$215.7 million in federal revenues. Los Angeles County absorbs the bulk of this fiscal revenue generated, with \$154.3 million in state and local revenue and \$185.3 million in federal funds for a total of \$339.7 million in fiscal revenues.
- Across the five districts, annual fiscal impacts varied, with the most collected from District 5 at a total of \$83.2 million in tax revenue, followed by District 1 at \$71.3 million, District 4 at \$67.7 million, District 2 generated \$58.9 million and District 3 collected \$57.4million in fiscal revenues.



## Methodology

To analyze the total economic and fiscal impacts of LACERA's pensioners, Beacon Economics assessed annualized aggregated pension data across all of the association's retirees currently receiving pensions. The analysis was concentrated primarily across seven geographies: California, Los Angeles County, and the five Los Angeles County Board of Supervisor districts. Pension data was collected from LACERA by supervisorial district estimating monthly benefits per retiree, which was then converted to annual terms for the input-output model. Before tax, the total estimated annual pensions were roughly \$2.4 billion, and approximately \$2.0 billion after tax deductions. Pensions by district varied, as did the total number of retirees. Figure A below highlights total pensioners and pension amount by district:

Figure A: Share of Pensioners and Pensions by District, Los Angeles County

District	Number of	Share of Total	<b>Total Pension</b>	Share of Total
	Pensioners	Pensioners	Amount* (\$, Mil.)	Pension
District 1	9,159	21.6%	514.2	21.8%
District 2	8,872	21.0%	427.2	18.1%
District 3	4,243	10.0%	257.8	10.9%
District 4	9,206	21.8%	535.3	22.7%
District 5	10,492	24.8%	624.7	26.5%
Unknown District	336	0.8%	1.5	0.1%
Total	42,308		2,360.6	

Source: LACERA; analysis by Beacon Economics.



<sup>\*</sup>Note: Total pension amount represented in Figure A is prior to tax deductions.

Beacon Economics uses IMPLAN (Impact Analysis for Planning), a state-of-the-art input-output modeling system that estimates how certain expenditures correlate and affect other industries in the economy to generate the total economic and fiscal impact. This study assumes changes in spending can result in a direct, indirect, and induced effect. The indirect and induced effects are often also known as "ripple" or "multiplier" effects, and in combination are referred to as "secondary" impacts. The initial direct expenditures lead to sequential spending in the respective economy. Together, the direct, indirect, and induced effects add up to the total impact.

This study estimates how household spending will ripple through the economy and impact various industries across the local and broader regions. For example, when a pensioner receives their monthly check, a portion of that will be spent on housing, food, entertainment, retail, and other goods and services. These expenditures are considered the *direct effect*. Subsequent business-to-business transactions and supply chain spending will fall under the *indirect effect*. Finally, household spending from workers that are supported through industries in the direct and indirect expenditures will create the *induced effect*. Total economic impact is considered the sum of direct, indirect, and induced effects. The following metrics were used to report the impacts of LACERA's pensioners:

- **Employment** represents the number (headcount) of part-time, full-time, and temporary jobs supported through household spending by LACERA pensioners. Jobs "supported" includes jobs generated and existing jobs that have been supported by household spending.
- **Labor income** represents the value of all employment income generated through LACERA's pensioner spending, including fringe benefits such as health care, retirement, etc.
- **Output** refers to the total value of production generated by household spending, including the value of intermediate inputs (goods and services used in the production of equipment, raw materials, energy, and other production inputs).

For more information on the IMPLAN MRIO (Multi-Regional Input-Output) analysis modeling system, please see the Appendix.

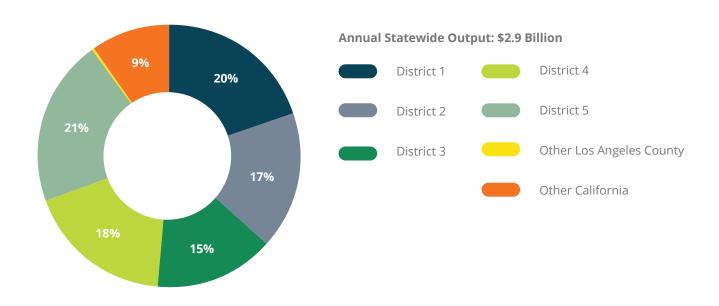


## Economic and Fiscal Impacts

#### Statewide and County Economic Impacts

The money pensioners receive monthly will mostly be spent in the local community. Aside from taxes, fees, and other transactional items that don't generate further economic impact, most monies will remain and circulate around Los Angeles County. Annually, approximately \$2.7 billion is generated in economic output from household spending by LACERA retiree pensioners. Statewide, the impacts are slightly larger due to the fact that the rest of California will absorb any "leakages" not accounted for on the county level (money not spent within Los Angeles County and absorbed in other local economies).

Figure 1: Share of Economic Impacts from LACERA Pensioners by Region



Source: IMPLAN; analysis by Beacon Economics.

Note: "Other Los Angeles County" denotes the remaining zip codes within the county not absorbed by any of the districts. "Other California" denotes all other California counties, excluding Los Angeles County.



Total economic output generated statewide from LACERA pensioner spending amounts to roughly \$2.9 billion across California, supporting 24,931 jobs and generating \$917.4 million in labor income across a variety of industries. Much of these impacts are absorbed across five of Los Angeles County's supervisorial districts, accounting for roughly 90% of total impacts. The remaining counties in California (all statewide counties excluding Los Angeles County) account for 9.5% of the economic impacts generated, and the rest is distributed to zip codes within Los Angeles County that are not absorbed by any of the supervisorial districts (0.004% of total impacts or \$12.8 million).

Figure 2: Total Annual Economic Impact of LACERA Pensioners Across California and Los Angeles County



Source: IMPLAN; analysis by Beacon Economics.



Los Angeles County accounts for the bulk of statewide impacts (roughly 91%), which is unsurprising since most retirees live and spend their money in the region, and the fact Los Angeles County's economy is so large that it likely absorbs most of the supply chain and employee spending. The largest industries supported directly by LACERA pensioners in terms of employment are Transportation, Personal Services, Amusement and Recreation, Physicians, and Food and Beverage Stores. In total, over 18,000 jobs (mixture of part-time, seasonal, and full-time workers) are supported between these five industries across the county.

Figure 3: LACERA Pensioners' Economic Impact by Impact Type, Los Angeles County

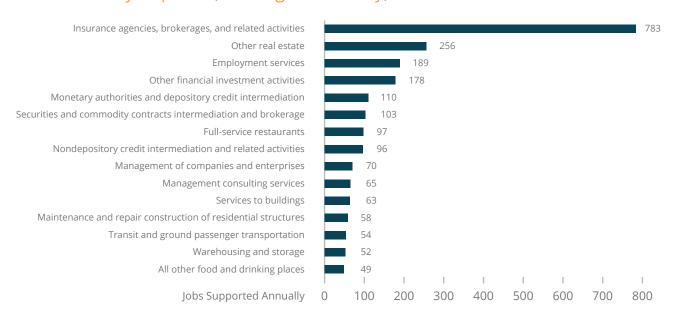
Impact Type	Employment	Labor Income (\$, Mil.)	Output (\$, Mil.)
Direct	20,122	546.0	1,858.5
Indirect	3,061	245.6	726.7
Induced	459	27.7	83.0
Total	23,643	\$819.4 million	\$2.67 billion

Source: IMPLAN; analysis by Beacon Economics. Note: Totals may not be exact due to rounding.



A majority of LACERA pensioners' economic impact comes from direct spending. For example, a pensioner may use a portion of monthly pension for rent, or groceries, or something else. Approximately 70% of total economic output generated is through pensioners' direct spending. Nonetheless, secondary impacts play a considerable role in generating economic output across the county. Roughly \$810 million is generated in economic output through secondary spending, with most supported by indirect spending. Given the nature of spending categories from the average household (housing, food, retail, finance, entertainment, etc.), a lot of these industries require significant business-to-business transactions and supply chains to operate. For example, a grocery store that a pensioner regularly visits will take a portion of that money to restock goods. As such, it is unsurprising that almost \$727 million is generated annually across Los Angeles County in indirect spending. These impacts ripple through various industries of the economy. In total, the 15 largest industries supported by LACERA pensioners in terms of employment from secondary impacts account for over 2,200 jobs, or just over 9% of total jobs supported by the pensioners across the county.

Figure 4: Top 15 Industries Employed through LACERA Pensioners Support from Secondary Impacts (Los Angeles County)



Source: IMPLAN; analysis by Beacon Economics.



#### **District Level Impacts**

LACERA pensioners' impact across Los Angeles County varies depending on the supervisorial district. This is due to the number of pensioners per district, size of the district's economy, and where the spending is likely to occur. The five supervisorial districts absorb much of Los Angeles County's total LACERA pensioner impact, with 23,607 jobs supported across five districts and \$2.7 billion in total economic output.

Figure 5: LACERA Pensioners' Total Economic Impact by Supervisorial District, Los Angeles County<sup>2</sup>

District	Employment	Labor Income (\$)	Output (\$)
District 1	5,287	180,638,596	586,884,143
District 2	4,391	149,363,038	497,289,530
District 3	3,245	137,771,581	435,616,384
District 4	4,960	162,105,791	529,225,489
District 5	5,724	185,336,886	606,318,480
Total	23,607	\$815,215,892	\$2,655,334,026

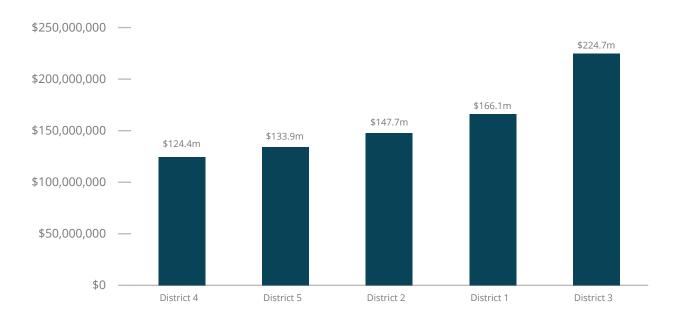
Source: IMPLAN; analysis by Beacon Economics. Note: Totals may not be exact due to rounding.

The largest economic impact generated by LACERA pensioners is in District 5 at \$606.3 million, followed by District 1 (\$586.9 million), District 4 (\$529.2 million), District 2 (\$497.3 million), and District 3 (\$435.6 million). Employment from pensioner-household expenditures ranges from 3,245 jobs supported by impacts generated across District 3 to over 5,720 jobs from impacts generated by District 5.

<sup>2</sup> For more information on economic and fiscal impacts by supervisorial districts by impact type, please see figures A.1-A.5 in the Appendix.



Figure 6: Total Economic Output from Secondary Impacts by Supervisorial District, Los Angeles County

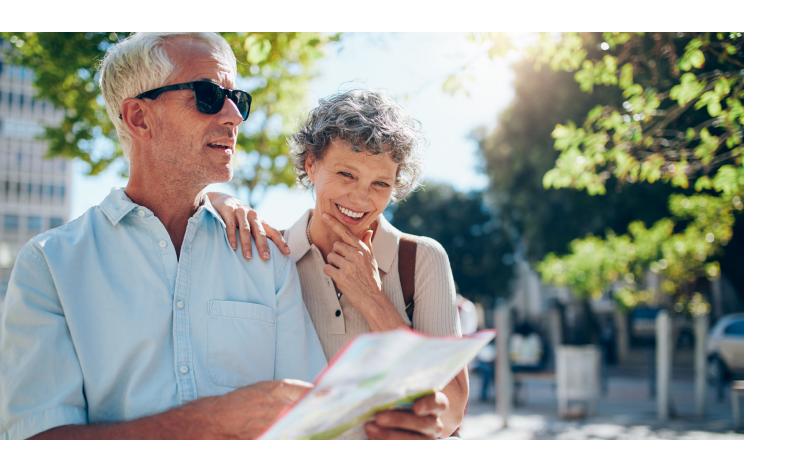


Source: IMPLAN; analysis by Beacon Economics.

When it comes to sub-regional impact analysis, geographies differ in terms of how the ripple effect will generate further economic output. For example, District 5 has the largest economic impact of any supervisorial district by LACERA pensioners. However, most of the impact is generated by direct spending, with District 5 having the second-lowest secondary impact, albeit still significant at \$133.9 million. Conversely, District 3's economic impacts are the lowest of any supervisorial districts at \$435.6 million; however, secondary impacts play a key role in the output generated. More than half of District 3's total economic output is generated through supply chain interactions and household spending at \$224.7 million.



Household spending by district mirrors total-county impacts in terms of where the expenditures are likely to occur. The top five largest impacts by industry across districts are (on average) in Insurance, Housing (owner and tenant-occupied), Transportation, Physicians, and Personal Services. Insurance receives a huge economic benefit mainly from *indirect* impacts, as a result of supply-chain and business-to-business transactions. As households spend significant money on various establishments (groceries, restaurants, recreation, etc.), firms in these respective sectors and down the supply-chain pay substantial sums in labor compensation that also includes insurance benefits. Conversely, Housing had the largest *direct* impact – as households normally spend significant portions of their incomes on housing payments, whether it be rent (including assisted or senior housing, mortgages, or maintenance and repairs. Between the five aforementioned industries, approximately \$1.8 billion is generated in economic impact alone across the five districts. Other industries deeply benefiting from LACERA pensioners include Food and Beverage stores (groceries and food and drinking places such as restaurants, bars, etc.), which experience over \$82 million a year in economic output collected between the five districts, and Amusement and Recreation (\$96.2 million generated in economic output across five districts).





#### Fiscal Impacts

Given the significant economic impacts generated by LACERA's pensioners, a substantial portion of fiscal revenue is collected by state, local, and federal agencies impact. Statewide, tax revenue collected by LACERA pensioners' economic activities totaled \$388.5 million, with \$172.8 million in state and local revenues and \$215.7 million in federal tax revenues. Los Angeles County absorbed most of the fiscal revenues generated, with \$339.7 million in total revenues, \$154.3 million in state and local taxes, and \$185.3 million in federal revenues.

District 5

District 1

District 4

District 2

District 3

Other California

Other Los Angeles County

0.2%

Figure 7: Share of State and Local Impacts from LACERA Pensioners by Region

Source: IMPLAN; analysis by Beacon Economics.

0%

As can be seen from Figure 7, much of the state and local impacts generated are collected from the five supervisorial districts in Los Angeles County. Between the five districts, around 89% of state and local impacts are generated there, with Other California (all other counties in California excluding Los Angeles County) accounting for the bulk of remaining fiscal revenues as a result of supply chain and induced impacts.

10%

15%

20%

25%



Figure 8: Annual Fiscal Impacts by Tax Type, Los Angeles County

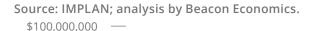
Тах Туре	State and Local (\$, Mil.)	Federal (\$, Mil.)	Total (\$, Mil.)
Corporate Profits Tax	10.9	24.3	35.2
Income Tax	23.8	61.2	85.0
Other	11.2	9.3	20.4
Property Tax	46.1	-	46.1
Sales Tax	58.2	-	58.2
Social Insurance Tax	4.2	90.5	94.7
Total	\$154.3 million	\$185.3 million	\$339.7 million

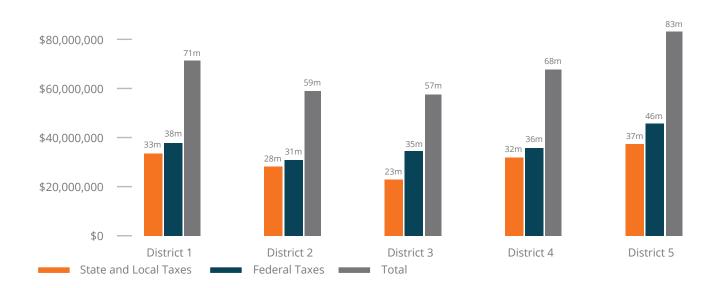
Source: IMPLAN; analysis by Beacon Economics. Note: Totals may not be exact due to rounding.

The largest sources of spending across Los Angeles County for state and local tax revenues comes from sales tax, with approximately \$58.2 million collected annually in tax revenues based on the fiscal impact from LACERA pensioners. This is unsurprising given that a significant portion of pensioners' income will be spent on taxable items, whether for groceries, retail, entertainment, or other personal services. These funds are significant to the local community because a certain portion of sales tax goes toward important social programs, including health, transportation, social services, and the county's general fund. Another significant source of revenue for state and local taxes is property taxes, with LACERA pensioners' economic activities generating around \$46.1 million. A significant portion of these revenues go toward schools, public local services (including parks, libraries, amenities), and much more. For federal revenues, the largest sources across the county were social insurance tax (\$90.5 million) and income tax (\$61.2 million), which come from taxes pensioners pay to the government, as well as any income tax or withholdings that employees of industries supported by LACERA pensioners pay.



Figure 9: Total Fiscal Impacts by Supervisorial Districts





Across the five supervisorial districts, annual fiscal impacts range depending on the magnitude of economic impact generated per region. Nonetheless, given the significant economic output generated across all five regions, the fiscal impacts are substantial. Unsurprisingly, District 5 collected the largest amount of fiscal revenue, given that the largest economic impact occurred in that region and the district experienced one of the largest direct spendings. In total, District 5 generated \$83.2 million in fiscal impact (approximately 24.4% of Los Angeles County's total fiscal impact from LACERA pensioners), with \$37.4 million in state and local taxes and \$45.7 million in federal revenues. The second largest fiscal impact was from District 1, with \$71.3 million in total fiscal revenues (\$33.5 million in state and local taxes and \$37.8 million in federal taxes). This is followed by District 4, with a total of \$67.7 million in fiscal revenues; and lastly, District 2 and 3, with \$58.9 million and \$57.4 million in fiscal revenues respectively.



# Social Impacts

### Importance of Defined Benefits Retirement Plans

The importance of retirement funds such as LACERA is substantial to a local economy. As stated in the *Economic and Fiscal Impacts* section, pensioners play a key role in generating billions across Los Angeles County, supporting various industries and helping ensure thousands of jobs are supported annually. LACERA is one of thousands of defined benefit plans (DB pensions) offered to public employees across the United States. Approximately 83% of full-time working state and local government employees participate in a defined benefit plan. Total financial assets across state and local government-employed DB pension funds were over \$5 trillion as of 2021<sup>3</sup>.

Defined benefit plans offer security to retirees that defined contribution plans cannot. Once an employee enrolls in a defined benefit plan, they are able to assess the monthly income they will receive in retirement through a formula estimating length of work, average salary, and a percentage set by law. Conversely, defined contribution plans are funded by employers and the employee (through programs such as a 401k), but there is no guarantee how much money an individual could receive. Because the funds are received through investments, they could be significantly lower at the individual's retirement due to market volatility or economic downturn. Furthermore, funds could be exhausted as opposed to a guaranteed monthly income that is appropriated through a DB pension. Not only does this mean there is assurance for the retiree to receive money, it also means there will be a guarantee that money will be circulated in the economy from defined benefit pensioners. Furthermore, DB pensions have been shown to accumulate more in retirement funds compared to defined contribution plans. In a study by the Center for Retirement Research, defined benefit plans outperformed defined contributions by 0.7% every year.<sup>4</sup>

- 3 <a href="https://publicplansdata.org/quick-facts/national/">https://publicplansdata.org/quick-facts/national/</a>
- 4 <a href="https://crr.bc.edu/wp-content/uploads/2015/12/IB\_15-211.pdf">https://crr.bc.edu/wp-content/uploads/2015/12/IB\_15-211.pdf</a>



Since DB pensions offer assured monthly income to retirees, as well as an average higher return than defined contribution plans, there is great value that defined benefit plans bring to pensioners — and the economy as a whole. Furthermore, some DB pension plans, such as LACERA's, offer excellent healthcare benefits to their retirees, that help alleviate significant medical costs as well. As a result, since a substantial portion of a retiree's money is going to be circulated around the local economy, the benefit of maintaining defined benefit plans is the positive economic impact generated in the economy at large.





### Pensioners' Support to the Economy

The magnitude of impact that pensioners have on the economy is not a fixed assumption. While LACERA's retirees were estimated to generate \$2.7 billion in economic output in Los Angeles County, this is likely to change in the future. Not only is this true for LACERA but most public retirement funds, and even defined contribution plans as well. The United States' population is aging. For context, in 2020 an estimated 56.1 million people were aged 65 or older. By 2030, that number is projected to be 73.1 million. Population forecasts by the U.S. Census show that by 2030, one in five Americans will be in retirement age<sup>5</sup>. Given declining birth rates and static migration trends, this indicates retirement spending will be an important economic variable as retirees' consumption will be more important to the economy as a whole.

As seen in the Economic and Fiscal Impacts section, there are a variety of industries significantly benefiting from LACERA pensioner spending across Los Angeles County. The true value of this spending comes during times of economic downturn or hardship. For example, Food and Beverage establishments greatly suffered throughout the COVID-19 pandemic and previously during the Great Recession. While employment took considerable time to recover from the latter, Los Angeles County's labor market has yet to recover completely from the pandemic-induced decline in jobs for Food Services and Drinking Places. The importance of LACERA-type pensioners to the economy is this: with a guaranteed monthly income following retirement, spending patterns do not have to be significantly altered since a household can anticipate what their monthly income will be. Since defined benefit plans will not change based on what the retired monthly income figure was calculated at, households should expect a constant stream of revenue. While there might be fluctuations in hard economic times (families tend to save more in recessions), pensioners are less likely to be worried since their income is not based on employment. This means retirees, especially those aged 65 - 75, are more likely to spend their money going out to eat than individuals who have been laid off or those who are concerned about a job layoff during economic hardships.

<sup>5 &</sup>lt;a href="https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf">https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf</a>



### **Volunteering and Charitable Contributions**

Another key benefit of retirees, and specifically those who receive guaranteed pensions, is they are likely to spend a portion of their time and/or money on volunteering and charitable contributions — specifically early-on in retirement.

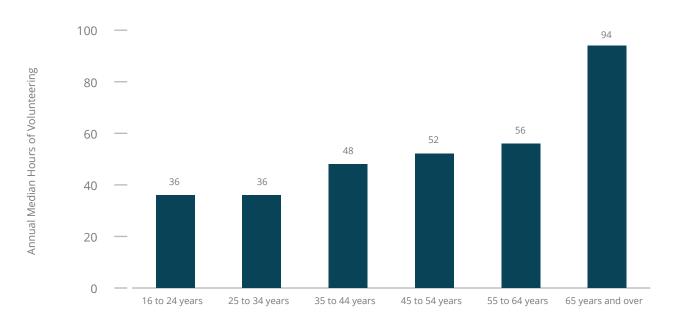


Figure 10: Median Hours of Volunteering by Age

Source: Bureau of Labor Statistics; analysis by Beacon Economics.

Retirees play a key role in volunteering toward various organizations. According to the Bureau of Labor Statistics (BLS), individuals aged 65 and over devote 94 hours in annual median hours of volunteering. Comparatively, the annual median for the total population is 52 hours, meaning individuals in retirement age are almost twice as likely to volunteer compared to any other population group. Retirees are involved with important community groups, with the most common volunteering occurring in religious organizations, social and community service groups, educational and youth services, and hospitals or health organizations.



# LACERA Member Diversity and Demographic Breakdown

### Racial/Ethnic Diversity

The ethnic and racial composition of LACERA's pensioners is highly diverse, especially in comparison to the population of Los Angeles County overall. Historically marginalized groups compose significant segments of LACERA's retiree membership. As is the case with Los Angeles County's total population, Hispanic pensioners make up the largest share of LACERA's retirees at 26%. This is lower than Los Angeles County's Hispanic population (51.1%), however, that is due to the fact that other groups comprise significant shares of LACERA's pensioners. For example, Black or African Americans make up 8.0% of Los Angeles County's total population. Among LACERA's pensioners, however, Black retirees comprise 24.5% of the total – the third largest group and only slightly behind White and Hispanic pensioners. Asian retirees also comprise a larger share of LACERA's pensioners compared to the population of Los Angeles County – making up 22.5% of retirees compared to 15.1% of the County's total population.

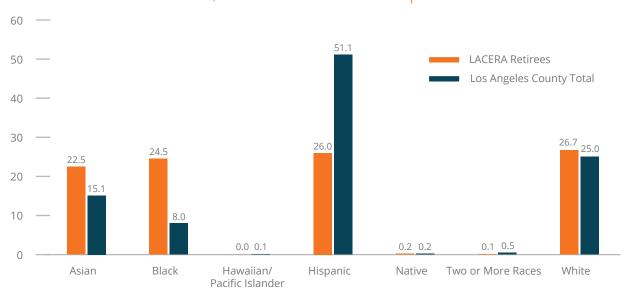


Figure 11: LACERA Pensioners, Ethnic and Racial Composition

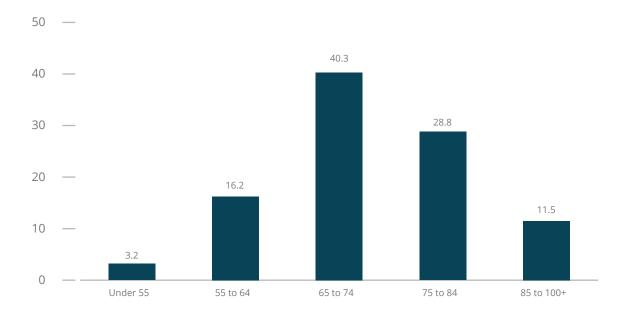
Source: LACERA, 2020 American Community Survey Public Use Microdata Survey; analysis by Beacon Economics



# Age Group Analysis

LACERA pensioners represent various age groups. The average and median age of a LACERA pensioner is 72. The largest group of retirees are between the ages of 65 and 74, making up 40% of total pensioners. Unsurprisingly, the smallest share of retirees is the group under age 55, at 3.2%. Higher age groups, specifically retirees between 85 to over 100, represent more than 10% of total LACERA pensioners.

Figure 12: Share of LACERA Pensioners by Age Group



Source: LACERA; analysis by Beacon Economics.



## Salary Analysis for Active Members

The annual average salary for LACERA active members as of 2022 has topped \$90,000. Between 2012 and 2022, the annual average salary amongst active members grew by 39% – an increase of approximately \$25,000. The year-over-year average increase for LACERA active members has been approximately 3.4% since 2012.

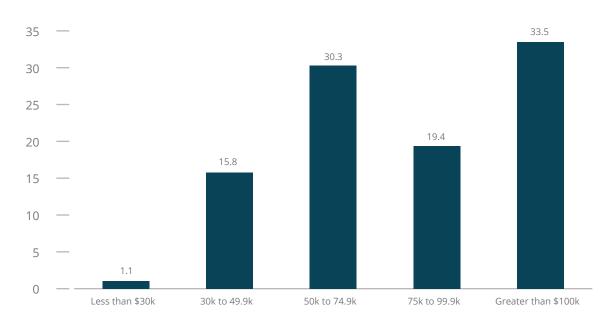


Figure 13: Share of Active LACERA Members by Salary Group

Source. LACERA; analysis by Beacon Economics.

As of 2022, most of LACERA's active members earn more than \$75,000 annually. In fact, over 33% of LACERA's active members earn more than \$100,000 per year, the largest share of any LACERA income group. This falls in line with Los Angeles County's overall population/income estimates, where approximately 38.7% of the County's residents report annual incomes greater than \$100,000. The second largest share of LACERA members earn annual salaries of between \$50,000 and \$75,000, making up 19% of active members. Only 1% of LACERA's active members earn below \$30,000 annually. Comparatively, approximately 24.5% of Los Angeles County residents report incomes below \$35,000.



# Conclusion

The importance of LACERA's pensioners to the Los Angeles County economy is substantial, with thousands of pensioners injecting money monthly into the local economy and helping dozens of industries. In total, LACERA pensioners generated \$2.9 billion in economic output across California, of which \$2.7 billion remained in Los Angeles County and helped support 23,643 regional jobs.

Given the significant economic activity generated by LACERA's pensioners from various forms of spending, there is substantial fiscal revenue collected annually as well. Approximately \$388.5 million is generated in total tax revenue statewide, of which \$339.7 million is collected in Los Angeles County alone. Around \$154.3 million is collected in state and local taxes across Los Angeles County alone, which help fund several social programs and provides funding for key services across the community.





LACERA pensioners' impact across Los Angeles County ripples through the five supervisorial districts. The following summarizes the economic and fiscal impacts generated in each district:

**District 1:** Approximately \$586.9 million is generated in economic output by LACERA pensioners, supporting 5,287 jobs and generating over \$180.6 million in labor income. Total tax revenue collected reached \$71.3 million, with \$33.5 million in state and local taxes and \$37.8 million in federal tax revenues.

**District 2:** Roughly \$497.3 million is generated in economic output by LACERA pensioners, supporting 4,391 jobs and generating roughly \$149.4 million in labor income. Total tax revenue in District 2 reached \$58.9 million, with \$28.2 million in state and local taxes and roughly \$30.8 million in federal tax revenues.

**District 3:** Approximately \$435.6 million is generated in economic output by LACERA pensioners, supporting 3,245 jobs and \$137.8 million generated in labor income. Furthermore, \$57.4 million was collected in total tax revenue, including \$22.9 million in state and local taxes and \$34.5 million in federal tax revenues.

**District 4:** Roughly \$529.2 million is generated in economic output by LACERA pensioners, supporting 4,960 jobs and generating \$162.1 million in labor income. Total tax revenue collected amounted to \$67.7 million, with \$32 million in state and local taxes and \$35.8 million in federal tax revenues.

**District 5:** Approximately \$606.3 million is generated in economic output by LACERA pensioners, helping support 5,724 jobs and generating \$185.3 million in labor income. Roughly \$83.2 million was collected in total tax revenue, with \$37.4 million in state and local taxes and \$45.7 million in federal tax revenues.



# Appendix

## **Summary of Results**

Figure A.1: Economic Output by District, by Impact Type (\$, Millions)

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	420.8	349.6	210.9	404.8	472.4
Indirect	150.7	131.9	204.6	110.0	116.9
Induced	15.4	15.7	20.0	14.4	17.0
Total	586.9	497.3	435.6	529.2	606.3

Source: IMPLAN; analysis by Beacon Economics.

Figure A.2: Employment Supported by District by Impact Type

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	4,562	3,781	2,282	4,377	5,120
Indirect	641	529	848	503	505
Induced	84	80	114	80	99
Tota	5,287	4,391	3,245	4,960	5,724

Source: IMPLAN; analysis by Beacon Economics.

Figure A.3: Labor Income by District, by Impact Type (\$, Millions)

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	123.2	102.9	61.8	119.2	138.8
Indirect	52.3	41.6	68.9	38.2	40.7
Induced	5.1	4.9	7.0	4.8	5.9
Total	180.6	149.4	137.8	162.1	185.3

Source: IMPLAN; analysis by Beacon Economics.



Figure A.4: State & Local Fiscal Impacts by District by Tax Source (\$, Millions)

Tax Source	District 1	District 2	District 3	District 4	District 5
Corporate Profits Tax	2.5	1.8	1.4	2.4	2.7
Income Tax	4.0	3.7	5.5	4.0	6.5
Other	2.5	2.1	1.5	2.4	2.6
Property Tax	10.4	8.8	6.1	9.9	10.9
Sales Tax	13.2	11.1	7.7	12.4	13.7
Social Insurance Tax	0.9	0.7	0.7	0.9	1.0
Total	33.5	28.2	22.9	32.0	37.4

Source: IMPLAN; analysis by Beacon Economics.

Figure A.5: Federal Fiscal Impacts by District by Tax Source (\$, Millions)

Tax Source	District 1	District 2	District 3	District 4	District 5
Corporate Profits Tax	5.7	4.0	3.1	5.4	6.1
Income Tax	9.8	9.3	15.2	9.8	16.8
Other	2.1	1.8	1.2	2.0	2.2
Social Insurance Tax	20.3	15.7	15.0	18.5	20.7
Total	37.8	30.8	34.5	35.8	45.7

Source: IMPLAN; analysis by Beacon Economics.



# **IMPLAN**

### Multi-Regional Input-Output Methodology and IMPLAN

This report is based on an economic analysis technique known as Multi-Regional Input-Output (MRIO) analysis, which is a means of examining inter-industry relationships across several regions. A MRIO analysis builds on the standard Input-Output (I-O) analysis by expanding effects from monetary market transactions beyond a single region and helps capture leakages in other regions. In a MRIO analysis, the direct effect in one region triggers indirect and induced effects in others. The results of the analysis reveal the effects of a change in one or several economic activities on an entire economy, as well as the economic interdependence of regions.

IMPLAN expands on the traditional I-O approach to include transactions among industries and institutions, and among institutions themselves, thereby capturing all monetary market transactions in a given period. This specific report uses the IMPLAN web model. For more information on the IMPLAN modeling process, visit IMPLAN.com.

Although IMPLAN provides an excellent framework for conducting impact analysis, Beacon Economics takes extra precautions to ensure model results are valid, employing decades of experience to tailor the model to the unique demands of each economic impact analysis the firm conducts. Procedures and assumptions are thoroughly and systematically inspected for validity and individual project appropriateness before any analysis is performed.





# Economic, Fiscal, and Social Impacts of LACERA Pensioners

September 2022





# **Assembly District 41**



As of June 30, 2024



CalSTRS membership includes California public school educators from prekindergarten through community college.

Membership	Male	Female	Total
Active membership	2,441	6,319	8,760
Inactive membership	873	2,047	2,920
Retired	1,658	4,234	5,892
Disabled	21	81	102
Survivor benefit recipients	33	45	78
Option beneficiaries	181	373	554
Total	5,207	13,099	18,306

AD 41	\$389.91 million
Statewide	\$14.26 billion
Amount employers	paid to active members
Amount employers	s paid to active members \$922.34 million

#### Active membership characteristics

#### **Members earning CalSTRS service credit**

Members	AD 41	Statewide
Male	2,441 (27%)	112,639 (27%)
Female	6,319 (73%)	297,309 (73%)

#### Average full-time salary for active members

The compensation paid to members of the same class of employees for services rendered on a full-time basis.

Members	AD 41	Statewide
All active	\$105,285/year	\$99,756/year
Male	\$106,685/year	\$101,234/year
Female	\$104,744/year	\$99,202/year

#### Average age at membership date

Members	AD 41	Statewide
All active	30.2 years	30.2 years
Male	31.2 years	31.2 years
Female	29.8 years	29.8 years

#### Average age of active members

Members	AD 41	Statewide
All active	46.7 years	46.1 years
Male	47.8 years	47.2 years
Female	46.3 years	45.7 years

#### Average service credit for active members

The period of time in years for which a member earned creditable compensation and made contributions to the CalSTRS Defined Benefit Program.

Members	AD 41	Statewide
All active	14.2 years	13.6 years
Male	14.5 years	14.1 years
Female	14.1 years	13.4 years

#### Retired membership characteristics

#### Average service retirement benefit

The benefit provided through the CalSTRS Defined Benefit Program based on the formula set in law:

#### service credit × age factor × final compensation

Members	AD 41	Statewide
All retired	\$5,514/month	\$5,006/month
Male	\$5,981/month	\$5,439/month
Female	\$5,331/month	\$4,829/month

#### Average service credit earned

Members	AD 41	Statewide
All retired	27.0 years	26.1 years
Male	28.4 years	27.6 years
Female	26.5 years	25.4 years

#### Average age at retirement

Members	AD 41	Statewide
All retired	62.2 years	62.0 years
Male	62.5 years	62.2 years
Female	62.1 years	62.0 years

#### **Economic impact of benefits paid**

Total jobs supported 1,778

#### Total income and wages earned

\$96,309,615

Economic impact data is from benefits paid between July 1, 2022, and June 30, 2023.

Scan the QR code to visit **CalSTRS.com/ reports-and-studies** for more information.



## **Senate District 25**



CalSTRS Members and Benefit Recipients Snapshot 2023-24

As of June 30, 2024

CalSTRS membership includes California public school educators from prekindergarten through community college.

Membership	Male	Female	Total
Active membership	3,850	9,444	13,294
Inactive membership	1,412	3,131	4,543
Retired	2,337	6,024	8,361
Disabled	40	91	131
Survivor benefit recipients	44	55	99
Option beneficiaries	246	530	776
Total	7,929	19,275	27,204

SD 25	\$546.18 million
Statewide	\$14.26 billion
Amount amulavana	waid to active members
Amount employers	paid to active members
Amount employers	paid to active members \$1.37 billion

#### **Active membership characteristics**

#### **Members earning CalSTRS service credit**

Members	SD 25	Statewide
Male	3,850 (28%)	112,639 (27%)
Female	9,444 (72%)	297,309 (73%)

#### Average full-time salary for active members

The compensation paid to members of the same class of employees for services rendered on a full-time basis.

Members	SD 25	Statewide
All active	\$103,010/year	\$99,756/year
Male	\$103,225/year	\$101,234/year
Female	\$102,922/year	\$99,202/year

#### Average age at membership date

Members	SD 25	Statewide
All active	30.2 years	30.2 years
Male	31.2 years	31.2 years
Female	29.7 years	29.8 years

#### Average age of active members

Members	SD 25	Statewide
All active	47.6 years	46.1 years
Male	48.8 years	47.2 years
Female	47.1 years	45.7 years

#### Average service credit for active members

The period of time in years for which a member earned creditable compensation and made contributions to the CalSTRS Defined Benefit Program.

Members	SD 25	Statewide
All active	15.2 years	13.6 years
Male	15.6 years	14.1 years
Female	15.0 years	13.4 years

#### Retired membership characteristics

#### Average service retirement benefit

The benefit provided through the CalSTRS Defined Benefit Program based on the formula set in law:

#### service credit × age factor × final compensation

Members	SD 25	Statewide
All retired	\$5,443/month	\$5,006/month
Male	\$5,830/month	\$5,439/month
Female	\$5,293/month	\$4,829/month

#### Average service credit earned

Members	SD 25	Statewide
All retired	27.3 years	26.1 years
Male	28.7 years	27.6 years
Female	26.7 years	25.4 years

#### Average age at retirement

Members	SD 25	Statewide
All retired	62.3 years	62.0 years
Male	62.7 years	62.2 years
Female	62.2 years	62.0 years

#### **Economic impact of benefits paid**

Total jobs supported 2,790

#### **Total income and wages earned**

\$162,769,443

Economic impact data is from benefits paid between July 1, 2022, and June 30, 2023.

Scan the QR code to visit **CalSTRS.com/ reports-and-studies** for more information.



# **Congressional District 28**



As of June 30, 2024



CalSTRS membership includes California public school educators from prekindergarten through community college.

Male	Female	Total
3,080	7,424	10,504
1,133	2,481	3,614
1,991	5,080	7,071
30	80	110
39	46	85
217	449	666
6,490	15,560	22,050
	3,080 1,133 1,991 30 39 217	3,080 7,424 1,133 2,481 1,991 5,080 30 80 39 46 217 449

CD 28	\$467.14 million
Statewide	\$14.26 billion
Amount employers	paid to active members
Amount employers	paid to active members \$1.09 billion

#### Active membership characteristics

#### **Members earning CalSTRS service credit**

Members	<b>C</b> D 28	Statewide
Male	3,080 (29%)	112,639 (27%)
Female	7,424 (71%)	297,309 (73%)

#### Average full-time salary for active members

The compensation paid to members of the same class of employees for services rendered on a full-time basis.

Members	<b>C</b> D 28	Statewide
All active	\$103,974/year	\$99,756/year
Male	\$104,268/year	\$101,234/year
Female	\$103,852/year	\$99,202/year

#### Average age at membership date

Members	<b>C</b> D 28	Statewide
All active	30.0 years	30.2 years
Male	31.0 years	31.2 years
Female	29.6 years	29.8 years

#### Average age of active members

Members	<b>C</b> D 28	Statewide
All active	47.1 years	46.1 years
Male	48.2 years	47.2 years
Female	46.6 years	45.7 years

#### Average service credit for active members

The period of time in years for which a member earned creditable compensation and made contributions to the CalSTRS Defined Benefit Program.

Members	<b>C</b> D 28	Statewide
All active	14.8 years	13.6 years
Male	15.2 years	14.1 years
Female	14.7 years	13.4 years

#### Retired membership characteristics

#### Average service retirement benefit

The benefit provided through the CalSTRS Defined Benefit Program based on the formula set in law:

#### service credit × age factor × final compensation

Members	<b>C</b> D 28	Statewide
All retired	\$5,504/month	\$5,006/month
Male	\$5,923/month	\$5,439/month
Female	\$5,340/month	\$4,829/month

#### Average service credit earned

Members	<b>C</b> D 28	Statewide
All retired	27.2 years	26.1 years
Male	28.5 years	27.6 years
Female	26.7 years	25.4 years

#### Average age at retirement

Members	<b>C</b> D 28	Statewide
All retired	62.3 years	62.0 years
Male	62.6 years	62.2 years
Female	62.2 years	62.0 years

### Economic impact of benefits paid

Total jobs supported 2,183

Total income and wages earned

\$127,689,617

Economic impact data is from benefits paid between July 1, 2022, and June 30, 2023.

Scan the QR code to visit **CalSTRS.com/ reports-and-studies** for more information.





#### FOR INFORMATION ONLY

July 23, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Barry W. Lew &

Legislative Affairs Officer

FOR: August 6, 2025 Board of Retirement Meeting

SUBJECT: Federal Legislative & Regulatory Update

LACERA's federal legislative advocates, Anthony Roda of Williams & Jensen and Shane Doucet of Doucet Consulting Solutions, are here today to provide an educational update on recent federal legislative and regulatory developments.

**Reviewed and Approved:** 

Luis Lugo, Deputy Chief Executive Officer

#### **Attachment**

LACERA Federal Update

cc: Luis Lugo

JJ Popowich Laura Guglielmo Steven P. Rice Cassandra Smith

Tony Roda, Williams & Jensen

Shane Doucet, Doucet Consulting Solutions

# LACERA Federal Update

August 6, 2025



# The Era of Sequels

**Retirement-Specific** 

**Reconciliation Legislation** 

SECURE Act of 2019

Reconciliation Bill (July 4, 2025)

SECURE Act 2.0 of 2022

Reconciliation 2.0 (?)

SECURE Act 3.0 of?

# 3 Buckets of Activity

- Tax Legislation
- Tax Regulatory Guidance
- Social Security Legislation



# Tax Legislation



- Reconciliation bill's provisions must increase/decrease federal expenditures or taxes
- Cannot amend Social Security program
- Regular legislative process, except Senate passage by majority vote rather than 60 votes to break a filibuster

# Tax Legislation

## Unrelated Business Income Tax

- Remove ambiguity in tax code by specifically applying UBIT to state/local plans
- Would impact certain private equity and debt-financed investments
- Passed House in 2017
- Estimated in 2017 to raise \$1.1 billion over 10 years

## Private Sector Workers in Public Plans

- H.R. 2382
- Emergency response employees (firefighters or out-of-hospital emergency medical) of...
- ► IRC §501(c) public safety agencies that have a...
- contract with a political subdivision of a state

# Tax Legislation, cont.

## Further Rothification

- ► Three largest revenue raisers in SECURE 2.0 totaled \$42.4 billion over 10 years (all were Roth-related)
- Congress constantly looks for revenue raisers to pay for new tax benefits
- Unclear if further Rothification can be prevented
- Rothify all catch up provisions (low hanging fruit?)

## Anomalies

- IRC § 403(b) and § 457(b) special catch up rules and limits
- 10% early withdrawal penalty on IRC §457(b) distributions

# First Responders

## **HELPS Exclusion Amount**

- ► IRC §402(l)
- Tax benefit for retired public safety officers
- Annual income exclusion cap set at \$3,000 in Pension Protection Act of 2006
- H.R. 957 (118<sup>th</sup>) would have doubled the annual cap

## Tax Credit for First Responders

- S. 4267 (117<sup>th</sup>) by Sen. Michael Bennet (D-CO)
- Tax credit for retired public safety officers
- Up to \$4,800 annually to offset health care premiums
- Cannot use HELPS and new credit in same tax year

# **Additional Tax Issues**

# HELPS-like Tax Benefit for Other Public Sector Workers

- Would be available for all retired public employees
- Exclusion-based or credit to offset health care premiums
- Public safety would not be able to use both tax benefits

## Saver's Match

- Included in SECURE 2.0, effective 2027
- Replaces saver's credit
- Treasury Notice 2024-65,Q-A 12
- Misalignment on Roth accounts



# Tax Regulatory Guidance

- Mandatory Roth catch up
- Allow employer match based on employee's student loan payments
- Overpayments
- EPCRS
- Definition of governmental plan
- ► Normal retirement age

# Regulatory Guidance SECURE Act 2.0

## Mandatory Roth Catch Up

- Treasury Notice 2023-62
  - Creates administrative transition period; now effective in 2026
  - ► Guidance under consideration: FICA wages; corrections by plan administrator; aggregation of wages from multiple employers

## **Student Loans**

- Employer match may be based on employee's student loan payments
- Became effective in 2024
- Treas. Notice 2024-63

# Regulatory Guidance, cont. SECURE Act 2.0

## **Overpayments**

- ► IRC provision stating plan shall not fail to meet 401(a) qualification merely due to failure to recoup
- Treas. Notice 2024-77 guidance
- Note that fiduciary duties must still be met when deciding whether to recoup

## **EPCRS**

- Treas. Notice 2023-43
- Interim guidance prior to update of EPCRS
- Greater flexibility for plan sponsors to self-correct inadvertent errors
- May be limited in cases under examination by IRS

# Regulatory Guidance, cont. of Historical Vintage

## IRC §414(d) Definition

- ANPRM, November 2011
- Facts & circumstances test for "agency or instrumentality" (5 major and 8 other factors)
- Concerns raised about lack of certainty
- Also, charter schools, see Treasury Notice 2015-7

## Normal Retirement Age

- Proposed regulation, January 2016
- Series of safe harbors, three of which are specific to public safety
- Limited number of comments
- Not yet finalized; governmental plans have later effective date



# Social Security Legislation

- Repeal of WEP and GPO penalties and ongoing implementation
- Mandatory Social Security
- Comprehensive Social Security Reform

# Now-Repealed Social Security Penalties

## Windfall Elimination Provision

benefit

# Affected workers who earned a pension from a non-Social Security (SS) covered job as well as a SS

 Modified the calculation of your SS benefit (first tranche decreased from 90% to 40%)

## **Government Pension Offset**

- Affected spousal and survivor benefits when otherwise eligible SS beneficiary was also eligible for a pension from a non-SS covered job
- Reduced SS benefit by two-thirds of non-covered pension

# Repeal of WEP-GPO Social Security Fairness Act (P.L. 118-273)

- House passage, 11/12/24, 327-75
  - WEP-only formula change amendment; rejected 225-175; Rep. Jodey Arrington (R-TX)
- Senate passage, 12/21/24, 76-20
  - Offset costs of repeal by raising the SS eligibility age to 70; rejected 93-3; Sen. Rand Paul (R-KY)
  - Delay effective date of repeal until cost offset in place; rejected 62-34; Sen. Mike Crapo (R-ID)
  - Substitute WEP-only formula change for repeal; rejected 64 to 32; Sen. Ted Cruz (R-TX)
  - Require mandatory SS for all state and local workers if employer takes advantage of repeal; filed but not offered; Sen. Chuck Grassley (R-IA)

# Mandatory Social Security

- Proposals to impose mandatory SS coverage on all current state and local governmental workers (or just new hires) have swirled in Congress for many years
- Approximately 28% of S&L workers (6.5 million) are not covered by SS
- Most recent Congressional Budget Office score = \$132 billion in new SS revenues (just from new hires)
- However, the increased outlays for SS would increase in the following decades and would partly offset the additional revenues generated by newly covered employees, CBO explanation
- Impact of WEP-GPO repeal unknown, but note Grassley Amendment

# Comprehensive Social Security Reform

- In the July 2024 report the Social Security program's trustees estimated that the trust fund will be able to pay full benefits for the next 11 years; after that time benefits would be reduced by 17%
- Rep. John Larson (D-CT) has introduced the Social Security 2100 Act, H.R. 4583 (118<sup>th</sup>)
- Sen. Bill Cassidy (R-LA) is advocating for use of a new sovereign wealth fund for SS; commented on President Trump's Executive Order on creating a sovereign wealth fund

#### Healthcare

- ► The One, Big, Beautiful Bill Act
  - Medicaid, Drug Pricing, Rural Hospitals, Physician Payments, Affordable Care Act, and Medicare
- Trump Administration Policies
  - ► Most Favored Nation Drug Pricing and Vaccines

- Medicare Solvency
- ► End of Year Health Care Package



- Overall Impact to Healthcare
  - ► The bill cuts about \$1.1 trillion in funding to federal healthcare programs as part of the Trump administration's goal to eliminate "waste, fraud and abuse"
  - ► The Congressional Budget Office projects the law will add \$3.3 trillion to the national deficit over the next decade
  - About 10 million more Americans will be uninsured over the next decade, according to estimates released by the Congressional Budget Office
  - Insurance loss is mainly due to substantial changes to Medicaid and Obamacare marketplace insurance plans
  - ▶ It represents the biggest change to U.S. healthcare since the passage of the ACA in 2010

- Medicaid
  - State Taxes
    - ► The bill would reduce the safe-harbor threshold to 0% for states and local governments that impose new or increase existing provider taxes
    - ► For states and local governments that have expanded Medicaid, the bill would reduce existing thresholds by 0.5% every year starting in fiscal 2028, until it reaches 3.5% starting in fiscal 2032
    - ► States also can only levy Medicaid provider taxes if they are uniform across all services and individuals. This rule can be waived if states demonstrate the taxes are at least "generally redistributive."

- Medicaid
  - Rural Hospital Grants
    - Provides a \$50 billion fund for states with approved rural health transformation plans
    - ► Each state must develop and submit plans and secure approval of a Rural Health Transformation Plan by the CMS administrator. The plan must specify how it will:
      - Improve access to hospitals and other healthcare providers furnished to rural residents
      - ▶ Improve healthcare outcomes for rural residents
      - Prioritize the use of new and emerging technologies, including artificial intelligence (AI), emphasizing prevention and chronic disease management among other requirements

- Medicaid
  - State-Directed Payments
    - ► HHS would have to issue rules to limit state-directed payments to providers under Medicaid managed care plans
    - ► For states that have expanded Medicaid under the ACA expansion, the rules would have to cap payments to 100% of the published Medicare payment rate instead of the average commercial rate. For all other states, payments would be capped at 110% of the Medicare payment rate
    - ► The measure would require existing state-directed payment limits and payments to rural hospitals to decrease by 10% each year until the allowable limit is reached

#### Medicaid

- ► Eligibility Rules
  - ▶ Biden Eligibility Rule: HHS would be prohibited through Sept. 30, 2034, from implementing certain provisions in a rule finalized under the Biden administration:
  - ► The rule, finalized in September 2023, aims to help lower-income Medicare beneficiaries use Medicaid benefits to cover premiums through Medicare Savings Programs
  - ▶ Allowing states to disqualify beneficiaries from receiving long-term care services through Medicaid if they have equity in a home exceeding \$1 million, instead of \$750,000, as long as the lot isn't zoned for agricultural use
  - States are now required to conduct eligibility redeterminations at least every six months
  - ► The retroactive eligibility period for Medicaid will be reduced from 90 days to 30 days meaning that Medicaid will only cover medical expenses incurred within 30 days prior to application
  - ▶ Other rules: work requirements, immigration restrictions...

#### Affordable Care Act

- ► The measure would limit the categories of noncitizens eligible for the premium tax credit, a refundable credit that helps cover premiums for health insurance purchased on a health exchange
- ➤ The bill would prohibit ACA beneficiaries who enrolled during income-base special enrollment periods from collecting the premium tax credit, with exceptions.

#### Physician Payments

- ► The measure would increase Medicare payment rates to physicians by 2.5% for 2026
- ▶ Payments for doctors were reduced by about 3% in 2025 after a temporary increase in payments for 2024 expired

- Overall Impact on California and Retirees
  - ► The law's deficit increase triggers automatic spending cuts under budget rules designed to control federal spending / Unless a future Congress acts, Medicare faces approximately \$500 billion in cuts between 2026 and 2034.
  - ▶ 14,478,000 children and adults are enrolled in California Medicaid / California receives \$81.4 billion a year in federal Medicaid funding
  - ▶ \$164 billion loss estimated over 10 years / 16.4 billion a year
  - ► The Center for American Progress estimates that an older couple with an annual income of just \$21,000 could face up to \$8,340 in additional healthcare costs per year
  - ▶ We could see long-term facilities close along with rural hospitals / safety net hospitals who may struggle to stay in operation
  - ▶ Brown University School of Public Health did a recent study and identified 579 U.S. nursing homes at high risk of closure using a model based on 10 years of data between 2011 through 2023

## **Trump Administration**

- Most Favored Nation Drug Pricing
  - On May 17, President Trump announced his administration would pursue a "most favored nation" drug pricing strategy, in which pharmaceutical companies selling drugs in the U.S. would be required to match the lowest price paid by other developed countries
  - "Some prescription drug and pharmaceutical prices will be reduced almost immediately, by 50% to 80% to 90%... Big Pharma will either abide by this principle voluntarily, or we'll use the power of the federal government to ensure that we are paying the same price as other countries" said Trump
  - ► The administration has not released any additional details regarding how the "most favored nation" plan would be implemented
  - ▶ On July 12, FDA Commissioner Marty Makary floated the idea that the FDA may reportedly fast-track new drugs from pharmaceutical companies that "equalize" the cost of their medicines between the US and other countries
  - Companies that matched domestic prices to international references could obtain a "Commissioner's National Priority Voucher" (CNPV) that speeds FDA review times to 1-2 months (typical reviews take 10+ months) for companies supporting national interests
  - First time the FDA has inserted itself into the domestic drug pricing debate

## **Trump Administration**

#### **Vaccines**

- ▶ On May 27<sup>th</sup>, without waiting for CDC Advisory Committee on Immunization Practices (ACIP) to release its recommendations, HHS Secretary Robert F. Kennedy Jr. announced he would remove the CDC's recommendation for children and healthy pregnant women to get vaccinated for COVID-19
- ▶ On June 9<sup>th</sup>, HHS Secretary RFK Jr. removed all 17 members of ACIP
- ▶ ACIP is a panel of experts that helps set vaccine policy and craft recommendations for the immunization schedule, which guides health providers and influences which shots are covered by health insurers
- ▶ The American Medical Association said it "is deeply concerned to learn that new members have already been elected for the Advisory Committee on Immunization Practices without transparency and proper vetting to ensure they have the expertise necessary to make vaccine recommendations to protect the health of Americans"
- ▶ On July 7, several healthcare provider organizations sued Kennedy and other federal officials over the removal of COVID-19 vaccine recommendations, which they describe as emblematic of "the Secretary's assault on science, public health and evidence-based medicine"

## Medicare Solvency

#### Medicare

- ➤ On June 18, 2025, the Trustees of the Medicare Trust Fund released reports showing the financial crisis facing the nation's retirement and health programs
- ► The insolvency estimate for the Medicare Hospital Insurance Trust Fund, that pays for Part A inpatient care, would come three years earlier than previously reported in 2033
- ▶ If the current policy was maintained, only 89% of scheduled benefits would be paid out in 2033
- ► The three-year drop is due to projected increases in hospital and hospice care spending, which could be remedied by increasing standard payroll tax or reducing Medicare spending

## End of Year Healthcare Package

- Senator Bill Cassidy (R-LA), the Chair of the Senate Health, Education, Labor, and Pensions (HELP) Committee, is leading efforts to craft a new bipartisan health care bill
- The legislation aims to revive several key provisions that were dropped from last year's failed "lame duck" package in December 2024
- The provisions that may be considered include:
  - Extension of Community Health Center funding
  - Five-year authorization of the SUPPORT Act
  - Physician Pay Bump
  - Pharmacy Benefit Manger reforms
  - Advanced Alternative Payment Model bonus extension
  - Two-year extension of Medicare telehealth flexibilities

### **Contact Information**

Shane Doucet

Principal

**Doucet Consulting Solutions** 

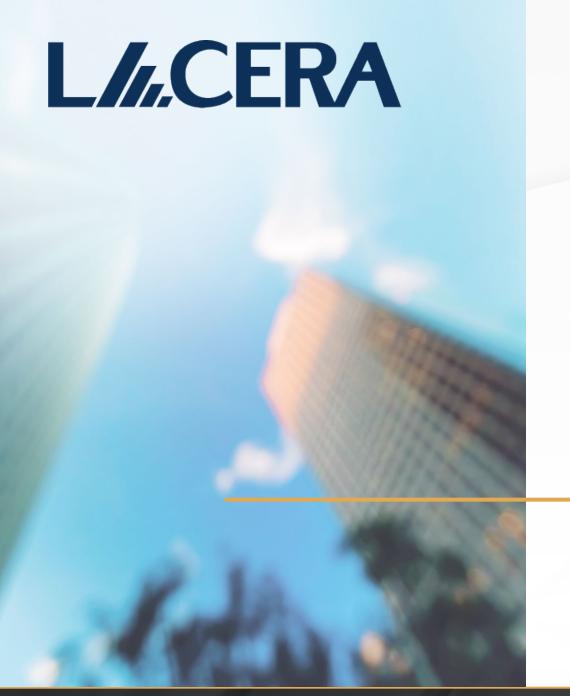
shane@doucetsolutions.com

Tony Roda

Principal

Williams & Jensen PLLC

ajroda@wms-jen.com



# MY SUMMER LEGAL INTERNSHIP WITH LACERA

By: Jasmine Feng

## About me



#### **Education and Law School Goals**



- Grew up in Chongqing, China (where people love spicy food!)
- Beloit College, Class of 2023: Bachelor of Arts in English with Honors, Minor in Philosophy
- USC Gould School of Law, Class of 2027: J.D. Candidate
- Extracurricular Involvement: Incoming Staff Editor of Southern California Law Review
- Next Summer: Dechert LLP, San Francisco Office (likely financial services and investment management group)



# The Legal Division

- Transactions
- Litigation
- Benefits
- Disability
- Legislation





## **Transactions**

# Transactions - Investments Projects In.

#### 1. Non-Disclosure Agreement (NDA) Project

Supervising Attorney: Susan Wang

- Reviewed and proposed revisions to the disclosing party's initial draft of NDA, using LACERA's checklist of provisions and precedent agreements handled by Susan as reference points
- Skills Developed:
  - Gained familiarity with LACERA's confidentiality standards and legal risk considerations
  - Analyzed and interpreted key NDA provisions and their legal implications
  - Practiced drafting and revising contractual language

## **Investments Projects**



#### 2. Investment Fund Call with Outside Counsel

Supervising Attorney: Avi Herescu

- Participated in a call with outside counsel regarding a prospective private equity fund investment; discussion included commentary on the fund term, distribution, clawbacks, termination, fees & expenses, etc.
- Reviewed the redlined limited partnership agreement and side letter
- Skills Developed:
  - Understood basic concepts of private equity and funds

#### 3. Presentation on U.S. Outbound Investment

Supervising Attorney: Avi Herescu

- Attended an educational presentation by outside counsel on emerging legal restrictions affecting U.S. outbound investment
- Learned about potential legal implications faced by LACERA





# Litigation

# Litigation Projects



#### 1. Legal Research Project

Supervising Attorney: Steve Rice

- Conducted case law research on statutory liabilities that support attachment and causes of action grounded in implied contract or quasi-contract
- Drafted an objective memorandum analyzing the viability of pursuing a writ of attachment under a Government Code Section 1090 claim and a fraud-based claim; also addressed the alter ego issue
- Skills Developed:
  - Explored novel legal arguments in the absence of direct precedent
  - Deepened my understanding of attachment as a prejudgment remedy and of the differences between restitution and disgorgement
  - Strengthened my ability to precisely use legal terminology and write in a natural flow

# Litigation Projects



#### 2. Felony Forfeiture Case

Supervising Attorney: Jessica Rivas

- Reviewed grand jury transcripts in a felony forfeiture matter to identify factual support that the charged member was acting within the scope of official duties at the time of the offence, as required under Government Code Section 7522.72
- Skills Developed:
  - Strengthened my ability to interpret statutes
  - Gained a better understanding of pension-related proceedings

#### 3. In-Person Observation of Depositions

Supervising Attorney: Jasmine Bath

- Observed depositions in employment litigation matters
- Skills Developed:
  - Gained exposure to deposition procedures and witness examination strategies





# Benefits

# **Benefits Project**



#### 1. Review of Dissolution Judgments and Domestic Relations Orders (DROs)

Supervising Attorney: Elaine Salon

- Shadowed the review process of four dissolution judgments, including how to evaluate and input case-specific comments into the internal system
- Reviewed with Elaine a DRO submitted to the Benefits Division for pre-approval
- Skills Developed:
  - Gained a better understanding of how retirement benefits are divided in a dissolution proceeding
  - Familiarized myself with LACERA's rules regarding community property

## **Benefits Project**



#### 2. Legal Research — Limitations on Use of Retiree Drug Subsidy (RDS)

Supervising Attorney: Jean Kim

- Conducted research on the issue of whether there are any limitations on the use of RDS funds
- Reviewed secondary legal sources, attorney general's opinion, and relevant federal
   & California case law
- Skills Developed:
  - Gained familiarity with federal regulatory frameworks governing retiree health benefits
  - Strengthened my ability to synthesize information from multiple sources





# Disability

# **Disability Projects**



#### 1. Disability Benefits Memorandum — Heart Presumption

Supervising Attorneys: Frank Boyd and Allison Barrett

- Drafted a memo making a recommendation on whether to grant service-connected disability benefits under Government Code Section 31720.5, which presumes service connection for heart disease in eligible law enforcement members
- Synthesized facts about the member's job duties, medical history, and about the opinion of LACERA's panel physician; analyzed service connection and permanent incapacity
- Skills Developed:
  - Strengthened skills of synthesizing dense factual statements and writing in a clear, coherent manner

# **Disability Projects**



#### 2. Disability Benefits Appeal — Procedural Conference

Supervising Attorney: Jason Waller

- Reviewed LACERA's Procedures for Disability Retirement Hearings and a prior conference transcript to prepare an outline of pertinent rules applicable to selfrepresented (pro per) disability applicants
- Under Jason's supervision, conducted a procedural conference in which I explained
  the requirements for submitting a pre-hearing statement, attending the appeal
  hearing, and complying with relevant deadlines; also advised the applicant of her
  rights and obligations in the process
- Skills Developed:
  - o Interpreted and conveyed complex procedures in clear, accessible terms
  - Practiced face-to-face communication with members





# Legislation

# Legislation Projects



#### 1. SACRS Legislative Committee Meeting

Supervisor: Barry Lew

- Prepared for and attended the State Association of County Retirement Systems (SACRS) Legislative Committee Meeting
- Participated in discussions on the cost-impact analysis of Assembly Bill 1383 and legislative strategies to promote more financially sustainable pension plans across CERL (County Employees Retirement Law) systems
- Skills Developed:
  - Gained exposure to the legislative process and LACERA's legislative policy
  - Developed skills in reading and understanding bills

# Legislation Projects



#### 2. Legal Research on PERL Sections

Supervisor: Barry Lew

- Read and discussed Block v. Orange County Employees' Retirement System, a case concerning disability retirement in a reciprocity scenario
- Focused on the court's failure to address why CalPERS granted a service-connected retirement rather than an annuity under the Public Employees' Retirement Law (PERL), despite being the earlier reciprocal system; analyzed the legal implication of that decision to LACERA
- Conducted research on relevant provisions in PERL that could potentially support OCERS's decision

## Conclusion

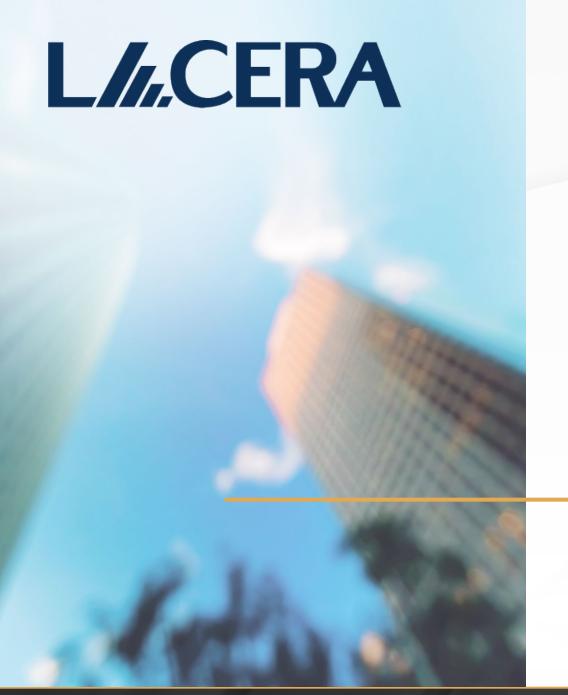


#### With LACERA, I have gained valuable exposure to:

- How LACERA as a pension fund and government entity operates in administering retirement benefits, making significant decisions, and perpetuating its mission in serving the public
- Legal areas I was unfamiliar with: Benefits, Disability, Litigation,
   Legislation, and Investment Funds

#### In the Legal Division, I have developed the following skills:

- In-depth legal research, analysis, and writing
- Professionalism and work ethics as an attorney
- Effective communication



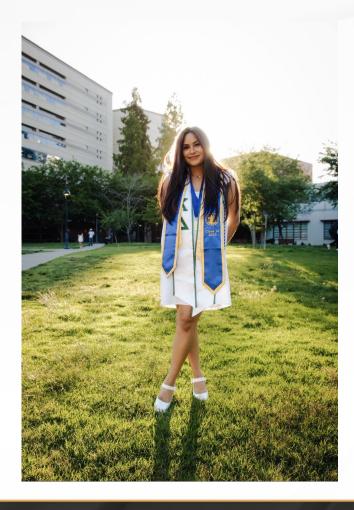
# MY SUMMER LEGAL INTERNSHIP WITH LACERA

By: Aparajita Pathak

## About me



#### **Education and Law School Goals**



- San Jose State University: B.A. in Political Science
- Capital Fellows Program
- CSU, Sacramento: Certification in Applied Policy and Government
- Starting second year of law school at the University of San Diego School of Law
- Next summer I hope to continue working in a public interest law related field



# The Legal Division

- Transactions
- Litigation
- Benefits

Disability Retirement and Disability Litigation



## Transactions: Investments Projects In.



#### Form 700 Software Research Project (Christine Roseland, Senior Staff Counsel)

- Researched and compiled a list of software solutions to increase efficiency when examining employee responses to Form 700s
  - 1. Form 700s are meant to flag any conflict of interest's government employees might have (examples: other investments, properties, gifts, etc.)
  - 2. Significance:
    - (1) keep up with new technology and
    - (2) ensures LACERA's commitment to trust and compliance

#### **Securities and Exchange Board of India Research Project** (Christine Roseland, Senior Staff Counsel)

- Reported on foreign investment regulations to understand how LACERA's investment abroad might be impacted
- Findings can be used as a resource for LACERA attorneys



## Litigation Project



Legal Memorandums (Jasmine Bath, Senior Staff Counsel)

- Prepared two memos related to an employment matter
- Researched a complex civil procedure issue
- Provided LACERA attorneys with an insightful legal analysis to make an informed decision regarding case strategy

**Observation Opportunity** (Jasmine Bath, Senior Staff Counsel)

Observed depositions in employment litigation matters

## Research Project



Informational Interview (Michael Herrera, Senior Staff Counsel)

- For a pending litigation matter, worked with Mr. Herrera and Member Services staff to gather information related to member retirement counseling
- Significance: (1) understanding and verifying LACERA's member counseling procedures (2) supporting staff by identifying and producing documentation related to the matter



## **Benefits Projects**



#### Pension Case Law Development (Zack Meth, Staff Counsel)

- Reviewed three seminal cases regarding what types of pay are pensionable under CERL and PEPRA
- Detailed summary of the facts, issues, holdings, and reasoning of the case law for the Benefits Law Resource Library
- Can be utilized to onboard new attorneys or to quickly reference the development of case law in this area

**Community Property Guidelines Updates** (Elaine Salon, Staff Counsel, and Legal Analysts Karina Lopez and Hannah Huynh)

- Made updates to LACERA's publicly available Community Property Guidelines by reviewing current guidelines and then updating language that is outdated or incomplete to ensure all information is accurate
- Improved clarity and ensured more accurate guidance for staff and the public

**Observation Opportunity** (Elaine Salon, Staff Counsel)

Judgment and Domestic Relations Order Review Process

## **Benefits Projects**



Revised Pay Item Memorandum (Jean Kim, Senior Staff Counsel)

- Examined revised pay items for which LACERA previously made pensionablity determinations
- Applied CERL (Cal. Govt. Code § 31461) and PEPRA (Cal. Govt. Code § 7522.34) to each pay item to analyze whether original pensionablity determinations remain applicable
- Improved personal understanding of statutory interpretation and was able to support staff in drafting the memo





## Disability Retirement Project



Heart Presumption Memorandum (Frank Boyd and Allison Barret, Senior Staff Counsel)

- Wrote a detailed recommendation for a member's disability retirement application
- Learned about Government Code § 31720.5 ("Heart Presumption" Statute)
  - 1. Public policy recognizing the unique hazards firefighters and safety members face in the line of duty

## **Disability Litigation Projects**



**Disability Retirement Appeal Memorandum** (Jason Waller, Senior Staff Counsel)

- Assisted with drafting a service-connected disability retirement memo
- Attended an applicant's appeals hearing and drafted a hearing report detailing the event and the next steps

### Conclusion



- This experience has been critical in applying and improving my legal research and writing skills
- Left the legal division with lasting resources to support LACERA's mission and values
- Provided comprehensive support by working on multiple projects across all legal divisions
- Thank you so much to all the LACERA attorneys, staff, and to the Board of Retirement for being so enthusiastic and supportive of this program



#### FOR INFORMATION ONLY

July 17, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Barry W. Lew &

Legislative Affairs Officer

FOR: August 6, 2025 Board of Retirement Meeting

SUBJECT: Assembly Bill 1383: CERL Actuarial Analysis

AB 1383 proposes the most significant amendments to the California Public Employees' Pension Reform Act of 2013 (PEPRA) since it became effective in 2013. AB 1383 proposes the following benefit enhancements for members subject to PEPRA:

- Adjusts the pensionable compensation limit to be consistent with the benefit limitation established and adjusted under federal tax law. This enhancement applies to general and safety members.
- Lowers the current safety benefit formulas from age 57 to age 55 and establishes a new safety benefit formula of 3% at age 55. No changes are proposed for the general benefit formula.
- Enables employees and employers to collectively bargain for employers to pay a portion of the employee's normal cost of benefits. This enhancement applies to general and safety members.

Although there are anticipated increases to normal costs and unfunded actuarial accrued liabilities (UAAL) from the proposal, these costs would be specific to each of the 20 individual retirement systems operating under the County Employees Retirement Law of 1937 (CERL) compared to the California Public Employees' Retirement System (CalPERS), which as a single system is able to estimate costs for all of the state, schools, and local agency plans it administers. Staff provided a report for the BOR meeting of June 4, 2025, of CalPERS' actuarial cost analysis of AB 1383 for the Assembly Appropriations Committee.

The Chair of the Legislative Committee of the State Association of County Retirement Systems (SACRS) recommended that SACRS engage Segal to conduct an actuarial analysis of AB 1383's enhancements using the member data of a medium-sized CERL system. The SACRS Legislative Committee Chair transmitted the results of the analysis

AB 1383 Board of Retirement July 17, 2025 Page 2

to Assemblymember Tina McKinnor, Chair of the Assembly Committee on Public Employment and Retirement and the author of AB 1383. Segal also provided a worksheet that CERL systems can use to estimate the cost impact of AB 1383.

The following are key findings in the Segal analysis:

#### Pensionable Compensation Limit Increase

- Normal cost contributions will increase due to (1) the immediate increase in higher salaries based on the current normal cost rate and (2) the higher anticipated future benefits based on the current normal cost rate. This amount multiplied by the average number of years of service for PEPRA members approximates the increase to the UAAL.
- The range of the increase factor to apply to the total current normal cost is as follows:
  - General members (Integrated<sup>1</sup>): 5% to 6%
  - General members (Non-integrated): 3% to 5%
  - Safety members (Integrated): 17% to 22%
  - Safety members (Non-integrated): 5% to 9%

#### Safety Benefit Formula Increase

- 3% at 55
  - Would increase the current normal cost of the 2.7% at 57 formula by 10% to 16%.
  - This applicability of this formula is subject to collective bargaining.
  - Would result in a minor increase to UAAL that is not expected to be very significant.
- 2.7% at 55
  - Would increase the current normal cost of the 2.7% at 57 formula by 2% to 4%.
  - The 2.7% at 57 formula is currently offered at most CERL retirement systems. The increase to 2.7% at 55 will automatically commence on January 1, 2026, rather than take effect upon collective bargaining, if AB 1383 is enacted.
  - Would result in a minor increase to UAAL that is not expected to be very significant.

<sup>&</sup>lt;sup>1</sup> "Integrated" and "Non-integrated" refer to whether the members of the retirement system currently participate in Social Security. For example, LACERA is a *non-integrated* system since the County of Los Angeles withdrew participation of its employees from Social Security in 1983.

AB 1383 Board of Retirement July 17, 2025 Page 3

#### Reduction in 50/50 Normal Cost Sharing

- The increase in the employer's normal cost may be approximated by multiplying the total annual normal cost by the additional percentage above 50% that the employer will pay by the total salaries of the PEPRA members.
- The employee contributions that would be picked up by the employer are not refundable to the employees if they withdraw their membership from the retirement system.

AB 1383 is currently held in the Assembly Appropriations Committee. It will not move for the rest of the legislative year in 2025 and will be taken up again in the 2026 legislative year. Staff will continue to monitor the bill and report further developments to the BOR.

**Reviewed and Approved:** 

**Luis Lugo, Deputy Chief Executive Officer** 

#### **Attachments**

Letter to Assembly PE&R Committee Chair Tina McKinnor AB 1383 actuarial analysis from Segal Worksheet for estimated impact of AB 1383 enhancements

cc: Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jean Kim
Ted Granger
Naomi Padron, MKP Government Relations



June 3, 2025

The Honorable Tina McKinnor Chair, Assembly Committee on Public Employment and Retirement 1021 O Street, Suite 5520 Sacramento, CA 95814

Subject: AB 1383 (McKinnor) - Cost Analysis

Dear Assemblymember McKinnor:

The State Association of County Retirement System (SACRS) and its member systems have engaged the Segal actuarial firm to conduct a cost analysis of AB 1383. The three main proposed changes in the bill would increase the cap on pensionable compensation, provide an increased retirement formula for Safety members, and remove a cost-sharing requirement between employees and employers.

It is challenging to estimate costs across the 20 retirement systems operating under the County Employees' Retirement Law (CERL) because they vary in size, from Los Angeles to Mendocino counties. However, a medium-sized county retirement system would potentially see an increase in the present value of long-term liabilities of more than \$700 million over the next 30 years. On an annual basis, that translates into approximately \$20 million in additional employer retirement contributions each year and increasing safety contributions rates by more than 3% of payroll (employee contributions would increase as well). Removing the cost-sharing requirement potentially pushes those employer costs higher, resulting in a contribution rate increase equal to approximately 20% of payroll for safety plans and 10% of payroll for non-safety plans if employers pick up the employee share of retirement contributions.

Extrapolating those costs for a single, medium-sized system across all 20 CERL systems, AB 1383 will easily lead to billions of dollars in new pension liabilities that will trigger immediate and significant contribution rate increases for both employers and employees.

SACRS, as an organization, is not taking a position on the bill; we are providing this information to inform policymakers of costs and impacts. The 20 CERL systems administer benefits as set in statute, and we will ensure that our pension plans are financially sustainable through the contribution-rate-setting process.



Today, California's pension systems are still recovering from the Great Financial Crisis and the increased costs of improving mortality while also funding the increased costs of more realistic long-term investment return projections. Though county retirement systems are generally better funded than the statewide systems – with an average funded status of 84% as of June 30, 2024 - many are still underfunded and our plan sponsors are facing budget pressures at a level not seen since the last recession.

We encourage continued analysis and discussion about the actuarial and administrative cost impacts as the Legislature considers this bill.

Sincerely,

/s/

Eric Stern Chair, SACRS Legislative Committee, and Chief Executive Officer, Sacramento County Employees' Retirement System



180 Howard Street Suite 1100 San Francisco, CA 94105-6147 T 415.263.8200 F 415.376.1167 segalco.com

#### Via Email

May 23, 2025

Mr. Eric Stern Chair, SACRS Legislative Committee Chief Executive Officer, Sacramento County Employees' Retirement System 980 9th Street, Suite 1900 Sacramento, CA 95814-2738

### Re: Possible impact of proposed Assembly Bill No. 1383 on 1937 CERL retirement systems

Dear Eric:

As requested, we have provided some high-level analysis and commentary on certain changes found in the proposed Assembly Bill No. 1383 (AB 1383) as they apply to the 20 1937 CERL retirement systems. Separately, we have provided a worksheet that can be used to create a general estimate of the impact of the various potential changes found in the bill, for an individual CERL system.

The three main proposed changes are as follows:

- The current cap on pensionable compensation previously imposed by the California Public Employees' Pension Reform Act (PEPRA) on PEPRA members will be replaced by a higher cap equal to the Internal Revenue Code (IRC) Section 415 Dollar Limit. For our analysis, this cap is applied in calculating benefits for all (past and future) years of service starting January 1, 2026. If it were applied to future service only, the calculations on the unfunded liability part of the analysis would be reduced significantly.
- A retirement benefit of up to 3% at 55 that is subject to a benefit cap of 90% of final compensation\* may become available under the meet and confer process to Safety PEPRA members for future years of service starting January 1, 2026.
- Instead of PEPRA employees paying at least 50% of the total normal cost, an employer and their employees could agree to have the employees pay less than 50% of the total normal cost where the employer pays a portion of the employees' contributions.
- \* Besides the 3% at 55 formula, there are three alternative formulas including: 2% at 55, 2.5% at 55 and 2.7% at 55. While those formulas are not subject to the benefit cap of 90% of final compensation, we understand that without proceeding under the meet and confer process, an employer is required to choose the alternative formula to calculate benefit for future years of service starting January 1, 2026 that is closest to the formula used to calculate benefit for past years of service on or before December 31, 2025.

In the rest of this letter, we discuss the potential costs associated with the implementation of AB 1383 if it were to pass in its existing form without any further amendment by its author or other members of the legislature. When reviewing the potential costs, it should be pointed out that they are only estimates of ranges (based on observations we have made when these proposed changes are modeled using membership information from some of Segal's 1937 CERL retirement system clients) as the final costs can only be determined after they are studied carefully by the actuary retained by each of the 1937 CERL retirement systems.

#### **Executive summary**

As detailed in the body of this letter, we have provided the following general guidelines, determined separately for each of the three proposed changes, that may be considered when trying to estimate the impact of AB 1383 for the 20 1937 CERL retirement systems.

#### Higher cap on pensionable compensation

The increase in the total annual normal cost contributions may be approximated by taking the sum of:

- The immediate increase in additional salaries as a dollar amount (calculated by applying the new instead of the current cap on pensionable compensation to each individual PEPRA member) times the current total normal cost rate for PEPRA members; plus
- 2. The increase in the normal cost rate due to higher anticipated future benefits, expressed in dollars (total salaries as a dollar amount times an increase factor times the total current normal cost rate for PEPRA members).

The range of the increase factor to apply to the total current normal cost is as follows:\*

a. General integrated: 5% to 6%b. General non-integrated: 3% to 5%c. Safety integrated: 17% to 22%d. Safety non-integrated: 5% to 9%

In this regard, integrated or non-integrated is with respect to whether employees are employees of an employer who is participating in Social Security as the current cap on pensionable compensation for a non-integrated employee is equal to 120% of the current cap for an integrated employee. Once the above increase in normal cost is determined, this increase would normally be split 50:50 between employer and member.

Furthermore, there will be an increase in the unfunded actuarial accrued liability (UAAL) that can be approximated by: (a) the sum of 1 and 2 (a dollar cost), multiplied by (b) the average number of years of service for the PEPRA members. The additional annual UAAL contribution

\* Note in this report all factors are relative factors of increase, not absolute factors of increase. For example, 5% factor of increase means that the amount to be increased should be multiplied by 1.05 (instead of adding 5% to the amount).



Mr. Eric Stern May 23, 2025 Page 3

that will be paid by each employer as a result is dependent on the number of years used by a retirement system to amortize the cost of a plan amendment.

For a medium sized system with about \$584 million<sup>1</sup> and \$147 million<sup>2</sup> in current annual payrolls for their General and Safety PEPRA members, respectively, we expect over the next 30 years<sup>3</sup> that their total present values of future normal cost for current and future PEPRA members to increase by about 6% (from \$2,898 million to \$3,090 million) for General and about 21% (from \$1,247 million to \$1,511 million) for their Safety PEPRA. The total increase in present value of future normal cost is \$456 million and one-half is payable by each of the employer and the employee under the current 50:50 split of the total normal cost.

There will also be an increase in the UAAL for that system of about \$31 million and \$46 million for their General and Safety members, respectively, for a total of \$77 million. That increase in the UAAL will result in higher UAAL contributions to be paid for entirely by that employer.

#### Safety benefit enhancement

#### 3% at 55 formula

Subject to the meet and confer process, an employer and their employees may decide to provide the 3% at 55 formula for future service effective January 1, 2026. The increase in the total annual normal cost contributions may be approximated by multiplying the current total annual normal cost for the 2.7% at 57 formula by a factor of between 10% and 16% depending on the demographics, actuarial assumptions, and other provisions of the plan. Once the above increase in normal cost is determined, this increase would normally be split 50:50 between employer and member.

Under the Entry Age cost method used to determine the funding contributions, there will be some increase in the UAAL even though the 3% at 55 formula is applied only to future service. However, the increase in UAAL is not expected to be very significant.

For a medium sized system with about \$147 million<sup>4</sup> in current annual payrolls for their Safety PEPRA members, we expect over the next 30 years<sup>5</sup> that their total present values of future normal cost for current and future PEPRA members to increase by about 16% (from \$1,247 million to \$1,446 million) for their Safety PEPRA. The total increase in present value of future

- <sup>1</sup> The General PEPRA members' payroll is about 55% of all General members' payroll for that employer. Of the General PEPRA member payroll, there will be an increase in that total payroll by about 1% if the higher cap is applied immediately.
- The Safety PEPRA members' payroll is about 51% of all Safety members' payroll for that employer. Of the Safety PEPRA member payroll, there will be an increase in that total payroll by about 0.02% if the higher cap is applied immediately.
- <sup>3</sup> It is anticipated that at the end of 30 years, all General and Safety employees of that employer will be PEPRA members.
- <sup>4</sup> The Safety PEPRA members' payroll is about 51% of all Safety members' payroll for that employer.
- It is anticipated that at the end of 30 years, all Safety employees of that employer will be PEPRA members.



Mr. Eric Stern May 23, 2025 Page 4

normal cost is \$199 million and one-half is payable by each of the employer and the employee under the current 50:50 split of the total normal cost.

There will also be an increase in the UAAL for that system of about \$5 million. That increase in the UAAL will result in higher UAAL contributions to be paid for entirely by that employer.

#### 2.7% at 55 formula

Without the meet and confer process, it is our understanding that the 2.7% at 55 formula will be the closest and without any benefit reduction when compared to the 2.7% at 57 formula currently offered at most 1937 CERL retirement systems for PEPRA members. The increase in the total annual normal cost contributions may be approximated by multiplying the current total annual normal cost for the 2.7% at 57 formula by a factor of between 2% and 4% depending on the demographics, actuarial assumptions, and other provisions of the plan. Once the above increase in normal cost is determined, this increase would normally be split 50:50 between employer and member.

Under the Entry Age cost method used to determine the funding contributions, there will be some increase in the UAAL even though the 2.7% at 55 formula is applied only to future service. However, the increase in UAAL is not expected to be very significant.

For a medium sized system with about \$147 million¹ in current annual payrolls for their Safety PEPRA members, we expect over the next 30 years² that their total present values of future normal cost for current and future PEPRA members to increase by about 4% (from \$1,247 million to \$1,294 million) for their Safety PEPRA. The total increase in present value of future normal cost is \$47 million and one-half is payable by each of the employer and the employee under the current 50:50 split of the total normal cost.

There will also be an increase in the UAAL for that system of about \$2 million. That increase in the UAAL will result in higher UAAL contributions to be paid for entirely by that employer.

### Reduction in 50:50 normal cost cost sharing contributions made by the employees

The increase in the employer's normal cost may be approximated by multiplying the total annual normal cost by the additional percentage (additional above 50%) that the employer will pay by the total salaries of the PEPRA members. The increase can be multiplied by a factor of 0.95 to adjust for refundability.

<sup>&</sup>lt;sup>2</sup> It is anticipated that at the end of 30 years, all Safety employees of that employer will be PEPRA members.



<sup>&</sup>lt;sup>1</sup> The Safety PEPRA members' payroll is about 51% of all Safety members' payroll for that employer.

#### Higher cap on pensionable compensation — Details

For retirement systems where the employees of the employer are participating in Social Security, the cap on pensionable compensation was \$151,446 for 2024 (for systems where the employees of the employer are not participating in Social Security, the cap on pensionable compensation was 120% of \$151,446 or \$181,734 for 2024), whereas the IRC Section 415 Dollar Limit for 2024 was \$275,000. In the context of the actuarial valuations, these limits would be projected to increase by price inflation (2.50% per year for most 1937 CERL retirement systems) after 2024.

### Impact of applying the higher cap on pensionable compensation

Everything else being equal and assuming that the availability of a higher cap on pensionable compensation would not incentivize employees to retire earlier than they would have otherwise, there would be at least two impacts on the annual contributions that would be required to be paid:

- The same normal cost rate that had previously been calculated by a retirement system's
  actuary will have to be applied immediately to the additional salaries of those employees who
  have exceeded the old pensionable compensation cap resulting in higher employer annual
  normal cost dollar contributions.
  - Furthermore, even if the employees' current salaries are below the old pensionable compensation cap, their salaries in the future (adjusted with wage inflation as well as merit and promotional increases) may be projected to exceed the old pensionable compensation cap in the future (adjusted only with price inflation). After applying the higher cap on pensionable compensation, the normal cost rate to be calculated by a retirement system's actuary using the Entry Age cost method for a 1937 CERL retirement system is expected to increase somewhat. The annual normal cost dollar contributions will increase further as a higher normal cost rate will have to be applied to the total pensionable compensation (already adjusted to reflect the higher cap).
- Since the higher normal cost contributions have not been paid by the employer (nor the
  employees) since the inception of PEPRA, there will be an increase in the actuarial accrued
  liability, unfunded actuarial accrued liability (UAAL), and UAAL contribution rate under the
  Entry Age cost method.

Since the financial impact of implementing the higher cap on pensionable compensation is dependent on the proportions of members who are impacted currently and in the future by the old pensionable compensation cap, we have reviewed those proportions separately between General and Safety members among the 12\* 1937 CERL retirement systems that have retained Segal to provide actuarial consulting services. We note that each plan has different demographics, actuarial assumptions, and potentially other benefit provisions that could affect

\* We note that of our 12 1937 CERL retirement systems, we have easily accessible information required to review the impact of the higher cap on pensionable compensation for eight of the 12 retirement systems.



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these calculations. Generally speaking, relatively less Safety members are currently above the cap when compared to the General membership group because: (a) it is not uncommon for an employer to participate in Social Security only for its General employees but not its Safety employees resulting in fewer Safety employees who are impacted by the old pensionable compensation cap¹ and (b) salaries for the positions covered by the Safety membership group salaries tend to be somewhat more homogeneous compared to those covered by the General membership group. Nevertheless, based on projected salary increases in the future, the Safety increase factors are generally larger than the General ones.

For the General members, when we review the average increase as well as the maximum increase in the total normal cost rate separately for integrated and non-integrated, we determine the following estimates:

- For integrated employers, their increase in the total annual normal cost contributions may be approximated by taking the sum of:
  - a. The increase in additional salaries as a dollar amount times the current total normal cost rate for PEPRA members; plus
  - b. The total salaries as a dollar amount times the increase factor in the total normal cost rate of between 5% and 6% times the total current normal cost rate for PEPRA members.<sup>2</sup>
- For non-integrated employers, their increase in the total annual normal cost contributions may be approximated by taking the sum of:
  - a. The increase in additional salaries as a dollar amount times the current total normal cost rate for PEPRA members; plus
  - b. The total salaries as a dollar amount times the increase factor in the total normal cost rate of between 3% and 5% times the total current normal cost rate for PEPRA members.<sup>3</sup>

For example, we expect the total annual salaries from the General PEPRA members for one of our clients integrated with Social Security to increase immediately by about 1.1% from \$584.4 million to \$590.9 million when the current cap is replaced by the new cap on pensionable compensation. In addition, the current total normal cost rate for the General PEPRA members is 19.11% of payroll. For that system, the total normal cost dollar contribution is about \$111.7 million per annum under the current cap and half of which \$55.8 million is paid by the employer. On the average, the active General PEPRA members in that system have approximately four years of service as of the date of the most recent valuation as of June 30, 2024.

For that system, the total normal cost dollar contribution is observed to increase at 5.8% which is close to the high end of the above estimate range of between 5% and 6%. As a result, the total increase in the total normal cost dollar contribution is about (a) (\$590.9 million – \$584.4



<sup>&</sup>lt;sup>1</sup> Again, the current cap on pensionable compensation is higher for the employees of an employer that is not integrated with Social Security.

<sup>&</sup>lt;sup>2</sup> Based on five 1937 CERL systems.

<sup>&</sup>lt;sup>3</sup> Based on three 1937 CERL systems.

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million) x 19.11%; plus (b) \$590.9 million x 5.8% x 19.11%, or \$7.8 million per annum under the new cap, which is expected to be split between employer and employee.

Since the average service for the General PEPRA members is about four years, there would be an increase in the UAAL of about 4 x \$7.8 million or \$31.2 million. Since that system uses 15 years to amortize the change in liabilities for plan amendments, there would be an increase in the annual UAAL contribution of about \$2.8 million, paid by the employer.

For the Safety members, when we review the average increase as well as the maximum increase in the total normal cost rate separately for integrated and non-integrated, we determine the following estimates:

- For integrated employers, their increase in the total annual normal cost contributions may be approximated by taking the sum of:
  - a. The increase in additional salaries as a dollar amount times the current total normal cost rate for PEPRA members; plus
  - b. The total salaries as a dollar amount times the increase factor in the total normal cost rate of between 17% and 22% times the total current normal cost rate for PEPRA members.<sup>1</sup>
- For non-integrated employers, their increase in the total annual normal cost contributions may be approximated by taking the sum of:
  - a. The increase in additional salaries as a dollar amount times the current total normal cost rate for PEPRA members; plus
  - b. The total salaries as a dollar amount times the increase factor in the total normal cost rate of between 5% and 9% times the total current normal cost rate for PEPRA members.<sup>2</sup>

For example, we expect the total annual salaries from the Safety PEPRA members for one of our clients integrated with Social Security to increase immediately by about 0.02% from \$147.214 million to \$147.243 million when the current cap is replaced by the new cap on pensionable compensation. In addition, the current total normal cost rate for the Safety PEPRA members is 29.28% of payroll. For that system, the total normal cost dollar contribution is about \$43.1 million per annum under the current cap and half of which \$21.5 million is paid by the employer. On the average, the active Safety PEPRA members in that system have approximately five years of service as of the date of the most recent valuation as of June 30, 2024.

For that system, the total normal cost dollar contribution is observed to increase at 21.2% which is close to the high end of the above estimate range of between 17% and 22%. As a result, the total increase in the total normal cost dollar contribution is about (a) (\$147.243 million – \$147.214 million) x 29.28%; plus (b) \$147.243 million x 21.2% x 29.28%, or \$9.1 million per annum under the new cap, which is expected to be split between employer and employee.



<sup>&</sup>lt;sup>1</sup> Based on two 1937 CERL systems.

<sup>&</sup>lt;sup>2</sup> Based on six 1937 CERL systems.

Since the average service for the Safety PEPRA members is about five years, there would be an increase in the UAAL of about 5 x \$9.1 million or \$45.5 million. Since that system uses 15 years to amortize the change in liabilities for plan amendments, there would be an increase in the annual UAAL contribution of about \$4.1 million, paid by the employer.

#### Safety benefit enhancement — Details

Safety members hired on or after January 1, 2013 are currently covered under Section 7522.25(c) (2.5% at 57) or Section 7522.25(d) (2.7% at 57). A retirement benefit of up to 3% at 55<sup>2</sup> that is subject to a benefit cap of 90% of final compensation may become available under the meet and confer process to Safety members for future years of service starting January 1, 2026.

#### Impact of Safety benefit enhancement under 3% at 55

Aside from the impact on cost due to the implementation of higher cap on pensionable compensation, if agreed upon by an employer and their employees, the 3% at 55 benefit may be extended to future service only. There would be an increase in the total normal cost rate due to the higher benefit offered for each year of future service. Additionally, the higher benefit may incentivize Safety employees to retire earlier than they would have otherwise, further increasing the normal cost rate. Finally, for technical reasons related to the version of the Entry Age cost method used by most 1937 CERL systems, there would also likely be a minor increase in the UAAL. Therefore, there would be at least two impacts on the annual contributions that would be required to be paid:

- The higher normal cost rate that would be calculated by a retirement system's actuary will have to be applied immediately to all the salaries of those employees who were previously covered by the 2.5% at 57 or 2.7% at 57 formulas resulting in higher annual normal cost dollar contributions.
- Because of the technical application of the Entry Age cost method mentioned above, there
  will be a minor increase in the actuarial accrued liability when determining the UAAL
  contribution rate under the actuarial cost method. We do not anticipate this increase to be
  very significant compared to the increase in the higher normal cost rate described above.

Again, since the financial impact of implementing the Safety benefit enhancement is dependent on the demographics of the members who are covered by the current benefit formulas as well as any potential change in their retirement patterns going forward under the 3% at 55 formula,



<sup>&</sup>lt;sup>1</sup> One of our 1937 CERL systems is not covered by these Sections per Section 7522.02(d).

<sup>&</sup>lt;sup>2</sup> Besides the 3% at 55 formula, there are three alternative formulas including: 2% at 55, 2.5% at 55 and 2.7% at 55. While those formulas are not subject to the benefit cap of 90% of final compensation, we understand that without proceeding under the meet and confer process, an employer is required to choose the alternative formula to calculate the benefit for future years of service starting January 1, 2026 that is closest to the formula used to calculate the benefit for past years of service on or before December 31, 2025.

<sup>&</sup>lt;sup>3</sup> We did not include the benefit cap of 90% of final compensation in our analysis.

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we have reviewed the cost for the five<sup>1</sup> 1937 CERL retirement systems that have retained Segal to provide actuarial consulting services who previously had a 3% at 55 formula in place prior to PEPRA under Section 31664.2.<sup>2</sup> In doing so, we made a number of simplifying assumptions including:

- No change to the retirement rates that are used for the members covered under Section 31664.2 (with the exception that rates prior to age 50 were not used as PEPRA members would not be eligible to retire prior to age 50)
- Used the same eligibility, compensation, and other assumptions applicable to PEPRA members covered under Section 7522.25(d)

The immediate increase in the total annual normal cost contributions typically fall within the following range:

 The increase in the total annual normal cost contributions may be approximated by multiplying the current total annual normal cost for the 2.7% at 57 formula by a factor of between 10% and 16%.

For example, for one system, the total normal cost dollar contribution is about \$43.1 million per annum under the current 2.7% at 57 formula, split between employer and employee. For that system, the total normal cost dollar contribution is observed to increase as a result of the higher 3% at 55 formula by the high end of the above estimate range of between 10% and 16%. As a result, the increase in the total normal cost dollar contribution is about \$43.1 million x 16% or \$6.9 million per annum under the 3% at 55 formula, expected to be split between employer and employee.

We also calculated an increase in the UAAL of about \$5.4 million for this group of Safety PEPRA members with about five years of past service. Since that system uses 15 years to amortize the change in liabilities for plan amendments, there would be an increase in the annual UAAL contribution of about \$0.5 million, paid by the employer.

#### Impact of Safety benefit enhancement under 2.7% at 55

We understand that without proceeding under the meet and confer process, an employer is required to choose the alternative formula to calculate the benefit for future years of service starting January 1, 2026 that is closest to the formula used to calculate the benefit for past years of service on or before December 31, 2025 and without any benefit reduction when compared to the 2.7% at 57 formula currently used by most retirement systems. We believe that the 2.7% at

- We note that one of our five 1937 CERL retirement systems calculates normal cost rates for Law Enforcement members and Fire members separately, both of which previously had a 3% at 55 formula in place under Section 31664.2 prior to the implementation of PEPRA.
- <sup>2</sup> Pursuant to Section 31664.2, a benefit equal to 2.29% of final average salary is provided for each year of service for retirement at 50 and that benefit is increased until it reaches 3.00% of final average salary at 55. Pursuant to Section 7522.26(e), a benefit equal to 2.40% of final average salary is provided for each year of service for retirement at 50 and that benefit is increased until it reaches 3.00% of final average salary at 55.



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55 formula would be applicable for most 1937 CERL systems. Therefore, we have included the cost impact for the 2.7% at 55 formula as well.

The immediate increase in the total annual normal cost contributions typically fall within the following range:

 The increase in the annual normal cost contributions may be approximated by multiplying the current total annual normal cost for the 2.7% at 57 formula by a factor of between 2% and 4%.

For example, for one system, the total normal cost dollar contribution is about \$43.1 million per annum under the current 2.7% at 57 formula, split between employer and employee. For that system, the total normal cost dollar contribution is observed to increase as a result of the higher 2.7% at 55 formula by the high end of the above estimate range of between 2% and 4%. As a result, the increase in the total normal cost dollar contribution is about \$43.1 million x 4% or \$1.7 million per annum under the 2.7% at 55 formula, expected to be split between employer and employee.

We also calculated an increase in the UAAL of about \$1.9 million for this group of Safety PEPRA members with about five years of past service. Since that system uses 15 years to amortize the change in liabilities for plan amendments, there would be an increase in the annual UAAL contribution of about \$0.2 million, paid by the employer.

### Reduction in 50:50 normal cost cost sharing contributions made by the employees – Details

Under PEPRA, all members hired on or after January 1, 2013 are required to pay at least 50% of the total annual normal cost. Based on Segal's experience assisting our 1937 CERL retirement systems with the implementation of PEPRA, PEPRA employees in those retirement systems have agreed to pay exactly 50% of the total normal cost.\*

If AB 1383 were to pass, an employer and their employees could agree to have the employees pay less than 50% of the total normal cost where the employer instead pays a portion of the employees' current share of the total normal cost contributions.

When an employer pays a portion of the employees' contributions, there would be a discount to the normal cost that would otherwise be paid by employees because those contributions would not be refundable to the members if they withdraw from the retirement systems. The discount can be approximated by applying a factor of 0.95 to the additional contributions that would be paid by the employees.

\* We note that for some of those retirement systems, their legacy employees have also agreed to pay exactly 50% of the total normal cost.



#### **Additional considerations**

When considering benefit improvements, actuarial analysis falls short if it only speaks to the estimated immediate cost. For example, in the wake of benefit increases around the year 2000, it became clear that higher benefits require more assets. More assets result in more movement in those assets when the market experiences volatility, which is passed on to employers through more volatile contribution rates. Additionally, higher benefits result in higher liabilities. When those liabilities are remeasured through experience study and prudent assumption changes, this is also passed on to employers through greater swings in contribution rates. Put another way, increasing benefit levels leads to **greater future contribution rate volatility**, both from changes in measured liabilities and changes in asset values.

An additional way that actuarial analysis can fall short is through **unexpected effects or those that are difficult to predict and model**. For example, we have not attempted to take into account any change in behavior for the salary cap change which may result from higher pensionable compensation and benefit levels incentivizing different retirement patterns. For the Safety benefit formula changes, we have attempted to model out approximate retirement behavior changes based on past similar benefit formulas, but these should only be viewed as a proxy for how employees might react under the proposed formulas and current circumstances.

Specifically addressing the proposed salary cap change, it should be noted that this particular proposed benefit increase increases the paid benefits of the highest earners in any given plan, at the expense of all other participants in the plan (in addition to the employer). This is because the increase in the normal cost attributable to the employee contribution is shared equally among all PEPRA employees.\* Therefore, this benefit "increase" would result only in increased cost to most employees, while the benefit provided will only be seen by the highest earners.

#### **Notes for 1937 CERL systems**

The financial impact of implementing the higher cap on pensionable compensation is dependent on the proportions of members who are impacted currently and in the future by the old pensionable compensation cap, along with the underlying actuarial assumptions.

Similarly, the financial impact of implementing the Safety benefit enhancement is dependent on the demographics of the members who are covered by the current benefit formulas as well as any potential change in their retirement patterns going forward, along with the other underlying actuarial assumptions.

The actual impact for a given system may vary from the estimates and ranges that result from the calculations described in this letter.

\* This is before any possible adjustment to the 50:50 normal cost cost sharing.



#### Statement of actuarial opinion

This document has been prepared for the exclusive use and benefit of SCERS and the SACRS community, based upon information provided by the Plan or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. This document should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

These calculations were supervised by Andy Yeung, ASA, MAAA, FCA, EA. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions on this information.

Sincerely,

Todd Tauzer, FSA, MAAA, FCA, CERA Senior Vice President and Actuary

Molly Calcagno

Lugge

Andy Yeung, ASA, MAAA, FCA, EA Vice President and Actuary

Molly Calcagno, ASA, MAAA, EA Senior Actuary

/elf



#### **General integrated employers**

#### Increase in the total annual normal cost contributions

1.	(	_ <b>-</b>	_ ) ×
	Total annual salary under new 415 limit cap for PEPRA tier	Total annual salary under old PEPRA cap for PEPRA tier	total normal cost
2.		×	×5% to 6%
	Current PEPRA total normal cost rate	Total annual salary under new 415 limit cap for PEPRA tier	
3.		+	_=
	Amount from 1.	Amount from 2.	Increase in total annual normal cost
4.	50%	×	=
	50%	Amount from 3.	Increase in employer annual normal cost
	50%	×	_ =
	50%	Amount from 3.	Increase in employee annual normal cost
ln	crease in UAA	L	
1.		×	_
1.			
	Average service for PEPRA tier active	Amount from 3.	Increase in UAAL

#### **General non-integrated employers**

#### Increase in the total annual normal cost contributions

1.	(	_ =	_ ) ×
	Total annual salary under new 415 limit cap for PEPRA tier	Total annual salary under old PEPRA cap for PEPRA tier	total normal cost
2.		×	×3% to 5%
	Current PEPRA total normal cost rate	Total annual salary under new 415 limit cap for PEPRA tier	Increase factor
3.		+	=
	Amount from 1.	Amount from 2.	Increase in total annual normal cost
4.	50%	×	.=
	50%	Amount from 3.	Increase in employer annual normal cost
	50%	×	
	50%	Amount from 3.	Increase in employee annual normal cost
In	crease in UAA	L	
1.		×	_
1.			- Increase in LIAA!
	Average service for PEPRA tier active	Amount from 3.	Increase in UAAL

#### Safety integrated employers

#### Increase in the total annual normal cost contributions

1.	(		_ ) ×
	Total annual salary under new 415 limit cap for PEPRA tier	Total annual salary under old PEPRA cap for PEPRA tiel	total normal cost
2.		×	× 17% to 22%
	Current PEPRA total normal cost rate	Total annual salary under new 415 limit cap for PEPRA tier	t
3.		+	_=
	Amount from 1.	Amount from 2.	Increase in total annual normal cost
4.	50%	×	_ =
	50%	Amount from 3.	Increase in employer annual normal cost
	50%	×	_ =
	50%	Amount from 3.	Increase in employee annual normal cost
In	crease in UAA	<b>L</b>	
1.		×	=
•	Average service for PEPRA tier active	Amount from 3.	

#### Safety non-integrated employers

#### Increase in the total annual normal cost contributions

1.		_ =	_ ) ×
	Total annual salary under new 415 limit cap for PEPRA tier	Total annual salary under old PEPRA cap for PEPRA tier	total normal cost
2.		×	× 5% to 9%
	Current PEPRA total normal cost rate	Total annual salary under new 415 limit cap for PEPRA tier	
3.		+	=
	Amount from 1.	Amount from 2.	Increase in total annual normal cost
4.	50%	×	_=
	50%	Amount from 3.	Increase in employer annual normal cost
	50%	×	_=
	50%	Amount from 3.	Increase in employee annual normal cost
In	crease in UAA	L	
1.		<u>×</u>	=
1.	Average service for PEPRA tier active	Amount from 3.	Increase in UAAL

### Estimated Impact of 3% at 55 Safety Benefit Enhancement

#### 3% at 55 formula

#### Increase in the total annual normal cost contributions

1.	-	×	× 10% to 16%	. = <u> </u>
	Current PEPRA total normal cost rate under current 2.7% at 57 formula	Total annual salary for PEPRA tier	Increase factor	
2.	50%	×	=	
	50%	Amount from 1.	Increase in employer annual normal cost	
	50%	×	=	
	50%	Amount from 1.	Increase in employee annual normal cost	

# Estimated Impact of 2.7% at 55 Safety Benefit Enhancement

#### 2.7% at 55 formula

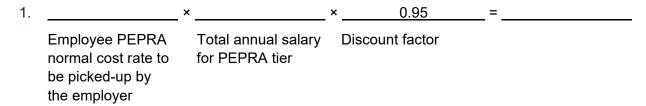
#### Increase in the total annual normal cost contributions

1.		×	× 2% to 4%	_ =
	Current PEPRA total normal cost rate under current 2.7% at 57 formula	Total annual salary for PEPRA tier	Increase factor	
2.	50%	×		
	50%	Amount from 1.	Increase in employer annual normal cost	
	50%	×	=	
	50%	Amount from 1.	Increase in employee annual normal cost	

# Estimated Impact of Reduction in 50:50 Normal Cost Sharing

#### Increase in the total annual normal cost contributions

#### Increase in the total annual normal cost contributions





#### FOR INFORMATION ONLY

July 18, 2025

TO: Trustees – Board of Retirement

FROM: Jean J. Kim

Senior Staff Counsel

Aparajita Pathak Legal Intern

DATE: Board of Retirement Meeting of August 6, 2025

SUBJECT: REPORT OF REVISED PAY ITEMS

#### INTRODUCTION

This memorandum addresses the following existing pay items, for which the Board of Retirement (the "Board") previously made pensionability determinations:

- 1. Animal Care Control Assignment Bonus (Item No. 623)
- 2. Acting Medical Director Bonus (Item No. 202)
- 3. American Medical Association & American Osteopathic Association Board Certification Bonus (Item No. 205)
- 4. Dental Professional Board Certification Bonus (Item No. 381)
- 5. Mental Health Psychiatrist Board Certification Bonus (Item No. 389)
- 6. MOU Lump Sum Bonus (Item No. 572)

As these pay items have been modified, staff has reviewed them to ensure that the prior legal analysis and pensionability determinations are still applicable. For the reasons discussed below, the original legal analysis and the related pensionability determinations regarding the pay items remain relevant and applicable to the revised pay items. Therefore, no additional Board determinations are necessary.

A summary of the revised pay codes is attached as Attachment A, and the analysis presented in support of the Board's prior pensionability determinations is attached as Attachment B.

Re: Report of Revised Pay Items

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#### **BOARD AUTHORITY TO MAKE PENSIONABILITY DETERMINATIONS**

The Board is charged with determining whether a pay item qualifies as pensionable under the County Employees Retirement Law of 1937 ("CERL") and the California Public Employees' Pension Reform Act of 2013 ("PEPRA") and is therefore includable as final compensation in calculating a member's retirement benefit. California Government Code ("Cal. Govt. Code") §31461(a)(1) and §7522.34.

Items of compensation are analyzed as pensionable:

- for legacy members under the definition of "compensation earnable" in Cal. Govt. Code §31461; and
- for PEPRA members under the definition of "pensionable compensation" in Cal. Govt. Code §7522.34.

A "legacy member" refers to any individual who became a member of LACERA, or a reciprocal system, prior to January 1, 2013. A "PEPRA member" refers to anyone who first became a member of LACERA on or after January 1, 2013 and was not previously a member of another public retirement system prior to that date. Cal. Govt. Code §7522.04(f).

#### LEGAL ANALYSIS OF REVISED PAY ITEMS

1. Animal Care Control Assignment Bonus (Item No. 623)

The Animal Care Control Assignment Bonus (Item No. 623) was created to provide an additional 10% of base salary to certain classifications of permanent employees working full-time in the Department of Animal Care Control.

The original pensionability determination for this item was as follows:

- (1) Determined to qualify as compensation earnable for legacy members because it is a payment that constitutes a part of the member's regular base compensation that is made to everyone in the same class and as such meets the requirements of Cal. Govt. Code §31461(a).
- (2) Determined to qualify as pensionable compensation for PEPRA members because this compensation is part of the normal monthly rate of base pay for the member and is paid in cash to similarly situated members of the same group or class of employment pursuant to publicly available pay schedules and therefore, meets the requirements of Cal. Govt. Code §7522.34(a).

Re: Report of Revised Pay Items

Page 3

Since the only change has been to make this pay item available to additional eligible classifications (Senior Veterinarian (Item No. 5742) and Chief Veterinarian (Item No. 5734)), there is no impact on the original pensionability analysis. Therefore, the revised pay item remains, for all designated classifications, including the two new ones, (i) pensionable as compensation earnable for legacy members and (ii) pensionable as pensionable compensation for PEPRA members.

#### 2. Acting Medical Director Bonus (Item No. 202)

The Acting Medical Director Bonus (Item No. 202) is a monthly percentage bonus that is paid to a physician who is assigned to act as medical director of a hospital in the absence of a permanent medical director.

The original pensionability analysis of this pay item was as follows:

- (1) Determined to qualify as compensation earnable for legacy members because it constitutes earnings based on the "average number of days ordinarily worked by persons in the same grade or class positions during the period, and at the same rate of pay." Cal. Govt. Code §31461(a).
- (2) Determined not to qualify as pensionable compensation for PEPRA members because this pay is a bonus that is paid in addition to the compensation, and as such is excluded under Cal. Govt. Code §7522.34(c)(10); in addition, because this pay is only available to the physician who is assigned to act as a medical director, it was determined that this pay was not part of the normal monthly rate of pay or base pay and also not paid pursuant to a publicly available pay schedule, and therefore excluded under Cal. Govt. Code §7522.34(c)(11).

Since the only change has been to make this pay item available to eleven additional eligible classifications of Physicians in the Department of Medical Examiner, there is no impact on the original pensionability analysis. Therefore, the revised pay item remains, for all designated classifications, including the eleven new ones, (i) pensionable as compensation earnable for legacy members and (ii) not pensionable as pensionable compensation for PEPRA members.

## 3. <u>American Medical Association & American Osteopathic Association Board Certification Bonus (Item No. 205)</u>

The American Medical Association & American Osteopathic Association Board Certification bonus (Item No. 205) is a flat-rate monthly percentage payment of 5.5% of base salary that is paid to physicians in certain classifications, who have

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obtained certification by the appropriate American Medical Specialty Board and are assigned to that specialty.

The original pensionability analysis was as follows:

- (1) Determined to qualify as compensation earnable for legacy members because this pay item is payment for a certification that is essential to the job function and as such constitutes earnings based on the "average number of days ordinarily worked by persons in the same grade or class positions during the period, and at the same rate of pay." Cal. Govt. Code §31461(a).
- (2) Determined not to qualify as pensionable compensation for PEPRA members. Although the certification is essential to the job and part of the minimum requirements for the position, the bonus is not included on a public pay schedule and therefore the payment does not qualify as pensionable compensation under Cal. Govt. Code §7522.34(a).

Since the only change to the pay item has been to include additional eligible classifications (Supervising Mental Health Psychiatrists (Item No. 4737) and Chief Mental Health Psychiatrists (Item No. 4739)) and to remove two classifications from eligibility (Dental Director I (Item No. 4776) and Dental Director II (Item No. 4777)), there is no impact on the original pensionability analysis for this pay item. Therefore, the revised pay item remains, for all remaining designated classifications, including the two new ones, (i) pensionable as compensation earnable for legacy members and (ii) not pensionable as pensionable compensation for PEPRA members.

#### 4. <u>Dental Professional Board Certification Bonus (Item No. 381)</u>

The Dental Professional Board Certification Bonus (Item No. 381) is a flat monthly bonus of 2% of base salary that is paid to certain classifications of dentists (Dentist (Item #4763), Senior Dentist (Item #4766), or Dental Specialist (Item #4767)) who have obtained certification by the American Dental Association, the American Board of General Dentistry, or a nationally recognized Dental Board in the specialty to which he/she are assigned.

The original pensionability analysis was as follows:

(1) Determined to qualify as compensation earnable for legacy members because this bonus constitutes earnings based on the "average number of days ordinarily worked by persons in the same grade or class positions during the period, and at the same rate of pay." Cal. Govt. Code §31461(a).

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(2) Determined not to qualify as pensionable compensation for PEPRA members because receiving the certification is not a requirement of their respective position and the compensation is not found on a public pay schedule, and therefore, is excluded under Cal. Govt. Code §7522.34(c)(11). Furthermore, this pay item is a bonus that is paid in addition to compensation and therefore, is excluded from pensionable compensation under Cal. Govt. Code §7522.34(c)(10).

Since the only change has been to include additional eligible classifications ((1) Head Dentist (Item No. 4769), (2) Dental Director I (Item No. 4776), and (3) Dental Director II (Item No. 4777)), there is no impact on the original pensionability analysis for this pay item. Therefore, the revised pay item remains, for all designated classifications, including the three new ones, (i) pensionable as compensation earnable for legacy members and (ii) not pensionable for PEPRA members as it does not qualify as pensionable compensation.

#### 5. Mental Health Psychiatrist Board Certification Bonus (Item No. 389)

The Mental Health Psychiatrist Board Certification Bonus (Item No.389) is a flatmonthly bonus that is paid to certain eligible mental health professional classifications who are board certified in specified areas of specialty.

The original pensionability analysis is as follows:

- (1) Determined to qualify as compensation earnable for legacy members because the pay item constitutes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay." Cal. Govt. Code §31461(a).
- (2) Determined not to qualify as pensionable compensation for PEPRA members because the pay is not found on a public pay schedule and, therefore, it is excluded under Cal. Govt. Code §7522.34(c)(11). Furthermore, this pay item is a bonus that is paid in addition to compensation and therefore, is excluded under Cal. Govt. Code §7522.34(c)(10).

The pay item is now being revised to include the following additional eligible classifications: Senior Physician (Item No. 5456), Chief Physician (Item No. 5457), Chief Physician II (Item No. 5458), and Chief Physician III (Item No. 5459), all of whom must be permanently assigned to one of the following areas in the Department of Health Services: Addiction Medicine, Hospice and Palliative Care, Genetics and Genomics or Radiation – Radiation/Oncology. As the only change to the pay item is to add these eligible classifications, there is no impact on the original pensionability analysis for this pay item. Therefore, the revised pay item

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remains, for all designated classifications, including the four new ones with the requisite assignments, (i) pensionable as compensation earnable for legacy members and (ii) not pensionable for PEPRA members as it does not qualify as pensionable compensation.

#### 6. MOU Lump Sum Bonus (Item No. 572)

The MOU Lump Sum Bonus (Item No. 572) is a one-time, lump sum payment that is made to certain classes of employees pursuant to a negotiated MOU.

The original pensionability analysis of this pay item was as follows:

- (1) Determined to qualify as compensation earnable for legacy members even though it is a one-time payment (which would otherwise be excluded under Cal. Govt. Code §31461(b)(1)(B)), because it is paid to all similarly situated members in the member's grade or class; and
- (2) Determined to not qualify as pensionable compensation for PEPRA members because it is a one-time payment to members and is therefore excluded under Cal. Govt. Code §7522.34(c)(3).

This pay item has now been modified:

- (i) To expand eligibility to include all employees of bargaining units that negotiate for this pay item in their respective MOU;
- (ii) To be paid in two successive, annual installments; and
- (iii) To change the amount of the payment to be \$5,000 in the first year that the bonus becomes payable, and \$2,000 in the following year.

These changes do not impact the original pensionability analysis for this pay item. While the bonus is now being paid in two installments, it remains a one-time bonus because it is being granted on a one-time basis. Since it is still being paid to all similarly situated members, it remains pensionable as compensation earnable for legacy members. As a one-time payment, it remains statutorily excluded from pensionable compensation for PEPRA members under Cal. Govt. Code §7522.34(c)(3). Also, because this payment is a bonus that is paid in addition to the normal rate of pay, the exclusion under Cal. Govt. Code §7522.34(c)(10) is also applicable. Therefore, the revised pay item remains, for all designated classifications, (i) pensionable as compensation earnable for legacy members and (ii) not pensionable for PEPRA members as it does not qualify as pensionable compensation.

The complete list of pay codes that have been determined by the Board to be pensionable or not pensionable under CERL (for legacy members) and under PEPRA (for PEPRA

Trustees – Board of Retirement

July 18, 2025

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members) is located at <a href="https://www.lacera.com/active-service/cerl-pay-codes">https://www.lacera.com/active-service/cerl-pay-codes</a> (for legacy members) and <a href="https://www.lacera.com/active-service/pepra-pay-codes">https://www.lacera.com/active-service/pepra-pay-codes</a> (for PEPRA members).

Reviewed and Approved

Steven 8- Priz

Steven P. Rice Chief Counsel

JJK/et

Attachments

## **Attachment A**

	Revised Pay Codes reviewed under Sections 31461 (CERL/Legacy) and 7522.34 (PEPRA)					
Pay Event Code	Pay Event Title	Pay Event Description	Original Analysis (BOR Date)			
	ED under Sections 314	61 and 7522.34				
623	ANIMAL CARE CONTROL ASSIGNMENT BONUS	This pay event is being <b>revised to include additional classifications</b> eligible for the Animal Care Control Assignment Bonus.  Section 6.34.020B was added to the County Code to extend eligibility for the bonus to the following full-time, permanent, non-represented classifications in the Department of Animal Care and Control:  • Senior Veterinarian (Item No. 5732)  • Chief Veterinarian (Item No. 5734)  The bonus rate is 10% of base salary.	9/4/2024			
NCLUD	DED under Section 3146	1 and EXCLUDED under 7522.34				
202	ACTING MEDICAL DIRECTOR	This pay event is being revised to extend eligibility for the Acting Medical Director bonus to Physicians in the Department of Medical Examiner pursuant to the revision to County Code Section 6.08.450E.  Eligible Classifications (according to the Auditor-Controller)  Senior Physician (Item No. 5456) Chief Physician I (Item No. 5457) Chief Physician II (Item No. 5458) Chief Physician III (Item No. 5459) Senior Physician (Item No. 5464) Chief Physician I (Item No. 5465) Chief Physician II (Item No. 5466) Senior Physician, MD (Item No. 5478) Chief Physician I, MD (Item No. 5480) Chief Physician III, MD (Item No. 5481)  Such assignment requires prior annual authorization by the Chief Medical Examiner and the Chief Executive Officer.	11/8/2012			
205	AMERICAN MEDICAL ASSOCIATION & AMERICAN OSTEOPATHIC ASSOCIATION BOARD CERTIFICATION - 5.50%	This pay event is being <b>revised to include additional classifications</b> eligible for the American Medical Association & American Osteopathic Association Board Certification bonus and to remove classifications previously eligible for the bonus.  County Code Section 6.08.450A was amended effective October 1, 2022, to extend eligibility for the bonus to Supervising Mental Health Psychiatrists (Item No. 4737) and Chief Mental Health Psychiatrists (Item No. 4739), who have obtained certification by the appropriate American Medical Specialty Board or American Osteopathic Association in their assigned specialties. The additional compensation is 5.5% of base salary. The bonus shall be given for certification in one specialty only.  Amendments to Section 6.08.450A also included the removal of this bonus eligibility for Dental Director I (Item No. 4776) and Dental Director II (Item No. 4777).	11/8/2012			

	reviewe	Revised Pay Codes d under Sections 31461 (CERL/Legacy) and 7522.34 (PEPRA)	
Pay Event Code	Pay Event Title	Pay Event Description	Original Analysis (BOR Date)
INCLUE	DED under Section 3146	1 and EXCLUDED under 7522.34	
381	DENTAL PROFESSIONAL BOARD CERTIFICATION BONUS	This pay event is being <b>revised to include additional classifications</b> eligible for the Dental Professional Board Certification Bonus.  County Code Section 6.08.450C was amended effective October 1, 2022, to extend eligibility for the bonus to the following non-represented classifications:  • Head Dentist (Item No. 4769)  • Dental Director I (Item No. 4777)  The bonus rate is 5.5% of base salary.	5/5/2016
389	MENTAL HEALTH PSYCHIATRIST BOARD CERTIFICATION BONUS	This pay event is being revised to include additional classifications eligible for the Mental Health Psychiatrist Board Certification Bonus.  County Code Section 6.08.450N was amended effective June 1, 2024, to extend eligibility for the bonus to the following non-represented classifications:  • Senior Physician (Item No. 5456) • Chief Physician I (Item No. 5457) • Chief Physician II (Item No. 5458) • Chief Physician III (Item No. 5459)  To receive this bonus, the above classes must be permanently assigned to one of the following areas in the Department of Health Services:  • Addiction Medicine • Hospice and Palliative Care • Genetics and Genomics • Radiation - Radiation/Oncology  The bonus rate is 5.5% of base salary.	5/5/2016
572	MOU LUMP SUM BONUS	This pay event is being revised to make two annual one-time signing bonus payments to eligible members of various, eligible Bargaining Units (BUs) to address the unique conditions the County currently faces and their impact on the budget.  This signing bonus becomes effective upon reaching full tentative agreement and subsequent ratification of each respective MOU. The MOUs are intended to be ratified in 2025.  Annual Payment Amounts  Each annual, one-time signing bonus shall be payable as follows:  • Year 1 - \$5,000.00 payable to eligible full-time and part-time employees within 45 days of the County receiving notice that a BU has ratified the MOU.  • Year 2 - \$2,000.00 payable to eligible full-time and part-time employees, effective October 1, 2026.  To be eligible for the signing bonus in each year, an employee must be in active pay status (full-time and part-time), and in the eligible BU as of the date of the MOU ratification.	11/8/2012

## **Attachment B**

#### Original Analysis of Pay Code 623 (Reviewed by BOR on 9/4/2024)

		Attachment: Newly Cre reviewed under Sections 31461 (CERL/I			PRA)
Pay Event Code	Pay Event Title	Pay Event Description	31461 (CERL/Legacy) Reference	7522.34 (PEPRA) Reference	Analysis
623	reated and INCLUDI  ANIMAL CARE CONTROL ASSIGNMENT BONUS	This pay event is being created to provide additional compensation of 10% above base salary for full-time, permanent employees in the following classifications in the Department of Animal Care Control (DACC):  Veterinarian, MegaFlex (Item No. 5728)  Veterinarian, Non-MegaFlex (Item No. 5729)	(a)	(a)	This compensation is paid to all similarly situated employees in the classifications of Veterinarian, MegaFlex (Item No. 5728) and Veterinarian, Non-MegaFlex (Item No. 5728) in DACC. It constitutes a payment that is made to persons in the same grade or class of positions and at the same rate of pay. The recommendation is to INCLUDE this payment in compensation earnable for LEGACY members.  This compensation is part of the normal monthly rate of base pay of the member and is paid in cash to similarly situated members of the same group or class of employment pursuant to publicly available pay schedules. The recommendation is to INCLUDE this payment in pensionable compensation for PEPRA members.

#### Original Analysis of Pay Code 202 (Reviewed by BOR on 11/8/2012)

# Attachment B: Pensionable Compensation EXCLUDED Resolution No. 12.002 Under Government Code Section 7522.34 Event Description Interpretive Manual Description 7522.34 Reference ANALYSIS This bonus is paid to any physician assigned to act as medical director of a hospital in the absence of the medical director of a hospital in the absence of the medical director of a hospital in the absence of the medical director of a hospital receives this bonus. (c)(11) since it is a "form of compensation ... inconsistent with the requirement of subdivision (a)" [i.e. it is NOT "the normal monthly rate of pay or base pay" (NOT included in the Public Pay Schedule), as well as NOT "paid to similarly situated one members of the same group of class of employment" (i.e. all others in similarly situated positions are not paid this bonus if they are not chosen for that particular assignment.). Thus, it would be classified as EXCLUDE from pensionable income for new members as of 1/1/2013.

#### Original Analysis of Pay Code 205 (Reviewed by BOR on 11/8/2012)

#### Attachment B: Pensionable Compensation EXCLUDED Resolution No. 12.002 Under Government Code Section 7522.34

Description Interpretive Manual Description 7522.34 Reference **ANALYSIS** 

AMERICAN MEDICAL ASSOCIATION BOARD CERT 5.50% This bonus is paid to physicians who are certified by the appropriate American Medical Specialty Board and are assigned to that specialty.

(c)(11)

This flat-rate monthly percentage payment is for the following class items - 4735, 5477, 5478, 5479, 5480, 5481, 4722, and 5405 (Chief Medical Examiner - Coroner), who have "obtained certification by the appropriate American Medical Specialty Board in the specialty to which he is assigned. "(Reference: County Code Sect. 6.08.250). The job specifications for Class Item 5405 denote that this certification (e.g. litense for Forensic Pathology by the American Board of Pathology) is an essential function of the job and part of the minimum requirements of the job duties. HOWEVER, this Earnings Code would meet the definition of subdivision (c)(11) since it is a "form of compensation... inconsistent with the requirements of subdivision (a)" (i.e., "normal monthly rate of pay or base pay" since it is NOT included in the Public Pay Schedule). Thus, this Earnings Code has been classified as EXCLUDE from pensionable income for new members on 1/1/13.

#### Original Analysis of Pay Code 381 (Reviewed by BOR on 5/5/2016)

	Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34				
Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
INCLUE	DED under Section 31461				
381	DENTAL PROFESSIONALS BOARD CERTIFICATION BONUS	Any person appointed to the position of Dentist (Item #4763), Senior Dentist (Item #4766), or Dental Specialist (Item #4767), who has obtained certification by the American Dental Association, the American Board of General Dentistry, or a nationally recognized Dental Board (approved by the Department) in the speciality to which he/she are assigned, shall receive a 2% bonus.  The Board Certification Bonus will become effective the first pay period following written proof by the employee, in the form of an official copy of the certification received, being submitted to the departmental Human Resource Office.  Bonus pay shall be effective so long as the board certification remains active and/or the employee's assignment in said specialty continues. Should an employee's certification become inactive and/or should the employee no longer be assigned to said specialty, the bonus pay shall cease effective the last date of active status and/or the last date of specialty assignment.  Compensation pursuant to this section shall not constitute a base rate.	(a)	_	This flat-rate monthly percentage bonus is available to the following items, Dentist (item #4768), Senior Dentist (item #4768), or Dental Specialist (item #4767), who have obtained certification by the American Dental Association, the American Board of General Dentistry or a nationally recognized Dental Board (approved by the Department). The job specifications for these positions require a California license to practice dentistry issued by the Dental Board of California AND a Radiation Safety License issued by the Dental Board of California OR a certificate of compliance from an approved Board course in radiation safety.  This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a).

	Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34					
Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis	
XCLU	DED under Section 7522.34					
381	DENTAL PROFESSIONALS BOARD CERTIFICATION BONUS	Any person appointed to the position of Dentist (Item #4763), Senior Dentist (Item #4766), or Dental Specialist (Item #4767), who has obtained certification by the American Dental Association, the American Board of General Dentistry, or a nationally recognized Dental Board (approved by the Department) in the specialty to which he/she are assigned, shall receive a 2% bonus.  The Board Certification Bonus will become effective the first pay period following written proof by the employee, in the form of an official copy of the certification received, being submitted to the departmental Human Resource Office.  Bonus pay shall be effective so long as the board certification remains active and/or the employee's assignment in said specialty continues. Should an employee's certification become inactive and/or should the employee no longer be assigned to said specialty, the bonus pay shall cease effective the last date of active status and/or the last date of specialty assignment.  Compensation pursuant to this section shall not constitute a base rate.	_	(c)(11) (c)(10)	This flat-rate monthly percentage bonus is available to the following items, Dentist (Item #4763), Senior Dentist (Item #4766), or Dental Specialist (Item #4767), who have obtains certification by the American Dental Association, the American Board of General Dentist or a nationally recognized Dental Board (approved by the Department). The job specifications for these positions require a California license to practice dentistry issued the Dental Board of California OR a certificate of compliance from an approved Board course in radiation safety. Dental Professional Board Certification is not an essential requirement of the positions.  All similarly situated employees are not entitled to this bonus, and the form of compensation is not found in the public pay schedule and, therefore, it is excluded under 7522.34(c)(11). In addition, this is a bonus is paid in additional to compensation and is excluded under 7522.34(c)(10).	

#### Original Analysis of Pay Code 389 (Reviewed by BOR on 5/5/2016)

	Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34				
Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
INCLUI	DED under Section 31461				
389	MENTAL HEALTH PSYCHIATRIST BOARD CERTIFICATION – MORE THAN ONE SPECIALITY	Mental Health Psychiatrists (Item No. 4735) who are Board-Certified in Child Psychiatry, and/or Addiction Psychiatry, and/or Forensic Psychiatry, and/or Addiction Medicine, shall receive 2.75% of the base salary on the appropriate D schedule. The bonus shall not constitute a base rate.  In no case shall a Mental Health Psychiatrist receive more than the 2.75% in this section.	(a)	_	This flat-rate monthly percentage bonus is available to Mental Health Psychiatrists (Item #4735) who are Board-Certified in Child Psychiatry, and/or Addiction Psychiatry, and/or Forensic Psychiatry, and/or Addiction Medicine, on the appropriate D schedule. The job specifications for these positions require completion of a residency approved by an American Specialty Board in psychiatry or equivalent training recognized by such Board AND a California State Physician and surgeon's Certificate authorized by the Board of Medical Examiners of the State of California.  This bonus includes earnings based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included under 31461(a).

	Attachment: Newly Discovered or Newly Created Codes reviewed under Section 31461 and 7522.34				
Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
EXCLUI	DED under Section 7522.34				
389	MENTAL HEALTH PSYCHIATRIST BOARD CERTIFICATION – MORE THAN ONE SPECIALITY	Mental Health Psychiatrists (Item No. 4735) who are Board-Certified in Child Psychiatry, and/or Addiction Psychiatry, and/or Forensic Psychiatry, and/or Addiction Medicine, shall receive 2.75% of the base salary on the appropriate D schedule. The bonus shall not constitute a base rate.  In no case shall a Mental Health Psychiatrist receive more than the 2.75% in this section.	_	(c)(11) (c)(10)	This flat-rate monthly percentage bonus is available to Mental Health Psychiatrists (Item #4735) who are Board-Certified in Child Psychiatry, and/or Addiction Psychiatry, and/or Forensic Psychiatry, and/or Addiction Medicine, on the appropriate D Schedule. The job specifications for these positions require completion of a residency approved by an American Specialty Board in psychiatry or equivalent training recognized by such Board AND a California State Physician and surgeon's Certificate authorized by the Board of Medical Examiners of the State of California. Mental Health Psychiatrist Board Certification is not an essential requirement of the position.  All similarly situated employees are not entitled to this bonus, and the form of compensation is not found in the public pay schedule and, therefore, it is excluded under 7522.34(c)[1]. In addition, this is a bonus is paid in additional to compensation and is excluded under 7522.34(c)[10).

#### Original Analysis of Pay Code 572 (Reviewed by BOR on 11/8/2012)

## Attachment B: Pensionable Compensation EXCLUDED Resolution No. 12.002 Under Government Code Section 7522.34 Event Description Interpretive Manual Description 7522.34 Reference ANALYSIS This meets the definition of 7522.34 (c) (3) one-time or ad hoc payments. Therefore, the recommendation is to EXCLUDE this bonus.



#### FOR INFORMATION ONLY

July 15, 2025

**TO:** Each Trustee

**Board of Retirement** 

FROM: James C. Beasley Jr.

Supervising Administrative Assistant II

**FOR:** August 6, 2025, Board of Retirement Meeting

SUBJECT: LACERA PROPERTY AND LIABILITY INSURANCE RENEWAL

**SUMMARY UPDATE** 

#### **EXECUTIVE SUMMARY**

LACERA has long maintained a proactive approach to procuring and managing insurance coverage to mitigate the risk of unforeseen losses to the Trust Funds. This commitment to sound risk management supports the ongoing protection and stability of LACERA's assets and operations.

On September 7, 2022, the Board of Retirement Trustees delegated authority to the Chief Executive Officer (CEO), or their designee, to approve all insurance policy renewals. This delegation was prompted by the industry's practice of issuing quotes within 30 days of policy expiration, which previously limited the Board's ability to act in a timely manner. Since its implementation, this delegation has proven effective by streamlining the renewal process, enabling timely decision-making, and allowing LACERA to secure favorable terms without delay. The Board remains fully informed through this summary report, which ensures continued transparency, oversight, and alignment with LACERA's commitment to fiscal responsibility and operational efficiency.

As part of this effort, LACERA successfully renewed its property and liability insurance program—comprising multiple lines of coverage—effective June 30, 2025. This renewal ensures uninterrupted protection across all areas of exposure. Alliant Insurance Services Inc. (Broker) successfully secured competitive quotes despite ongoing challenges in the insurance market. Industry-wide, insureds are facing rising premiums, reduced availability of coverage, and stricter underwriting—particularly in property, auto, and excess liability lines—due to inflation, increased claims, and natural disaster risks. During this renewal

Business Insurance Summary Board of Retirement July 15, 2025 Page 2 of 4

period, LACERA's total annual premium increased by only 0.1% compared to FY 2024–25.

This slight increase is attributed to both the challenging market conditions and LACERA's strategic decision to lower the Cyber Liability self-insured retention limit from \$250,000 to \$100,000. This change reduces LACERA's financial exposure in the event of a cyber incident by shifting a greater portion of potential losses to the insurer. While this adjustment does not affect LACERA's technical defenses, it strengthens the organization's financial risk management posture and reinforces its commitment to protecting member data and organizational assets.

#### **INSURANCE RENEWAL COVERAGE & COST OVERVIEW**

The chart below compares premium rates from the previous year to the current renewal. Differences are highlighted to indicate cost changes. Savings from the prior year are shown in green font and parentheses, while increases in cost are shown in black font without parentheses.

Coverage Type	Selected Carrier	Limits*	FY 2024- 2025 Premium	FY 2025- 2026 Premium	Difference
	Continental				
Business	National	Various	\$45,565	\$51,830	\$6,265
Package	American		. ,	,	. ,
	Group (CNA)				
Foreign Package	CNA	Various	\$2,000	\$2,000	\$0
Umbrella	CNA	\$25 Million	\$17020	\$18,425	\$1,405
Terrorism Liability	Indian Harbor	\$45 Million	\$8,293	\$4,471	(\$3,822)
Difference-in-	QBE Specialty				
Condition	Insurance	\$25 Million	\$103,695	\$93,589	(\$10,106)
Condition	Company				
Employment	Ascot				
Practices Liability	Specialty	\$5 Million	\$205,328	\$205,328	\$0
Fractices Liability	Insurance				
Employment	Ironshore				
Practices	Indemnity	\$2 Million	\$48,000	\$47,760	(\$240)
Liability (Excess)	Inc.				
Fiduciary Liability	Euclid	\$20 Million	\$292,992	\$298,735	\$5,743

Coverage Type	Selected Carrier	Limits*	FY 2024- 2025 Premium	FY 2025- 2026 Premium	Difference
Fiduciary Liability (Excess)	Westchester	\$10 Million	\$109,853	\$111,961	\$2,108
Fiduciary Liability (Excess)	RLI Insurance	\$5 Million	\$38,529	\$38,529	\$0
Fiduciary Liability OPEB Trust	Euclid	\$10 Million	\$54,795	\$56,289	\$1,494
Cyber Liability	Tokio Marine	\$5 Million	\$118,858	\$118,858	\$0
Cyber Liability (Excess)	Homeland	\$5 Million	\$89,251	\$88,993	(\$258)
Cyber Liability (Excess)	Travelers Insurance	\$5 Million	\$71,393	\$71,192	(\$201)
Cyber Liability (Excess)	Indian Harbor Insurance	\$5 Million	\$54,820	\$54,685	(\$135)
Crime Protection	Great American	\$10 Million	\$22,414	\$22,414	\$0
Travel Insurance	National Union Fire	Various	\$5,654	\$4,806	(\$848)
FY 2024-25 Insurance Renewal Premium Total: \$1,28					
	FY 2025-26 Insurance Renewal Premium Total: \$1,289,865				
Difference in Premium Costs:					\$1,405

Premium amounts include taxes, fees, and rebates.

Differences in parentheses and green indicate savings from the previous year.

#### **FISCAL IMPACT**

For Fiscal Year 2025–26, the total premium for LACERA's Property and Casualty Insurance Program is \$1,289,865, reflecting a 0.1% increase from the prior year's premium of \$1,288,460. This slight adjustment reflects current market conditions and ensures that LACERA maintains broad and effective insurance protection while continuing to manage costs responsibly.

<sup>\*</sup>See Appendix A for further information on the coverage details.

Business Insurance Summary Board of Retirement July 15, 2025 Page 4 of 4

#### CONCLUSION

Following an extensive procurement process, thorough evaluation by the Insurance Selection Team, and approval by LACERA's Deputy Chief Executive Officer, each line of coverage has been successfully bound for the 2025–26 policy year. The finalized insurance program provides comprehensive protection for the LACERA Trust Fund and represents the best available value in alignment with the organization's risk management objectives.

#### **Reviewed and Approved:**

Luis A. Lugo

**Deputy Chief Executive Officer** 

Attachments



## APPENDIX A Coverage Details

#### **BUSINESS INSURANCE PACKAGE**

LACERA's Business Insurance Package consolidates four essential lines of coverage—Business Personal Property, General Liability, Employee Benefits Liability, and Commercial Auto—into a comprehensive risk management solution that supports the organization's operational continuity and financial protection.

- Business Personal Property: Covers equipment, furniture, fixtures, and inventory owned, used, or rented by LACERA. It includes restoration of LACERAoccupied spaces following a covered loss but excludes structural damage to Gateway Plaza, which is insured under the building manager's policy.
- General Liability: Protects against third-party claims for bodily injury, property damage, and personal injury arising from LACERA's operations. This includes incidents such as visitor injuries occurring on LACERA premises.
- Employee Benefits Liability: Covers errors or omissions in the administration of employee benefit programs, such as failure to enroll or notify staff of available benefits. It protects LACERA from liability but does not cover the unpaid benefits themselves.
- **Commercial Auto:** Offers liability and physical damage coverage for LACERA-owned, rented, or hired vehicles. It includes protection for both third-party claims and LACERA's losses resulting from vehicle-related incidents.

Commercial Insurance Pack	Commercial Insurance Package Coverage			
Insurance Company:	Continental National American Group (CNA)			
A.M. Best Rating:	A (Excellent), Financial Size Category: XV (Greater than			
	or Equal to \$2 Billion) as of December 5, 2024			
Policy/Coverage Term:	June 30, 2025 to June 30, 2026			
Premium:	\$51,830			
Business Property Limits				
Business Personal Property	\$25,000,000			
& Contents				
Business Income (Including	\$20,000,000			
Expenses)				

Earthquake - Sprinkler Leakage Only  Equipment Breakdown- spoilage Ordinance of Law Electronic Data Processing (EDP) Equipment Equipment Breakdown Included  Deductible:  \$5,000,000 occurrence/aggregate  \$250,000  Included  \$500,000 Included  Included
Equipment Breakdown- spoilage Ordinance of Law \$500,000  Electronic Data Processing Included (EDP) Equipment Equipment Breakdown Included
spoilage Ordinance of Law \$500,000  Electronic Data Processing Included (EDP) Equipment Equipment Breakdown Included
Ordinance of Law \$500,000  Electronic Data Processing Included (EDP) Equipment Equipment Included
Electronic Data Processing (EDP) Equipment Equipment Breakdown Included
(EDP) Equipment Equipment Breakdown Included
Equipment Breakdown Included
· ·
Deductible:
Property All Risk \$5,000
Earthquake - Sprinkler \$25,000
Leakage
General Liability/Employee Benefits Limits
General Aggregate \$2,000,000
Products & Completed \$2,000,000
Operations Aggregate
Personal & Advertising Injury \$1,000,000
Each Occurrence \$1,000,000
Damage to Premises Rented \$1,000,000
to You
Medical Expense \$15,000
Employee Benefits Per \$1,000,000
Employee
Employee Benefits \$1,000,000
Aggregate
Deductible:
Each Occurrence N/A
Employee Benefits Liability \$1,000
Commercial Auto Limits
Liability \$1,000,000 combined single limit
Uninsured Motorist \$1,000,000 combined single limit
Medical Payments \$5,000
Comprehensive Included
Collision Included
Rental Reimbursement \$40.00 Maximum daily amount
30 Days - Maximum number of days
\$1,200.00 Maximum payment for any one period
Hired Auto Liability \$1,000,000



Non-Owned Liability	\$1,000,000
Deductible:	
Comprehensive	\$1,000
Collision	\$1,000

#### FOREIGN BUSINESS INSURANCE PACKAGE

LACERA maintains a Foreign Business Insurance Package to ensure comprehensive protection for operations and travel conducted outside the United States. This package mirrors the coverage provided under the Domestic Business Insurance Package—including Property, General Liability, Employee Benefits Liability, and Commercial Auto—but extends those protections internationally.

Foreign Business Insurance	Package
Insurance Company:	CNA
A.M. Best Rating:	A (Excellent), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of December 5, 2024
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$2,000
Limits	
Personal Property, Business	\$25,000 Each occurrence
Income, & Extra Expense	
Combined	
Commercial General Liability	\$1,000,000
Each Occurrence Limit	
Employee Benefits Liability	\$1,000,000 Each employee limit per occurrence/ all
	claims in the Aggregate Limit
Business Auto Covered	\$1,000,000
Autos Liability Coverage	
Business Travel Accidental	\$500,000 Annual aggregate/per incident
Death and Dismemberment	
Kidnap and	\$250,000 Each occurrence/ total policy aggregate
Ransom/Wrongful Detention	
Deductible:	
Personal Property, Business	\$1,000
Income, & Extra Expense	
Commercial General Liability	Not applicable
Employee Benefits Liability	\$1,000 Per employee damages only



Business Auto Covered	Not applicable
Autos	
Business Travel Accidental	Various
Death & Dismemberment	
Kidnap & Ransom	\$0

#### **UMBRELLA LIABILITY INSURANCE**

LACERA maintains a \$25 million Umbrella Liability Insurance policy that provides an additional layer of protection above the limits of its underlying liability coverages, including General Liability, Auto Liability, and Employee Benefits Liability. This policy is designed to respond when the limits of those primary policies are exhausted or when certain claims fall outside their scope.

Umbrella Package Coverage	
Insurance Company:	CNA
A.M. Best Rating:	A (Excellent), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of December 5, 2024
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$18,425
Limits	
Each Incident	\$25,000,000
General Aggregate	\$25,000,000
Products-Completed	\$25,000,000
Operation Aggregate	
Crisis Management	\$300,000
Expenses Aggregate	
Key Employee Replacement	\$100,000
Expenses Aggregate	
Self-Insured Retention	\$10,000

#### TERRORISM AND SABOTAGE

LACERA maintains Terrorism Insurance to protect against financial losses resulting from acts of terrorism or sabotage. In the event of a declared terrorism incident or confirmed attempt to target LACERA, this coverage provides critical support in two key areas:

• **Property Damage:** Covers the repair or replacement of damaged or destroyed personal property—including equipment, furnishings, and inventory owned, used, or rented by LACERA—as well as debris removal costs.





 Business Interruption: Reimburses LACERA for lost income and additional operational expenses incurred due to a covered terrorism event, such as temporary relocation or staffing needs.

Terrorism and Sabotage Coverage	
Insurance Company:	Indian Harbor Insurance Company
A.M. Best Rating:	A+ (Superior), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of October 2, 2024
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$4,471
Limits	
Liability	\$45,000,000 Per occurrence/aggregate
Deductible	
Per Occurrence	\$10,000

#### DIFFERENCE-IN-CONDITIONS - EARTHQUAKE/FLOOD

LACERA maintains a Difference-In-Conditions (DIC) insurance policy to address catastrophic risks not covered under standard property insurance, specifically earthquakes and floods. While the building manager, Avison Young, carries DIC coverage for structural damage to Gateway Plaza—including walls, roof, and foundation—this policy does not extend to LACERA's owned or used property. LACERA's DIC policy fills this critical gap.

The DIC policy provides coverage for:

- **Business Personal Property**: Equipment, furniture, fixtures, and inventory owned, used, or rented by LACERA.
- **Business Income and Extra Expense**: Lost income and additional operational costs resulting from a covered event, including temporary relocation and staffing.
- **Fine Arts**: Artwork and other valuable items owned by LACERA.
- Electronic Data Processing (EDP) Equipment and Media: Computers, servers, and data storage devices essential to LACERA's operations.
- Valuable Papers and Records: Important documents such as contracts, leases, and financial records.



Difference-in-Conditions (DIC) Coverage	
Insurance Company:	QBE Specialty Insurance Company
A.M. Best Rating:	A (Excellent), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of July 18, 2024
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$93,589
Limits	
Loss Limit	\$25,000,000
Deductible:	
Earthquake & Earthquake	10% Physical damage
Sprinkler Leakage	10% Time element subject to
	\$50,000 Minimum per occurrence
Flood	2% Per unit.
	Subject to \$50,000 minimum per occurrence
All Other Perils	\$25,000

#### **EMPLOYMENT PRACTICES LIABILITY INSURANCE**

LACERA maintains Employment Practices Liability Insurance (EPLI) to protect against claims arising from employment-related issues, including allegations of discrimination, harassment, wrongful termination, and other workplace practices. This coverage applies to claims brought by prospective, current, or former Staff Members.

Given the potential for high legal defense costs, even in cases where claims are dismissed, EPLI provides critical financial protection. It ensures that LACERA has the resources to defend against such claims and, if necessary, to cover settlement or judgment costs.

Importantly, LACERA retains the option for choice of counsel under this policy, allowing the organization to select legal representation that aligns with its operational needs, legal strategy, and institutional knowledge.

Employment Practices Liability Coverage (Primary – 1st Layer)	
Insurance Company:	Ascot Specialty Insurance Company
A.M. Best Rating:	A (Excellent), Financial Size Category: XIII (\$1.25 Billion
	to Less than \$1.5 Billion) as of September 28, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$205,328
Limits	





Aggregate Limit of Liability	\$5,000,000	
for All Coverage Parts	(Inclusive of Defense Costs; Not Inclusive of Directors &	
	Officers Side A Excess Limit, if applicable)	
Third-Party Claim Sub-Limit	\$3,000,000	
of Liability		
Self-Insured Retention		
Each Employment Practices	\$500,000	
Claim		
Third-Party Claim	\$500,000	
Mass Action	\$1,000,000	

Employment Practices Liability Coverage (Excess – 2nd Layer)	
Insurance Company:	Ironshore Indemnity Inc
A.M. Best Rating:	A (Excellent), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of August 10, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$47,760
Limits	
Aggregate Limit of Liability	\$2,000,000

#### FIDUCIARY LIABILITY

LACERA maintains Fiduciary Liability Insurance to protect the Trust Fund and its fiduciaries against claims alleging mismanagement of the Retirement Plan. This coverage includes legal defense costs and financial losses resulting from errors, omissions, or breaches of fiduciary duty, such as failure to act in the best interests of plan beneficiaries, improper investment decisions, or failure to follow plan guidelines.

LACERA carries a total of \$35 million in fiduciary coverage, structured in three layers:

- \$20 million primary (maximum underwritten by the carrier),
- \$10 million first layer excess, and
- \$5 million second layer excess.

In addition, LACERA maintains a separate **\$10 million Fiduciary Liability policy** to cover the Other Post-Employment Benefits (OPEB) Trust Funds, which are combined under a single policy. These include:

- County OPEB Trust
- Superior Court OPEB Trust
- Master OPEB Trust





Fiduciary Liability Coverage (Primary – 1st Layer)	
Insurance Company:	Euclid
A.M. Best Rating:	A+ (Superior), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of July 6, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$298,735
Limits	
Aggregate Limit of Liability	\$20,000,000
Self-Insured Retention:	
Indemnifiable	\$250,000
Non-indemnifiable	\$0
Class action lawsuits	\$1,000,000

Fiduciary Liability Coverage (Excess – 2nd Layer)	
Insurance Company:	Westchester
A.M. Best Rating:	A++ (Superior), Financial Size Category: XV (Greater
	than or Equal to \$2 Billion) as of December 7, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$111,961
Limits	
Aggregate Limit of Liability	\$10,000,000

Fiduciary Liability Coverage (Excess – 3rd Layer)	
Insurance Company:	RLI Insurance
A.M. Best Rating:	A+ (Superior), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of December 13, 2022
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$38,529
Limits	
Aggregate Limit of Liability	\$5,000,000

OPEB Fiduciary Liability Coverage	
Insurance Company:	Euclid
A.M. Best Rating:	A+ (Superior), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of July 6, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$56,289
Limits	





Aggregate Limit of Liability	\$10,000,000
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#### CYBER LIABILITY INSURANCE

LACERA maintains Cyber Liability Insurance to protect against a wide range of cyberrelated threats, including data breaches, ransomware, business email compromise (BEC), and network security failures. The policy provides coverage for data recovery, legal expenses, extortion payments, and business interruption losses. It also includes access to forensic investigation services, crisis management, and public relations support to help mitigate reputational harm following a cyber incident.

Cyber Liability Coverage (Primary – 1st Layer)	
Insurance Company:	Houston Casualty Group
A.M. Best Rating:	A++ (Superior), Financial Size Category: XV (Greater
	than or Equal to \$2 Billion) as of November 8, 2024
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$118,858
Limits	
Security & privacy liability	\$5,000,000
Privacy regulatory defense &	\$5,000,000
penalties	
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	\$5,000,000
interruption	
Cybercrime	\$100,000
Self-Insured Retention:	
Per claim	\$100,000

Cyber Liability Coverage (Excess – 2nd Layer)	
Insurance Company:	Homeland
A.M. Best Rating:	A+ (Superior), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of May 18, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$88,993
Limits	

Security & privacy liability	\$5,000,000
Privacy regulatory defense &	\$5,000,000
penalties	
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	\$5,000,000
interruption	
Cybercrime	\$100,000

Cyber Liability Coverage (Excess – 3rd Layer)	
Insurance Company:	Travelers Insurance
A.M. Best Rating:	A++ (Superior), Financial Size Category: XV (Greater
	than or Equal to \$2 Billion) as of July 20, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$71,192
Limits	
Security & privacy liability	\$5,000,000
Privacy regulatory defense &	\$5,000,000
penalties	
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	\$5,000,000
interruption	
Cybercrime	\$100,000

Cyber Liability Coverage (Excess – 4th Layer)	
Insurance Company:	Indian Harbor Insurance
A.M. Best Rating:	A+ (Superior), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of September 7, 2023
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$54,685
Limits	



Security & privacy liability	\$5,000,000
Privacy regulatory defense &	\$5,000,000
penalties	
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	\$5,000,000
interruption	
Cybercrime	\$100,000

#### **CRIME PROTECTION INSURANCE**

LACERA maintains Crime Protection Insurance to safeguard against financial losses resulting from employee dishonesty, computer fraud, forgery, and other forms of business-related crime. The policy provides coverage for the loss of cash, securities, and other property, as well as legal defense costs associated with covered incidents.

While the crime insurance market remains stable for LACERA, the growing prevalence of social engineering fraud—in which employees are manipulated into disclosing sensitive information or transferring funds—continues to be a concern across the industry. Although insurers have introduced tools and best practices to help mitigate this risk, the increasing frequency and sophistication of such schemes may lead to tighter underwriting standards or premium adjustments in future renewal cycles.

Crime Protection Coverage	
Insurance Company:	Great American
A.M. Best Rating:	A+ (Superior), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of December 11, 2024
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$22,414
Limits	
Employee dishonesty	\$10,000,000
Forgery & alterations	\$10,000,000
Inside premises	\$10,000,000
Outside premises	\$10,000,000
Computer fraud	\$10,000,000
Money orders & counterfeit	\$10,000,000
paper currency	

Page **11** of **12** 





Fund transfer fraud	\$10,000,000
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#### **BUSINESS TRAVEL INSURANCE**

The group policy provides coverage for a range of unforeseen travel disruptions, including:

- **Trip Cancellation:** Reimbursement of up to \$2,500 for non-refundable expenses due to illness, injury, or other covered events occurring within 30 days of departure.
- **Trip Interruption & Replacement:** Up to \$2,500 for unused trip costs and expenses to send a replacement traveler if the original traveler must return early.
- **Trip Rearrangement:** Up to \$1,000 for reasonable costs to reschedule a disrupted trip due to events such as missed connections or lost travel documents.
- **Trip Delay:** Reimbursement of up to \$150 per 4-hour delay (maximum \$1,000) for expenses caused by mechanical issues, severe weather, or other qualifying disruptions.

<b>Business Travel Insurance</b>	
Insurance Company:	National Union Fire Insurance Company
A.M. Best Rating:	A (Excellent), Financial Size Category: XV (Greater than
	or Equal to \$2 Billion) as of January 26, 2024
Policy/Coverage Term:	June 30, 2025 to June 30, 2026
Premium:	\$4,806
Limits	
Temporary Loss of Personal	\$1,000
Property	
Trip Cancellation	\$2,500 maximum
Trip Interruption/	\$2,500 maximum
Replacement	
Trip Rearrangement	\$1,000 maximum
Trip Delay	150 for every full consecutive hour of delay, up to an
	overall maximum of \$1,000





#### FOR INFORMATION ONLY

July 16, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Tamara Caldwell, Manager #

Disability Retirement Services Division

FOR: August 6, 2025 Board of Retirement Meeting

SUBJECT: 2025 Quarterly Reports of Paid Invoices

4th Quarter - April 1, 2025 to June 30, 2025

On January 1, 2015, the Board of Retirement adopted a policy whereby staff is authorized to approve and pay Disability Retirement Services (DRS) vendor invoices up to a cumulative amount of \$15,000 per vendor. Invoices from vendors exceeding \$15,000 per case shall be submitted to the Board of Retirement for approval prior to payment. Additionally, DRS is responsible for submitting quarterly reports on paid invoices under the threshold for the Board of Retirement's review and comment (attached).

Noted and Reviewed:

**Confidential Attachments** 

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

For further information, contact:

LACERA

Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620

Pasadena, CA 91101



#### FOR INFORMATION ONLY

July 23, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Tatiana Bayer

Division Manager, Member Services

**Louis Gittens** 

Division Manager, Benefits

**SUBJECT: Post Termination Payroll Adjustments** 

At the June 4, 2025, Retirement Board meeting, Mr. Gustavo Mojarro delivered a public comment asserting that he had repeatedly alerted LACERA to discrepancies in his reported earnings. The member reported that his union had negotiated a new Memorandum of Understanding (MOU) that included retroactive pay increases, which his department implemented following his retirement. Despite sending multiple secure messages to raise his concerns, Mr. Mojarro stated that LACERA failed to take timely action to investigate or resolve the matter.

During the June 4, 2025, Board of Retirement meeting, Trustee Kehoe asked LACERA staff to review this case and provide an updated status and explanation regarding Mr. Mojarro's comments and concerns.

This member's experience highlights two areas of improvement:

- A critical issue stemming from a failure to act on a reported pay-raise due to a recently negotiated Memorandum of Understanding (MOU). The member reported the expected increase to LACERA multiple times, but staff did not follow up on Mr. Mojarro's inquiry, resulting in a failure to process Mr. Mojarro's request in a timely manner.
- While the ongoing issues are concerning, it's clear the central challenge continues to be the County's difficulty in accurately reporting post-termination pensionable pay and collecting the appropriate contributions. We've addressed this with them in the

### Board of Retirement Re: Post Termination Payroll Adjustments

July 23, 2025 Page 2

past, and we remain committed to working together toward a solution.

We have addressed the concerns with staff and will be using this experience as a training tool for all staff. Additionally, we are revisiting this issue with the County to seek a mutually acceptable solution. This memo will provide additional insight into our approach.

#### **Discussion**

Over the course of this case, there were multiple interactions between the member and our staff. Mr. Mojarro sent us four secure messages in a period of four months. These interactions highlighted two key areas of concern:

- Existing procedures for members reporting retroactive pay adjustments that occurred after termination may not have been clearly defined, resulting in staff initially advising the member to wait for the department to notify LACERA.
- Subsequent requests from the member were not handled with the expected diligence and were not appropriately escalated.

Once escalated the expected process for staff to follow is investigate that member's specific concern. This includes reviewing County post-termination payroll records manually to determine if retroactive pay was issued. If retroactive pay is issued, then we determine what is pensionable and begin a manual collection process with the member.

We have reviewed our procedures and made several adjustments:

- We are revising our procedures to require staff to submit a service request with the
  first report of expected post-termination retroactive adjustments which will trigger a
  proactive effort to acquire the necessary data from payroll records and adjust member
  accounts, rather than wait for the County to notify LACERA. This will account for the
  lack of County notification that occurred in this instance.
- We will review expectations with staff regarding expected escalation procedures. However, we will note that it is rare that staff do not escalate member concerns.
- We are revising our procedures to include a component for staff and their leadership
  to better identify when a member, or multiple members, report that their posttermination retroactive adjustments are due to a late MOU agreement or the delay in
  processing MOU agreement changes.
- We are implementing a monitoring program to proactively identify, when possible, that an MOU has been signed and requires retroactive pay adjustments.

# Board of Retirement Re: Post Termination Payroll Adjustments

July 23, 2025 Page 3

We are in the process of updating our internal procedures and will retrain all staff on the changes to the procedures within the next 30 days. This will ensure we continue to maintain our expectations for consistent service across all channels.

Staff contacted the Department of Probation (the members' department) and the Auditor-Controller for assistance in identifying impacted members or impacted member items along with the data necessary to process the changes.

# **Efforts to Address Root Causes with the County**

The core problem lies in a systematic programming flaw in the County's payroll system. Any retroactive payroll changes for Active members are reported to LACERA through the normal bi-weekly payroll files, and adjustments are systematically completed. However, retroactive payroll adjustments processed post-termination (once the County has entered a termination date on the members' record), are not reported in the same manner. Additionally, contributions for these adjustments are not withheld but required under the law.

This issue has been addressed in the past with the Auditor-Controller's office. In those past discussions, the County indicated correcting this issue would be a significant re-programming cost that they could not support. As part of those past discussions the County did develop a report that was being sent to LACERA. However, the report, at the time, was determined to be insufficient to systematically identify retroactive adjustments, allow for the adjustment to our members' record, and collect the mandatory contributions required.

As part of our past discussions, the LACERA team thought there was an agreement that arrangements had been made to notify personnel officers that they needed to alert LACERA when large groups of members were going to receive post-termination retroactive payroll changes. While this would not address one-off changes, it would have addressed the bulk of the impactful changes. We have relied on member reports to address individual member adjustments. We thought this had been working as adjustments like this were brought to LACERA's attention by the District Attorney's Office and the LAFD. Both resulted in special projects lasting a significant period.

We realize both are not sufficient, and we are addressing those concerns now. To address the broader issue with the County, we have re-engaged the CEO's Office for assistance and have had our first working meeting on the topic with the CEO's Office and the Auditor Controller. During our meeting we reviewed the problem, the significant impacts of the problem, including the impact on members, the costs to LACERA to perform the work the County should be performing and the potential loss to LACERA in the event required contributions cannot be collected. We also shared with the County a reminder that they are legally obligated under CERL to report pensionable earnings and collect contributions.

Board of Retirement Re: Post Termination Payroll Adjustments

July 23, 2025 Page 4

During our recent meeting with the County, they reminded LACERA about the file and we reevaluated the file and confirmed it is insufficient for our needs, but we believe we can do more with the file than we have to date. We updated the team on our review and the Auditor-Controller is currently evaluating what they can do to bring us all into compliance.

In the meantime, we are evaluating the file to determine if we can use the file as a trigger method for creating work objects to manually research and adjust member records. At this time, we have not made that determination or determined the volume and effort required. For context in terms of time and effort, when we worked with the LAFD several years ago to address post-retirement adjustments. The multi-year effort resulted from waiting for the department to finalize their adjustments for each member.

Additionally, Benefits and Member Services collaborated to establish an independent monitoring program to proactively identify changes resulting from late MOU adjustments. This includes monitoring new MOUs, reaching out to the County for member-specific information, and establishing a backup plan in case the County fails to provide timely updates. Our goal is to ensure accurate and timely reporting of post-termination pensionable pay for all members.

NOTED AND REVIEWED:

JP opowich, Assistant Executive Officer

tb:lg



#### FOR INFORMATION ONLY

July 28, 2025

**TO:** Each Trustee

**Board of Retirement** 

FROM: Ricki Contreras

Administrative Services Division Manager

Elsy Gutierrez

Supervising Administrative Assistant II

**FOR:** August 6, 2025, Board of Retirement Meeting

**SUBJECT: Contracting Activity Report – June 2025** 

The Board of Retirement (BOR) adopted the <u>Policy for the Procurement of Goods and Services</u> (<u>PGS</u>) on September 4, 2024. The PGS requires the Vendor Management Group to provide the BOR a monthly report on all contracting activity. Below is a summary of the contracting activity for the month of June 2025.

Category	Total	Approximate Dollar Amount
New Contracts	6	\$5,355,468.00
Renewals	13	\$142,942.00
Amendments	3	\$11,212.00
Total	22	\$5,509,622.00

#### Attachment

EG: eg

C: Santos H. Kreimann, Chief Executive Officer Luis Lugo, Deputy Chief Executive Officer JJ Popowich, Assistant Executive Officer Jon Grabel, Chief Investments Officer Steven P. Rice, Chief Counsel Richard Bendall, Chief Internal Audit Carly Ntoya, Director of Human Resources

# **Summary of Contracting Activity: June 2024**

Vendor	Division	Туре	Term (Months)	New/Renewals	Total Contract Value
Chicago Soft	Systems	Software Agreement	12	R	\$7,398.00
Cleverbridge, Inc.	Systems	Software Agreement	36	R	\$3,960.00
Consumerinfo.Com Inc.	Executive Office	Subscription Services	12	R	\$2,113.00
IBM Corporation	Systems	Software Agreement	12	R	\$2,400.00
Newera Software, Inc.	Systems	Software Agreement	12	R	\$3,256.00
Progress Software Corporation	Systems	Software Agreement	12	R	\$5,000.00
Shi International	Systems	Software Agreement	36	N	\$152,694.00
Shi International	Systems	Software Agreement	36	N	\$205,408.00
Softchoice Corporation					
Approved by the BOR on July 10, 2025	Systems	Software Agreement	36	N	\$2,169,190.00
Software Engineering of America	Systems	Software Agreement	12	R	\$19,227.00
Backoffice Associates, LLC DBA Syniti	Systems	Software Agreement	6	R	\$1,993.00
Vector Resources, Inc.	Systems	Software Agreement	12	R	\$2,622.00
Gartner, Inc.	Member Services	Software Agreement	12	N	\$77,000.00
Gartner, Inc.	Systems	Software Agreement	12	R	\$84,600.00
Quest Software Inc.	Systems	Software Agreement	36	R	\$3,941.00
Quest Software Inc.	Systems	Software Agreement	36	R	\$4,068.00
TTEC Government Solutions, LLC** Approved by the BOR on August 7, 2024	Systems	Software Agreement	60	N	\$2,102,728.00
Insight Public Sector, Inc. Approved by the BOR on June 4, 2025	Information Security	Software Agreement	36	N	\$648,448.00
GoDaddy LLC	Systems	Software Agreement	60	R	\$2,364.00
Total					\$5,498,410.00

				Amendment/Extensi	
Vendor	Division	Туре	Term (Months)	on	Total Contract Value
Atlassian Pyt LTD.	Systems	Software	12	А	\$2,710.00
Mainline Information Systems, Inc.	Systems	Technical Services	6	А	\$8,500.00
Atkinson, Andelson, Loya, Ruud, Romo, PLC	Human Resources	Consulting Services	12	Α	\$0.00
Total					\$11,210.00

#### <u>Legend</u>

<sup>\*</sup>Sole Source Procurements

<sup>\*\*</sup> Contract executed by Business Owner



#### FOR INFORMATION ONLY

July 24, 2025

TO: Each Trustee

Board of Retirement Board of Investments

FROM: Ted Granger

Chief Financial Officer

FOR: August 6, 2025 Board of Retirement Meeting

August 13, 2025 Board of Investments Meeting

SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT - JUNE 2025

Attached for your review is the monthly Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through June 2025.

Trustees attend monthly Board and Committee meetings at LACERA's office which are considered administrative meetings per the Trustee Travel Policy. In order to streamline report volume and information, these regular meetings are excluded from the monthly travel reports but are included in the quarterly travel expenditure reports.

Staff travel and education expenditure reports are provided to the Chief Executive Officer monthly and to the Boards quarterly.

**REVIEWED AND APPROVED:** 

Luis A. Lugo

**Deputy Chief Executive Officer** 

TG/JT/EW/SC/SE/gj

#### Attachments

c: J. Popowich

L. Guglielmo

J. Grabel

S. Rice

R. Contreras





Atter	ndee	Purpose of Travel - Location	Event Dates	Travel Status
Nan	су I	Durazo		
A	1	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
V	-	Edu - Southern New Hampshire University: Principles of Finance & Public Fiscal Management (Weekly Course) - VIRTUAL	07/01/2024 - 08/25/2024	Attended
	-	Edu - Southern New Hampshire University: Policy Analysis and the Role of the Public (Weekly Course) - VIRTUAL	09/02/2024 - 10/27/2024	Attended
	-	Edu - Southern New Hampshire University: Program Accountability and Driving Business Opportunities (Weekly Course) - VIRTUAL	10/28/2024 - 12/22/2024	Attended
	-	Edu - National University: Public Personnel Policy (Weekly Course) - VIRTUAL	02/03/2025 - 02/24/2025	Attended
	-	Edu - Foundations of Public Administration (Weekly Course) - VIRTUAL	04/07/2025 - 05/02/2025	Attended
	-	Edu - National University: Finance Management & Grant Admin - VIRTUAL	06/02/2025 - 06/02/2025	Attended
Trev	or/	Fay (term ended 12/31/2024)		
А	1	Edu - Infrastructure Investor: North America Forum - New York City NY	12/04/2024 - 12/05/2024	Attended
В	-	Edu - Toigo Foundation 35th Anniversary Gala - Los Angeles CA	11/20/2024 - 11/20/2024	Attended
Mike	e Ga	atto		
A	1	Edu - 2024 SACRS UC Berkeley Public Pension Investment Management Program - Berkeley CA	07/14/2024 - 07/17/2024	Attended
В	-	Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	-	Edu - IFEBP Annual Employee Benefits Conference - San Diego CA	11/10/2024 - 11/13/2024	Attended
	-	Edu - SACRS Spring Conference - Rancho Mirage CA	05/13/2025 - 05/16/2025	Attended
Eliz	abe	th Ginsberg		
Α	1	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
В	-	Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	-	Edu - IFEBP New Trustees Institute - Level I: Core Concepts - San Diego CA	11/09/2024 - 11/11/2024	Attended
Vivi	an (	Gray (term ended 12/31/2024)		
A	1	Edu - 2024 Koried Global Summit: What Matters Now in 2024: Trends and Insights for Tomorrow - Coral Gables FL	07/17/2024 - 07/19/2024	Attended
	2	Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	3	Edu - New America Alliance International Symposium - Mexico City Mexico	09/25/2024 - 09/26/2024	Attended
	4	Edu - PRI in Person 2024 - Toronto Canada	10/08/2024 - 10/10/2024	Attended
В	-	Admin - SACRS Board of Directors - Sacramento CA	09/16/2024 - 09/16/2024	Attended
	-	Edu - CALAPRS Intermediate Course in Retirement Plan Administration - San Jose CA	11/06/2024 - 11/08/2024	Attended
	-	Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended
	-	Admin - 28th Annual NASP Symposium - Queens NY	11/20/2024 - 11/21/2024	Attended

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Atte	ndee	Purpose of Travel - Location	Event Dates	Travel Status
Jas	on (	Green		
Α	1	Edu - NCPERS Legislative Conference & Policy Day - Washington DC	01/27/2025 - 01/29/2025	Attended
V	-	Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended
Pat	rick	Jones		
A	1	Edu - NACD Directors Summit 2024 - Washington DC	10/06/2024 - 10/09/2024	Attended
	2	Edu - Goldman Sachs the Garland Summit: Enduring Legacy - New York City NY	10/09/2024 - 10/10/2024	Attended
	3	Edu - Infrastructure Investor: North America Forum - New York City NY	12/04/2024 - 12/05/2024	Attended
	4	Edu - PPI 2025 Winter Roundtable - Seattle WA	03/05/2025 - 03/07/2025	Attended
	5	Edu - Harvard Kennedy School Executive Education - Infrastructure Financing, Regulation, and Management - Boston MA	05/04/2025 - 05/09/2025	Attended
	6	Edu - FIS Harvard 2025 - Boston MA	05/19/2025 - 05/21/2025	Attended
В	-	Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	-	Edu - NACD PSW Corporate Directors Symposium - Los Angeles CA	11/15/2024 - 11/15/2024	Attended
	-	Edu - ALTSLA 2025 - Los Angeles CA	03/17/2025 - 03/19/2025	Attended
	-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended
	-	Edu - 4th Annual Southern California Institutional Forum - Los Angeles CA	06/12/2025 - 06/12/2025	Attended
V	-	Edu - NACD Workforce Challenges and Future Strategy - Why Directors Should Be Engaged - VIRTUAL	11/04/2024 - 11/04/2024	Attended
	-	Edu - NACD - Planning for a Transaction: Compensation and Leadership Considerations - VIRTUAL	04/22/2025 - 04/22/2025	Attended
	-	Edu - NACD - Elevate Your Personal Brand and Unlock New Board Opportunities - VIRTUAL	04/29/2025 - 04/29/2025	Attended
	-	Edu - NACD Unionization and Strategic Board Oversight - VIRTUAL	06/04/2025 - 06/04/2025	Attended
Χ	-	Edu - IDAC 2024 Annual Summit - Broomfield CO	09/24/2024 - 09/26/2024	Canceled
	-	Edu - Catalyst: California's Emerging & Diverse Investment Manager Forum - Sacramento CA	05/12/2025 - 05/13/2025	Canceled
Sha	wn	Kehoe		
В	-	Admin - Professional Peace Officers Association (PPOA) Board Offsite - Carlsbad CA	01/25/2025 - 01/25/2025	Attended

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Atte	ndee	Purpose of Travel - Location	Event Dates	Travel Status
Ale	en L	angton		
A	1	Edu - NCPERS 2025 Pension Communication Summit - Washington DC	01/26/2025 - 01/27/2025	Attended
	2	Edu - 2025 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	05/19/2025 - 05/23/2025	Attended
В	-	Edu - NCPERS Accredited Fiduciary Program Modules 1 & 2: Governance & Finance - Palm Springs CA	10/26/2024 - 10/27/2024	Attended
	-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended
С	-	Edu - NCPERS Legislative Conference & Policy Day - Washington DC	01/27/2025 - 01/29/2025	Attended
V	-	Edu - TLF Virtual Discussion for Pension Trustees - VIRTUAL	12/05/2024 - 12/05/2024	Attended
	-	Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended
	-	Edu - Understanding Buffett's \$80B Apple Windfall: Inside the Greatest Value Investment of Our Time - VIRTUAL	12/16/2024 - 12/16/2024	Attended
	-	Edu - CALAPRS Trustee Round Table - VIRTUAL	05/30/2025 - 05/30/2025	Attended
	-	Edu - NACD Future-Proofing Your CEO Role Program - VIRTUAL	06/18/2025 - 06/18/2025	Attended
Dek	bie	Martin		
Α	1	Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
X	-	Edu - 2025 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	05/19/2025 - 05/23/2025	Canceled
Nic	ole l	Мі		
A	1	Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
	2	Edu - New America Alliance International Symposium - Mexico City Mexico	09/25/2024 - 09/26/2024	Attended
	3	Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong China	10/20/2024 - 10/25/2024	Attended
	4	Edu - CII NYU Corporate Governance Bootcamp - New York City NY	11/14/2024 - 11/15/2024	Attended
	5	Edu - PPI 2025 Winter Roundtable - Seattle WA	03/05/2025 - 03/07/2025	Attended
В	-	Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	-	Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	-	Edu - Saxena White Women's Alliance Luncheon - Los Angeles CA	09/30/2024 - 09/30/2024	Attended
	-	Edu - WIIIN 10th Anniversary Event - Los Angeles CA	10/02/2024 - 10/02/2024	Attended
	-	Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/08/2024	Attended
	-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended
	-	Edu - AAAIM Network of Women - Los Angeles CA	03/27/2025 - 03/27/2025	Attended
	-	Edu - AAAIM Venture Capital Summit 2025 - San Francisco CA	04/17/2025 - 04/17/2025	Attended
	-	Admin - Prioritize Your Health at the Staying Healthy Together Workshop - Los Angeles CA	04/29/2025 - 04/29/2025	Attended

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Atter	ndee	Purpose of Travel - Location	Event Dates	Travel Status
Nico	ole l	Mi		
В	-	Edu - PPI Salon - Los Angeles CA	05/06/2025 - 05/06/2025	Attended
	-	Edu - SACRS Spring Conference - Rancho Mirage CA	05/13/2025 - 05/16/2025	Attended
V	-	Edu - NACD Post Election Federal Policy Outlook for Directors - VIRTUAL	02/05/2025 - 02/05/2025	Attended
	-	Edu - NACD - Bridging the Gap: Lessons Public and Private Boards Can Share - VIRTUAL	03/19/2025 - 03/19/2025	Attended
Way	ne	Moore		
Α	1	Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	2	Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	11/20/2024 - 11/22/2024	Attended
	3	Edu - NCPERS 2025 Pension Communication Summit - Washington DC	01/26/2025 - 01/27/2025	Attended
	4	Edu - IFEBP Health Care Management Conference 2025 - Fort Meyers FL	04/28/2025 - 04/29/2025	Attended
В	-	Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended
	-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended
С	-	Edu - NCPERS Legislative Conference & Policy Day - Washington DC	01/27/2025 - 01/29/2025	Attended
V	-	Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended
Dav	id R	lyu		
A	1	Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong China	10/20/2024 - 10/25/2024	Attended
В	-	Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/08/2024	Attended

#### Category Legend:

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A - Pre-Approved/Board Approved Educational Conferences

B - 1) Board Approved Administrative Meetings and 2) Pre-Approved Educational Conferences in CA where total cost is no more than \$3,000 provided that a Trustee may not incur over \$15,000 for all expenses of attending all such Educational Conferences and Administrative Meetings in a fiscal year per Trustee Travel Policy; Section III.A

C - Second of two conferences and/or meetings counted as one conference per Trustee Education Policy Section IV.C.2 and Trustee Travel Policy Section IV.

V - Virtual Event

X - Canceled events for which expenses have been incurred.



# FOR INFORMATION ONLY

July 28, 2025

TO: Each Trustee

**Board of Retirement** 

FROM: Barry W. Lew &

Legislative Affairs Officer

FOR: August 6, 2025 Board of Retirement Meeting

August 13, 2025 Board of Investments Meeting

SUBJECT: Monthly Status Report on Legislation

Attached is the monthly report on the status of legislation that staff is monitoring. Bills on which LACERA has adopted a position are highlighted in yellow.

**Reviewed and Approved:** 

Luis Lugo, Deputy Chief Executive Officer

#### **Attachments**

LACERA Legislative Report Index LACERA Legislative Report

cc: Santos H. Kreimann

Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jon Grabel
Scott Zdrazil

Anthony Roda, Williams & Jensen

Naomi Padron, MKP Government Relations

0.475.000\/	DILL AUTUOD	TITL 5	BOR	D. C. C.
CATEGORY	BILL AUTHOR	TITLE	Position	PAGE
BROWN_ACT	AB 259 Blanca E. Rubio (D)			2
BROWN_ACT		Open Meetings: Teleconferences: Community College		6
BROWN_ACT		Open Meetings: Teleconferences: Neighborhood Councils		7
BROWN_ACT		Open Meetings: Teleconferencing: Subsidiary Body		19
BROWN_ACT	SB 707 Maria Elena Durazo (D)	Open Meetings: Meeting and Teleconference Requirements		23
PUBLIC_EMPLOYMENT	AB 288 Tina McKinnor (D)	Employment: Labor Organization		3
PUBLIC_EMPLOYMENT	AB 339 Liz Ortega (D)	Local Public Employee Organizations: Notice Requirement		4
PUBLIC_EMPLOYMENT	AB 340 Patrick Ahrens (D)	Employer-Employee Relations: Confidential Communication		5
PUBLIC_EMPLOYMENT	AB 889 Heather Hadwick (R)	Prevailing Wage: Per Diem Wages		10
PUBLIC_INVESTMENT	AB 1439 Robert Garcia (D)	Public Retirement Systems: Development Projects: Labor		15
PUBLIC_RECORDS_ACT	AB 810 Jacqui Irwin (D)	Local Government: Internet Websites and Email Addresses		9
PUBLIC_RETIREMENT	AB 1054 Mike A. Gipson (D)	Public Employees Retirement: Deferred Retirement Option		11
PUBLIC_RETIREMENT	AB 1067 Sharon Quirk-Silva (D)	Public Employees Retirement: Felony Convictions		12
PUBLIC_RETIREMENT				13
PUBLIC_RETIREMENT	AB 1383 Tina McKinnor (D)	Public Employees Retirement Benefits	Watch	14
PUBLIC_RETIREMENT	AB 1451 Al Muratsuchi (D)	State Teachers' Retirement System		16
PUBLIC_RETIREMENT	AB 26 Carl DeMaio (R)	Eliminate the Politicians Perks Act of 2025		1
PUBLIC_RETIREMENT	AB 569 Catherine Stefani (D)	California Public Employees' Pension Reform Act of 2013		8
PUBLIC_RETIREMENT	ACA 2 Corey Jackson (D)	Legislature: Retirement		17
PUBLIC_RETIREMENT	SB 301 Timothy S. Grayson (D)	County Employees Retirement Law of 1937: Employees		20
PUBLIC_RETIREMENT	SB 443 Susan Rubio (D)	Retirement: Joint Powers Authorities		21
PUBLIC_RETIREMENT	SB 538 Megan Dahle (R)	Public Employees' Retirement System: Teaching		22
PUBLIC_RETIREMENT	SB 853 Labor, Public Employment and Retiremen	ntPublic Employees' Retirement	Support	24
SOCIAL_SECURITY	S 1504 Bill Cassidy (R)	Social Security Administration		25
SOCIAL_SECURITY	S 1505 Bill Cassidy (R)	Social Security Beneficiaries		26
WORKERS_COMPENSATION	SB 8 Angelique Ashby (D)			18



Term:

No term applied.

# **Tracking**

Include tracked measures only

1.

# California Assembly Bill 26 (2025-2026)

CA A 26 | Carl DeMaio (R-075) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

#### Eliminate the Politicians Perks Act of 2025

States the intent of the Legislature to enact legislation that holds elected officials accountable by prohibiting Members of the Legislature from accepting gifts or trading in individual stock, imposing a lifetime lobbying ban, eliminating exemptions for the Legislature from labor, workplace, and public record laws, and eliminating government pensions for local elected officials.

Code:

An act relating to the Political Reform Act of 1974.

Status:

Dec 2, 2024: INTRODUCED.

PUBLIC\_RETIREMENT

# California Assembly Bill 259 (2025-2026)

CA A 259 | Blanca E. Rubio (D-048) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Local Government Committee

# Open Meetings: Local Agencies: Teleconferences

Provides that existing law, until the specified date, authorizes the legislative body of a local agency to use alternative teleconferencing under certain conditions. Extends the alternative teleconferencing procedures until the specified date.

#### Code:

An act to amend and repeal Sections 54953 and 54954.2 of the Government Code, relating to local government.

#### Status:

May 14, 2025: To SENATE Committees on LOCAL GOVERNMENT and JUDICIARY.

+ Show full status history



# California Assembly Bill 288 (2025-2026)

CA A 288 | Tina McKinnor (D-061) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Appropriations Committee

# **Employment: Labor Organization**

Expands the Public Employment Relations Board's jurisdiction by authorizing a worker to petition PERB to protect and enforce specified prescribed rights. Specifies who is an authorized worker, including an individual who seeks to have the National Labor Relations Board to protect and enforce their rights to full freedom of association, self-organization, or designation of representatives of their own choosing but has not received a determination or remedy within specified statutory timeframes.

#### Code:

An act to add Section 923.1 to the Labor Code, relating to employment.

#### Status:

**July 8, 2025:** From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.

+ Show full status history

#### **Hearing Dates:**

08/18/2025 Appropriations

PUBLIC\_EMPLOYMENT

# California Assembly Bill 339 (2025-2026)

CA A 339 | Liz Ortega (D-020) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Appropriations Committee

# Local Public Employee Organizations: Notice Requirement

Relates to collective bargaining. Provides that existing law requires the governing body of a public agency to give reasonable written notice to each affected recognized employee organization of certain ordinances, rules, resolutions, or regulations. Requires the governing body to give the organization no less than a certain number of days' notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract for certain services, subject to certain exceptions.

#### Code:

An act to add Section 3504.1 to the Government Code, relating to public employment.

#### Status:

**July 15, 2025:** In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

+ Show full status history

# **Hearing Dates:**

08/18/2025 Appropriations

PUBLIC\_EMPLOYMENT

# California Assembly Bill 340 (2025-2026)

CA A 340 | Patrick Ahrens (D-026) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Appropriations Committee

# Employer-Employee Relations: Confidential Communication

Prohibits a public employer from compelling a public employee, a representative of a recognized employee organization, or an exclusive representative to disclose confidential communications to a third party. Provides that this would not apply to a criminal investigation or when a public safety officer is under investigation and certain circumstances exist.

#### Code:

An act to amend Sections 3506.5, 3519, 3543.5, and 3571 of the Government Code, and to amend Section 28858 of the Public Utilities add Section 3558.9 to the Government Code, relating to employer-employee relations.

#### Status:

**July 15, 2025:** From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.

+ Show full status history

#### **Hearing Dates:**

**08/18/2025** Appropriations



# California Assembly Bill 409 (2025-2026)

CA A 409 | Joaquin Arambula (D-031) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Local Government Committee

# Open Meetings: Teleconferences: Community College

Provides that existing law authorizes a California community college student body association or student-run community college organization to use alternate teleconferencing provisions if, among other things, at least a quorum of the members of the body participate from a singular physical location that is accessible to the public. Exempts from the quorum, physical location, and accommodation requirements the California Online Community College.

#### Code:

An act to amend Section 54953.9 of the Government Code, relating to open meetings.

#### Status:

June 23, 2025: In SENATE. Read second time and amended. Re-referred to Committee on LOCAL

GOVERNMENT.

June 23, 2025: From SENATE Committee on LOCAL GOVERNMENT with author's amendments.

+ Show full status history



# California Assembly Bill 467 (2025-2026)

CA A 467 | Mike Fong (D-049) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Local Government Committee

# Open Meetings: Teleconferences: Neighborhood Councils

Provides that existing law authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions. Extends the authorization for specified neighborhood city councils to use the alternate teleconferencing provisions until the specified date.

#### Code:

An act to amend Section 54953.8 of the Government Code, relating to local government.

#### Status:

May 14, 2025: To SENATE Committees on LOCAL GOVERNMENT and JUDICIARY. + Show full status history

BROWN\_ACT

# California Assembly Bill 569 (2025-2026)

CA A 569 | Catherine Stefani (D-019) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Appropriations Committee

# California Public Employees' Pension Reform Act of 2013

Relates to the California Public Employees' Pension Reform Act of 2013. Authorizes a public employer to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an exclusive bargaining representative of one or more of the public employer's bargaining units, subject to certain limitations.

#### Code:

An act to amend Section 7522.18 of the Government Code, relating to retirement benefits.

#### Status:

May 23, 2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

+ Show full status history

# PUBLIC\_RETIREMENT

# California Assembly Bill 810 (2025-2026)

CA A 810 | Jacqui Irwin (D-042) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

# Local Government: Internet Websites and Email Addresses

Provides that existing law requires that a local agency that maintains public email addresses to ensure that each email address provided to its employees uses a .gov domain name or a .ca.gov domain name. Requires a city, county, or city and county to comply with specified domain requirements. Requires a special district, joint powers authority, or other political subdivision to comply with similar domain requirements no later than the specified date.

#### Code:

An act to amend Section 50034 of the Government Code, relating to local government.

#### Status:

May 23, 2025: In ASSEMBLY Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.

+ Show full status history



# California Assembly Bill 889 (2025-2026)

CA A 889 | Heather Hadwick (R-001) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Appropriations Committee

# Prevailing Wage: Per Diem Wages

Authorizes an employer to take full credit for the hourly amounts contributed to defined contribution pension plans that provide for both immediate participation and immediate vesting even if the employer contributes at a lower rate or does not make contributions to private construction. Requires the employer to prove that the credit for employer payments was calculated properly.

#### Code:

An act to amend Section 1773.1 of the Labor Code, relating to prevailing wage.

#### Status:

**July 9, 2025:** From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

+ Show full status history

#### **Hearing Dates:**

08/18/2025 Appropriations

PUBLIC\_EMPLOYMENT

# California Assembly Bill 1054 (2025-2026)

CA A 1054 | Mike A. Gipson (D-065) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

# Public Employees Retirement: Deferred Retirement Option

Establishes the Deferred Retirement Option Program as a voluntary program within the Public Employees Retirement System for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). Requires these State bargaining units to bargain with the Department of Human Resources to implement the program. Requires the program to result in a cost savings or be cost neutral. Requires the department to work with the Board of PERS to develop the program.

#### Code:

An act to amend Section 20000 of add Chapter 20 (commencing with Section 21717) to Part 3 of Division 5 of Title 2 of the Government Code, relating to retirement.

#### Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24. 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

Mar 24. 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

# PUBLIC RETIREMENT

# California Assembly Bill 1067 (2025-2026)

CA A 1067 | Sharon Quirk-Silva (D-067) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Appropriations Committee

# Public Employees Retirement: Felony Convictions

Relates to the California Public Employees' Pension Reform Act of 2013. Requires a public employer, if an investigation indicates that a public employee may have committed a crime, to refer the matter to the appropriate law enforcement agency. Authorizes the public employer to close the investigation. Provides that if the public employee is convicted of a felony for certain conduct, the public employee would forfeit all accrued rights and benefits in any public retirement system.

#### Code:

An act to add Section 7522.76 to the Government Code, relating to public employees' retirement.

#### Status:

**July 15, 2025:** In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

+ Show full status history

#### **Hearing Dates:**

08/18/2025 Appropriations

PUBLIC\_RETIREMENT

# California Assembly Bill 1323 (2025-2026)

CA A 1323 | Phillip Chen (R-059) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

# County Employees Retirement: Administration

Provides that the County Employees Retirement Law authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees and their beneficiaries. Provides that existing law sets forth the membership composition for boards of retirement and boards of investment. Authorizes the compensation rate to be increased by the board of retirement, for members in Orange County only, to not more than a specified amount per meeting.

#### Code:

An act to amend Section 31521 of the Government Code, relating to public employees' retirement.

#### Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

Mar 24, 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

# PUBLIC\_RETIREMENT

# California Assembly Bill 1383 (2025-2026)

CA A 1383 | Tina McKinnor (D-061) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

# **Public Employees Retirement Benefits**

Provides that the State Public Employees' Pension Reform Act requires each retirement system that offers a defined benefit plan for safety members of the Public Employees' Retirement System to use certain formulas for safety members. Establishes new retirement formulas. Authorizes a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. Appropriates funds.

#### Code:

An act to amend <u>Section 7522.10 of Sections 7522.10, 7522.25, and 7522.30 of, and to add Sections 7522.19 and 7522.26 to,</u> the Government Code, relating to public employees' retirement, and making an appropriation therefor.

#### Status:

May 25, 2025: In ASSEMBLY. Coauthors revised.

+ Show full status history

# PUBLIC RETIREMENT

# Tags: Staff\_Recommendation: Neutral IBLC\_Recommendation: Watch BOR\_Position: Watch Commentary: Comment: Jul 1, 2025 - 10:46 A.M. (PDT)

Bill was held in the Appropriations Committee and will not move for the rest of 2025. Bill will be reconsidered in the 2026 legislative year.

15.

# California Assembly Bill 1439 (2025-2026)

CA A 1439 | Robert Garcia (D-050) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

# Public Retirement Systems: Development Projects: Labor

Prohibits the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in the State or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections.

#### Code:

An act to amend Section 70397 of the Government Code, relating to courts. add Section 7513.77

to the Government Code, relating to public retirement systems.

#### Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

Mar 24, 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

# PUBLIC\_INVESTMENT

Commentary:

Comment:

Apr 25, 2025 - 2:03 P.M. (PDT)

The bill has been pulled from further consideration for 2025 and will be revisited in 2026.

# California Assembly Bill 1451 (2025-2026)

CA A 1451 | Al Muratsuchi (D-066) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

# State Teachers' Retirement System

Makes a nonsubstantive change to the provision naming the Teachers' Retirement Law.

#### Code:

An act to amend Section 22000 of the Education Code, relating to teachers' retirement.

#### Status:

Feb 21, 2025: INTRODUCED.

# PUBLIC\_RETIREMENT

# California Assembly Constitutional Amendment 2 (2025-2026)

CA ACA 2 | Corey Jackson (D-060) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | ASSEMBLY

Legislature: Retirement

Creates the Legislative Diversification Act, to repeal a prohibition of members of the Legislature accruing any pension or retirement benefit as specified and instead require the Legislature to establish a retirement system for members elected to or serving in the Legislature on specified date.

Code:

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by repealing and adding Section 4.5 of Article IV thereof, relating to the Legislature.

Status:

Dec 2, 2024: INTRODUCED.

PUBLIC\_RETIREMENT

# California Senate Bill 8 (2025-2026)

CAS8 | Angelique Ashby (D-008) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Third Reading File

# Peace Officers: Injury or Illness: Leaves of Absence

Provides that existing law entitles local law enforcement, probation officers and firefighters to a leave of absence while disabled by injury or illness arising out of their duties. Provides that existing law provides that such leave is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers compensation system. Entitles specified peace officers who are employed on a regular, full time basis by a county of the eighth class to this leave.

#### Code:

An act to amend Section 4850 of the Labor Code, relating to public employment.

#### Status:

July 10, 2025: In ASSEMBLY. Read second time. To third reading. + Show full status history

#### **Hearing Dates:**

08/18/2025 Assembly Third Reading File - # 124

☐ WORKERS\_COMPENSATION

# California Senate Bill 239 (2025-2026)

CAS 239 | Jesse Arreguin (D-007) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Inactive File

# Open Meetings: Teleconferencing: Subsidiary Body

Provides that the Ralph M. Brown Act requires that all meetings of a legislative body be open and public and that all persons be permitted to attend and participate. Authorizes a subsidiary body to use alternative teleconferencing provisions and imposes requirements for notice, agenda, and public participation. Requires the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body.

#### Code:

An act to add and repeal Section 54953.05 of the Government Code, relating to local government.

#### Status:

June 3, 2025: In SENATE. From third reading. To Inactive File. + Show full status history

#### **Hearing Dates:**

**08/18/2025** Senate Inactive File - # A-1

BROWN ACT

# **California Senate Bill 301 (2025-2026)**

CAS 301 | Timothy S. Grayson (D-009) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Third Reading File

# County Employees Retirement Law of 1937: Employees

Prohibits a county or district whose officers and employees are enrolled as members of a retirement system under the County Employees Retirement Law of 1937 from excluding from membership in the system any employee, group, or classification, other than excludable officers and employees.

#### Code:

An act to add Section 31566 to the Government Code, relating to retirement.

#### Status:

June 26, 2025: In ASSEMBLY. Read second time. To third reading. + Show full status history

#### **Hearing Dates:**

08/18/2025 Assembly Third Reading File - # 98

PUBLIC\_RETIREMENT

# California Senate Bill 443 (2025-2026)

CAS 443 | Susan Rubio (D-022) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Third Reading File

# **Retirement: Joint Powers Authorities**

Authorizes the Pajaro Regional Flood Management Agency, a joint powers authority, to provide a defined benefit plan or formula to an employee of a member agency of the joint powers authority, or of another public agency who is not a new member and who is subsequently employed by the joint powers authority, within a specified number of days of the effective date of the retirement plan contract amendment.

#### Code:

An act to amend <u>Section Sections 7522.02 and</u> 7522.05 of the Government Code, relating to retirement.

#### Status:

July 3, 2025: In ASSEMBLY. Read second time. To third reading. + Show full status history

# **Hearing Dates:**

08/18/2025 Assembly Third Reading File - # 109

PUBLIC\_RETIREMENT

# California Senate Bill 538 (2025-2026)

CAS 538 | Megan Dahle (R-001) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

# Public Employees' Retirement System: Teaching

Authorizes member providing services as a substitute teacher, as defined, under certain circumstances to elect to retain coverage under the Public Employees' Retirement System.

#### Code:

An act to amend Section 20309 of the Government Code, relating to public employee's retirement.

#### Status:

Mar 5, 2025: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

# PUBLIC\_RETIREMENT

# **California Senate Bill 707 (2025-2026)**

CAS 707 | Maria Elena Durazo (D-026) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

# Open Meetings: Meeting and Teleconference Requirements

Requires a legislative body to allow a member with a disability that precludes a member's in-person attendance at meetings of the body to participate in any meeting of the legislative body by remote participation, with specified exceptions. Exempts the State Online Community College from specified requirements for an in-person quorum, a physical location for public participation, and certain accommodations. Extends the authorization to use certain alternative teleconferencing provisions.

#### Code:

An act to amend Sections 54952.7, 54953, 54953.5, 54953.7, 54954.2, 54954.3, 54956, 54956.5, 54957.6, 54957.9, 54957.95, and 54960.2 of, to amend and repeal Section 54952.2 of, to add Sections 54953.8, 54953.8.1, 54953.8.2, and 54957.96 to, and to add and repeal Sections 54953.4, 54953.8.3, 54953.8.4, 54953.8.5, 54953.8.6, and 54953.8.7 of, the Government Code, relating to local government.

#### Status:

July 17, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on

APPROPRIATIONS.

July 17, 2025: In ASSEMBLY. Assembly Rule 63 suspended.

+ Show full status history



# California Senate Bill 853 (2025-2026)

CAS 853 | Labor, Public Employment and Retirement | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Third Reading File

# Public Employees' Retirement

Provides that under the Public Employees' Retirement Law, the compensation earnable during any period of service as a member of the Judges' Retirement System, the Judges' Retirement System II, the Legislators' Retirement System or the Defined Benefit Program of the State Teachers' Retirement Plan is considered compensation earnable. Specifies that the compensation during any period of service is considered compensation earnable or pensionable compensation under the Public Employees' Pension Reform Act.

#### Code:

An act to amend Sections 22104.8, 22131, 22146.5, 22713, 22954, 22955, 22955.1, 24616.2, and 26122 of the Education Code, and to amend Sections 7522.02, 20034, 20069, 20638, 20639, 31462.05, 31470.14, and 31680.9 of the Government Code, relating to public retirement systems.

#### Status:

**July 15, 2025:** In ASSEMBLY. Read third time and amended. To third reading. + Show full status history

#### **Hearing Dates:**

08/18/2025 Assembly Third Reading File - # 117

# PUBLIC\_RETIREMENT Tags: Staff\_Recommendation: Support IBLC\_Recommendation: Support BOR\_Position: Support

# **United States Senate Bill 1504 (2025-2026)**

US S 1504 | Bill Cassidy (R-LA) and 4 Co-sponsors | Pending | Senate Finance Committee

# Social Security Administration

Requires the Social Security Administration to make changes to the social security terminology used in the rules, regulation, guidance, or other materials of the Administration.

#### Status:

Apr 29, 2025: To SENATE Committee on FINANCE.

Apr 29, 2025: In SENATE. Read second time.

Apr 29, 2025: INTRODUCED.

+ Show full status history

# SOCIAL SECURITY

# United States Senate Bill 1505 (2025-2026)

US S 1505 | Bill Cassidy (R-LA) and 3 Co-sponsors | Pending | Senate Finance Committee

# Social Security Beneficiaries

Ensures that Social Security beneficiaries receive regular statements from the Social Security Administration.

#### Status:

Apr 29, 2025: To SENATE Committee on FINANCE.

Apr 29, 2025: In SENATE. Read second time.

Apr 29, 2025: INTRODUCED.

+ Show full status history

#### Related:

US S 345

# SOCIAL\_SECURITY