

# IN PERSON & VIRTUAL BOARD MEETING

\*The Committee meeting will be held following the Board of Retirement meeting 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](mailto:PublicComment@lacera.com).

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

## AGENDA

### A REGULAR MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE AND 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 will be conducted by the Operations Oversight Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953(f).*

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

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

#### COMMITTEE TRUSTEES:

JP Harris, Chair  
Nancy M. Durazo, Vice Chair  
Aleen Langton, Trustee  
Wayne Moore, Trustee  
Shawn R. Kehoe, Alternate Trustee

- I. CALL TO ORDER
- II. 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

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of May 7, 2025

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request [form](#).

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

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

V. NON-CONSENT ITEMS

A. **Request for Proposal—Economic Impact Analysis**

Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee approve the issuance of a Request for Proposal for a consultant to conduct an economic impact analysis of LACERA's retirement benefits. (Memo dated June 18, 2025)

VI. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Laura Guglielmo, Assistant Executive Officer  
(For Information Only)

B. **Board of Retirement Strategic Plan Quarterly Update**

Luis A. Lugo, Deputy Chief Executive Officer  
(Presentation)

VI. REPORTS (Continued)

C. **Review of “Limited Duration” Requirement for Rehired Retirees**

Steven P. Rice, Chief Legal Counsel

(Presentation) (Memo dated June 20, 2025)

D. **LACERA’s Statement of Commitment to Diversity, Equity,  
and Inclusion**

Laura Guglielmo, Assistant Executive Officer

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

E. **Retirement Comparison Report – March Madness**

JJ Popowich, Assistant Executive Officer

Tatiana Bayer, Division Manager, Member Services

(For Information Only) (Memo dated May 23, 2025)

VII. ITEMS FOR STAFF REVIEW

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

VIII. 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.)

IX. GOOD OF THE ORDER

(For Information Purposes Only)

X. ADJOURNMENT

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

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

**Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee 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 Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday *and will also be posted on [lacera.com](http://lacera.com) at the same time, [Board Meetings | LACERA](#).***

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

MINUTES OF THE REGULAR MEETING OF THE OPERATIONS OVERSIGHT  
COMMITTEE AND BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

1:29 P.M. – 1:59 P.M., WEDNESDAY, MAY 7, 2025

This meeting was conducted by the Operations Oversight  
Committee both in person and by teleconference under California  
Government Code Section 54953(f)

COMMITTEE TRUSTEES

PRESENT: JP Harris, Chair

Nancy M. Durazo, Vice Chair

Aleen Langton, Trustee

Wayne Moore, Trustee

ABSENT: Shawn R. Kehoe, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Bobbie Fesler, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Fabio Ramirez, Supervisor, Account Maintenance Unit, Benefits

I. CALL TO ORDER

This meeting was called to order by Chair Harris at 1:29 p.m.

II. 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 were no requests received.

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of April 2, 2025

Trustee Langton made a motion, Trustee Moore seconded, to approve the minutes of the regular meeting of April 2, 2025. The motion passed by the following roll call vote:

Yes: Durazo, Langton, Moore, Harris

No: None

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

- A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Laura Guglielmo, Assistant Executive Officer  
(For Information Only)

The Executive team presented the monthly briefing and was available to answer questions from the Committee. This item was received and filed.

V. REPORTS (Continued)

**B. Policy Governing Deductions for Dues and Similar Assessments Implementation Project Update**

Fabio Ramirez, Supervisor, Account Maintenance Unit, Benefits

JJ Popowich, Assistant Executive Officer

(For Information Only) (Memo dated April 30, 2025)

The subject Project Update was discussed, and staff was available to answer questions. This item was received and filed.

VI. ITEMS FOR STAFF REVIEW

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

There was nothing to report.

VII. 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.)

There was nothing to report.

VIII. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 1:59 p.m.



**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

June 18, 2025

TO: Operations Oversight Committee  
JP Harris, Chair  
Nancy Durazo, Vice Chair  
Aleen Langton  
Wayne Moore  
Shawn Kehoe, Alternate

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: June 4, 2025 Operations Oversight Committee Meeting

SUBJECT: **Request for Proposal—Economic Impact Analysis**

## **RECOMMENDATION**

That the Operations Oversight Committee 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.

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.

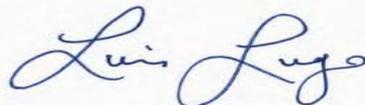
### **DISCUSSION**

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

**Reviewed and Approved:**

A handwritten signature in blue ink that reads "Luis Lugo". The signature is written in a cursive style and is positioned above a horizontal line.

**Luis Lugo, Deputy Chief Executive Officer**

**Attachment**

RFP: Economic Impact Analysis

cc: Luis Lugo  
JJ Popowich  
Laura Guglielmo  
Steven P. Rice  
Kathly Delino  
Chait Errande  
Cynthia Martinez

June 18, 2025



## 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  
MAY 22, 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](http://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	July 11, 2025
Intent to Respond closing date	August 8, 2025
Written questions from Respondents due date	August 15, 2025
LACERA's response to Respondents' questions	August 22, 2025
RFP due date	August 29, 2025
Finalist Interviews (as warranted)	September 2025
Selection Notification (estimate)	October 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, August 29, 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. Cover Letter. 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. Minimum Qualifications Certification. You must certify, by completing and signing EXHIBIT B, that your firm meets the minimum qualifications required.

4.2.1.3. Table of Contents. The response must contain a Table of Contents that identifies the major sub-sections of the Questionnaire.

4.2.1.4. Attachments. 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  
300 North Lake Avenue, Suite 650  
Pasadena, CA 91101-4199

Email: [blew@lacera.com](mailto:blew@lacera.com)  
Phone: 626-564-2370

#### 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](http://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, August 15, 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, Monday, July 21, 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, August 8, 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 Name:

Respondent Address:

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. Services to be Provided.

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. Term.

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. Invoices.

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. Contract Not Assignable.

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. Confidentiality.

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. Compliance with Laws.

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 SOC-2

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. Disaster Recovery & Business Continuity

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. Data Breach Verification.

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. Interpretation.

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.

*Remainder of Page Intentionally Left Blank*

## 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]

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Exhibit E

**L/CERA**

**VENDOR QUESTIONNAIRE**

## 1. GENERAL INFORMATION

Name of Vendor: [Click or tap here to enter text.](#)

Vendor is 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?  Yes  No  
If yes, please provide details. Response: [Click or tap here to enter text.](#)
- 
- b) Is LACERA information physically or virtually segregated from the vendor and its vendor's other clients?  Yes  No  
If yes, please provide details. Response: [Click or tap here to enter text.](#)
- 
- c) Provide brief description on the type of connection (encryption and authentication) for information exchange between LACERA and the vendor organization. Response: [Click or tap here to enter text.](#)
- 
- 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?  Yes  No  
If yes, please provide brief details. Response: [Click or tap here to enter text.](#)

## 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?  Yes  No  
Provide summary report of the latest Penetration Test. Response: [Click or tap here to enter text.](#)
- 
- b) Has the vendor completed an Independent Service Auditors compliance exam such as SOC 2?  Yes  No  
If yes, please provide the latest audit report and proceed to the last section of this questionnaire sign and date the document.  
Response: [Click or tap here to enter text.](#)

If compliance report has not been completed, please proceed to the next sections.

## 5. EMAIL SECURITY CONTROLS

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

- 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? Yes No  
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 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

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

## 6. INTERNAL SECURITY

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

- a) Do you use a cloud provider to store data or host applications? Yes No  
If "Yes", provide the name of the cloud provider. Response: [Click or tap here to enter text.](#)
- 
- b) Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)? Yes No
- 
- c) Do you encrypt all sensitive and confidential information? Yes No  
If "No", are the following compensating controls in place:  
1. Segregation of servers that store sensitive and confidential information? Yes No  
2. Access control with role-based assignments? Yes No
- 
- d) Do you allow remote access to your network? Yes No  
If "Yes", do you use MFA to secure all remote access to your network? Yes No
- 
- e) Do you use a next-generation antivirus (NGAV) product to protect all endpoints across your enterprise? Yes No  
If "Yes", provide name of your NGAV provider. Response: [Click or tap here to enter text.](#)
- 
- f) Do you use an endpoint detection and response (EDR) tool that includes monitoring and logging? Yes No  
If "Yes", provide name of your EDR provider. Response: [Click or tap here to enter text.](#)
- 
- g) Do you manage privileged accounts using privileged account management software (PAM) Yes No  
If "Yes", provide name of your PAM provider. Response: [Click or tap here to enter text.](#)
- 
- h) Do you roll out a hardened baseline configuration across servers, laptops, desktops? 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)? Yes No  
If "Yes", complete the following:  
Is your SOC monitored 24 hours a day, 7 days a week? Yes No  
If your SOC is outsourced, provide name of your SOC provider. Response: [Click or tap here to enter text.](#)
- 

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

---

## 7. PHISHING CONTROLS

- a) Do all employees at your company complete mandatory cybersecurity training? Yes No  
If "Yes", does such training include phishing simulation? Yes No
- 

## 8. BACKUP AND RECOVERY

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

Do you use a data backup solution? Yes No

If "Yes":

- 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 backups  
You are able to test the integrity of backups prior to restoration to ensure that they are free of malware
- 
- c) Estimated amount of time it will take to restore essential functions using backups in the event of a widespread malware or ransomware attack within your network.  
0-24 hours 1-3 days 4-6 days 1 week or longer
- 
- d) Has the vendor completed Disaster Recovery testing? Yes No  
If yes, please provide RTO/RPO objectives (Return Time or Return Point Objectives).  
Response: [Click or tap here to enter text.](#)
- 

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

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## 9. INCIDENTS

- a) Has the vendor received any complaints or written demands or been a **subject in litigation** involving matters of privacy injury, breach of private information, network security, defamation, content infringement, identity theft, denial of service attacks, computer virus infections, theft of information, damage to third party networks or the ability of third parties to rely on the vendor's network? Yes No
- 
- b) Has the vendor been the subject of any government action, 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

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

## CERTIFICATION, CONSENT AND SIGNATURE

The vendor has read the foregoing and understands that completion of this questionnaire does not bind LACERA to procure vendor's products or services. I hereby declare that, after inquiry, the above statements and particulars are true, and I have not suppressed or misstated 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.](#)

Signature of Signee: [Click or tap here to enter text.](#)

Date signed: [Click or tap here to enter text.](#)

**EXHIBIT F**  
**INTENT TO RESPOND**

Intent to Respond.

If you choose to respond to this RFP, please send this form to [blew@lacera.com](mailto:blew@lacera.com) via email no later than **5:00 p.m. PT, Monday, July 7, 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.

<b>To:</b>	Barry W. Lew	<b>From:</b>	
<b>Co.:</b>	LACERA – Executive Office	<b>Title:</b>	
<b>Phone:</b>	626-564-2370	<b>Co.:</b>	
<b>Email:</b>	<a href="mailto:blew@lacera.com">blew@lacera.com</a>	<b>Phone:</b>	
<b>Re:</b>	Intent to Respond	<b>Email:</b>	
		<b>Date:</b>	

Our firm intends to submit a response for LACERA's RFP for economic impact analysis.

Please send inquiries to the following contact:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email Address: \_\_\_\_\_

## 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.

	<b>CRITERIA</b>
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)  1
  - b)  2-4
  - c)  5-9
  - d)  10-19
  - e)  20-49
  - f)  50-99
  - g)  100-249
  - h)  250-499
  - i)  500-1,499
  - j)  1,500-4,999
  - k)  5,000 or more
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
- l)  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)  Veteran-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)  None of the above
- l)  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)  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 promote compliance with your DEI policies.

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**

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](http://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)  Yes
- b)  No

**EXHIBIT I**  
**BEACON ECONOMICS ECONOMIC IMPACT STUDY**  
**SAMPLE LEGISLATIVE FACT SHEETS**

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# Economic, Fiscal, and Social Impacts of LACERA Pensioners

September 2022



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# 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.

For More Information About This Report Or Beacon Economics, Contact:

**Sherif Hanna**, Managing Partner.

424.646.4656 | [sherif@beaconecon.com](mailto:sherif@beaconecon.com)

**Victoria Pike Bond**, Director of Marketing and Communications

415.457.6030 | [victoria@beaconecon.com](mailto:victoria@beaconecon.com)

[www.beaconecon.com](http://www.beaconecon.com)

# 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.

<b>Total Impact</b>	The sum of the direct, indirect, and induced effects.
<b>Employment</b>	The number of jobs supported through spending by LACERA pensioners, including direct, indirect and induced effects.
<b>Labor Income</b>	The value of all forms of employment income paid for all types of impacts, including health benefits, bonuses, etc.
<b>Output</b>	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.
<b>Tax Revenue</b>	Money collected to support federal, state, and local governments.
<b>Defined Benefit Plan</b>	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.
<b>Defined Contribution Plan</b>	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).

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# 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 multi-billion-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

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1 <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.

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# 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 Pensioners	Share of Total Pensioners	Total Pension Amount* (\$, Mil.)	Share of Total 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%
<b>Total</b>	<b>42,308</b>	<b>-----</b>	<b>2,360.6</b>	<b>-----</b>

Source: LACERA; analysis by Beacon Economics.

\*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.

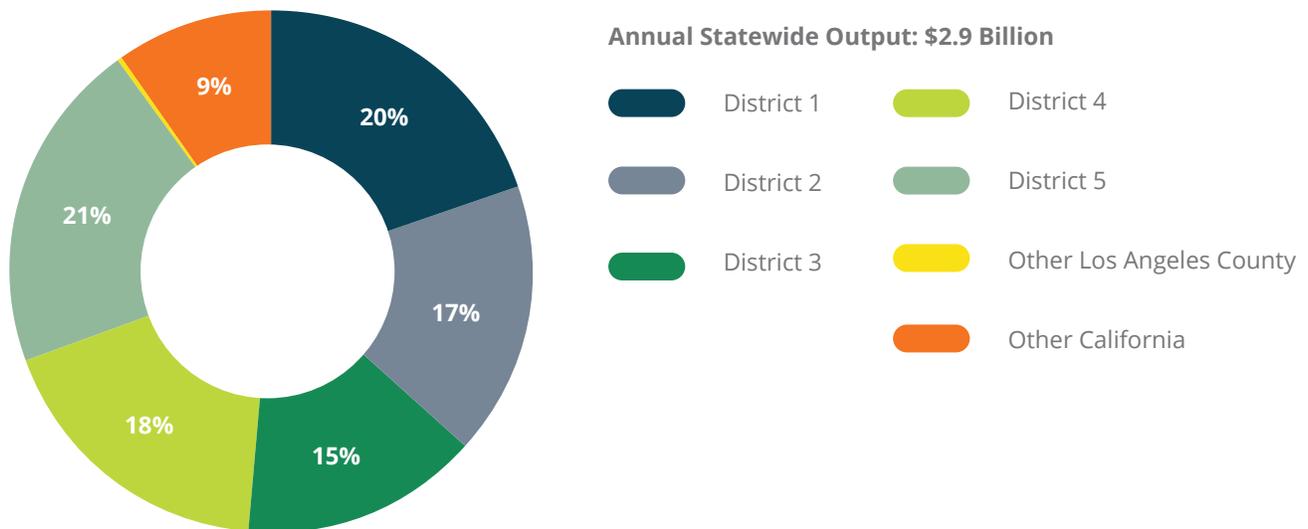
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# Economic and Fiscal Impacts

## 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. State-wide, 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

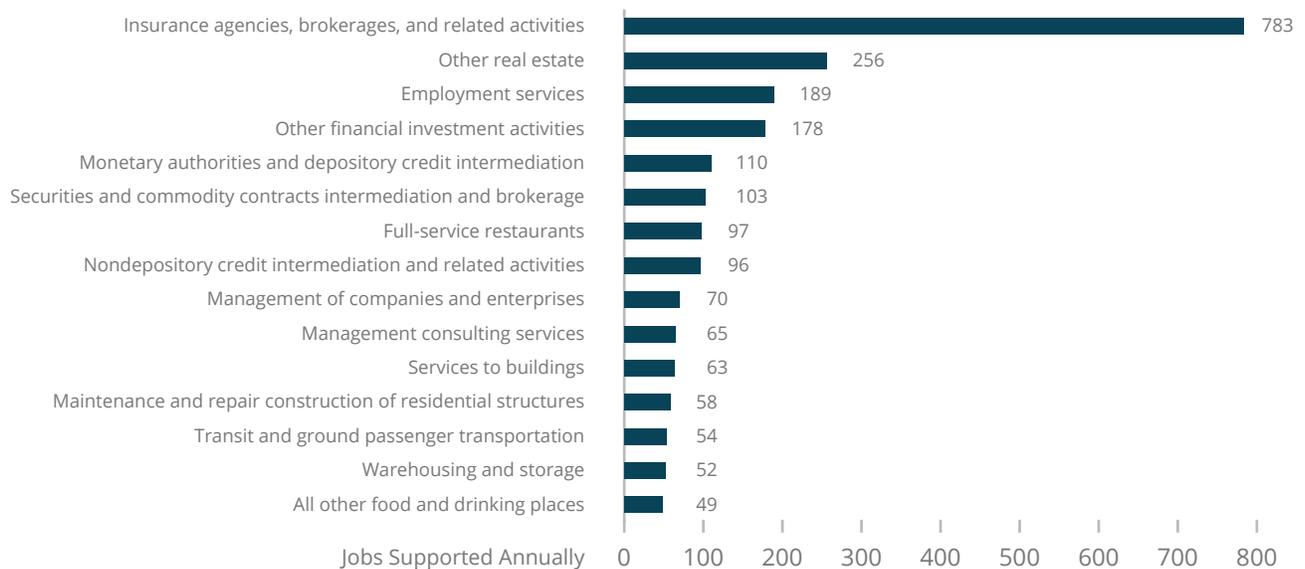
Impact Type	Employment	Labor Income (\$, Mil.)	Output (\$, Mil.)
Direct	20,122	546.0	1,858.5
Indirect	3,061	245.6	726.7
Induced	459	27.7	83.0
<b>Total</b>	<b>23,643</b>	<b>\$819.4 million</b>	<b>\$2.67 billion</b>

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 supervisory 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 supervisory 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 Supervisory 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
<b>Total</b>	<b>23,607</b>	<b>\$815,215,892</b>	<b>\$2,655,334,026</b>

Source: IMPLAN; analysis by Beacon Economics.

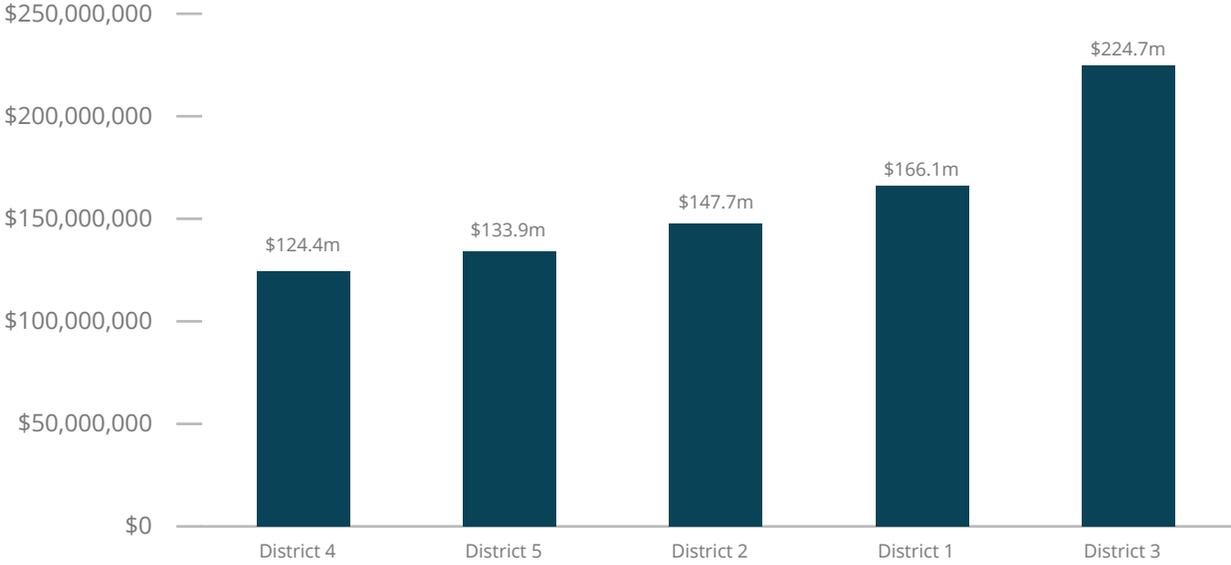
Note: Totals may not be exact due to rounding.

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.

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2 For more information on economic and fiscal impacts by supervisory 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.

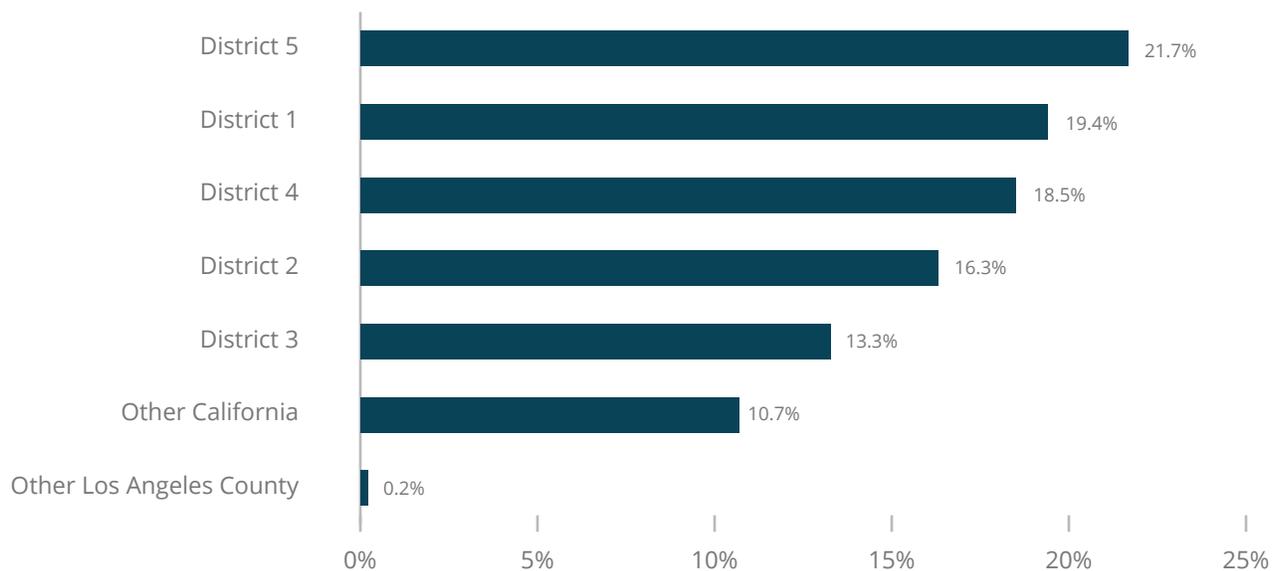
Household spending by district mirrors total-county impacts in terms of where the expenditures are likely to occur. The top five largest impacts by industry across districts are (on average) in Insurance, Housing (owner and tenant-occupied), Transportation, Physicians, and Personal Services. Insurance 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.

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



Source: IMPLAN; analysis by Beacon Economics.

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.

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

Tax Type	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
<b>Total</b>	<b>\$154.3 million</b>	<b>\$185.3 million</b>	<b>\$339.7 million</b>

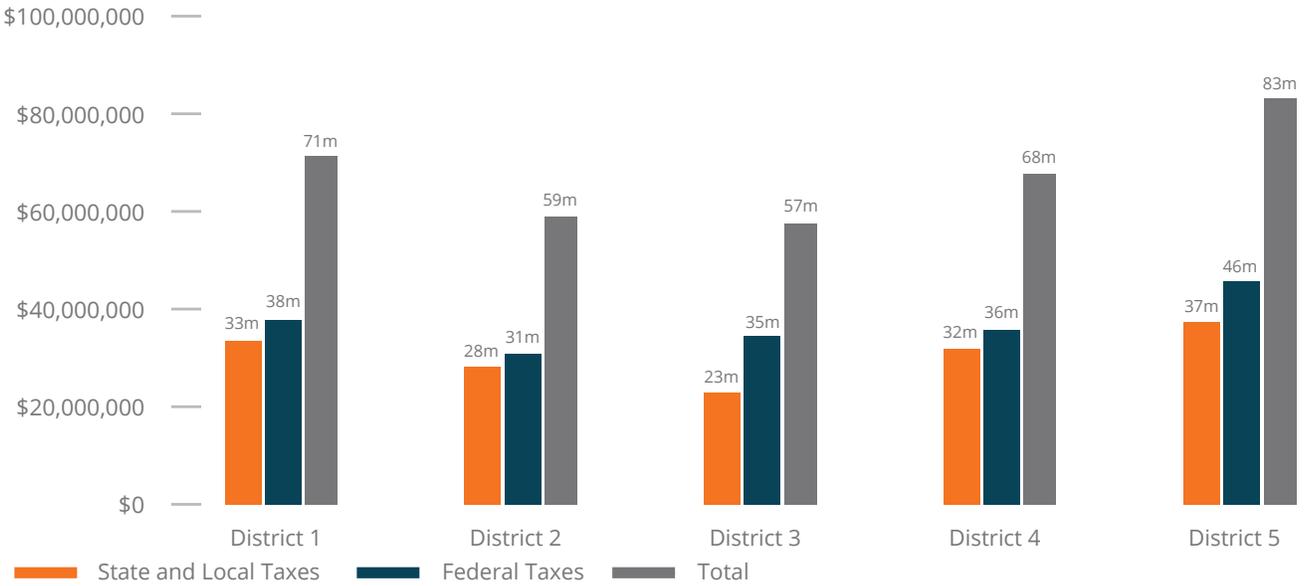
Source: IMPLAN; analysis by Beacon Economics.

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

Source: IMPLAN; analysis by Beacon Economics.



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.

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# 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>

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3 <https://publicplansdata.org/quick-facts/national/>

4 [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)

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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.

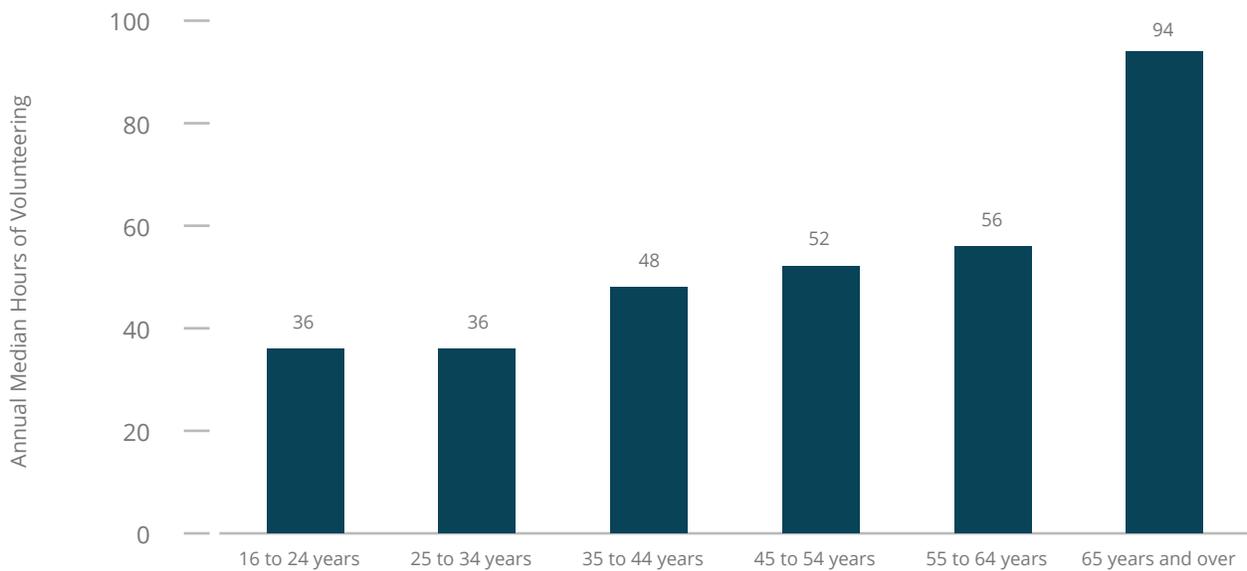
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5 <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf>

## 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.

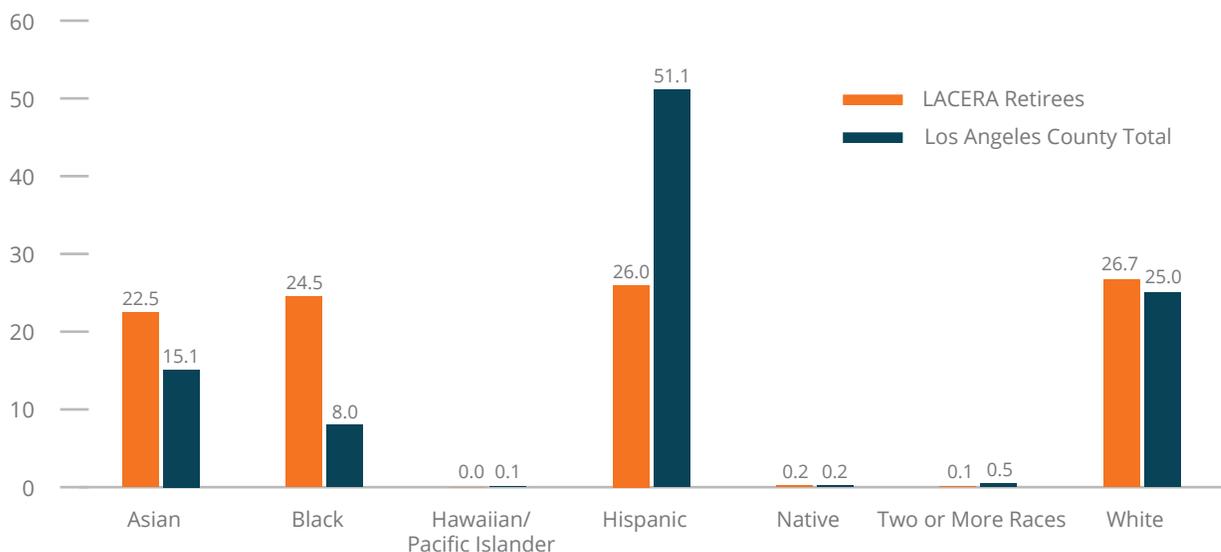
Retirees play a key role in volunteering toward various organizations. According to the Bureau of Labor Statistics (BLS), individuals aged 65 and over devote 94 hours in annual median hours of volunteering. Comparatively, the annual median for the total population is 52 hours, meaning individuals in 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



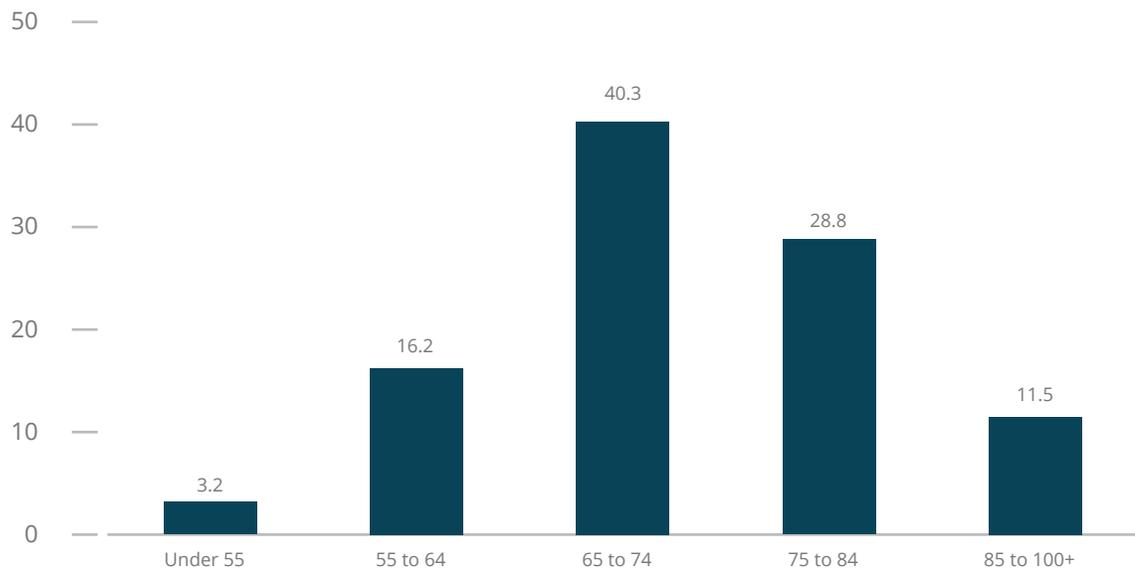
Source: LACERA, 2020 American Community Survey Public Use Microdata Survey; analysis by Beacon Economics

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## 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

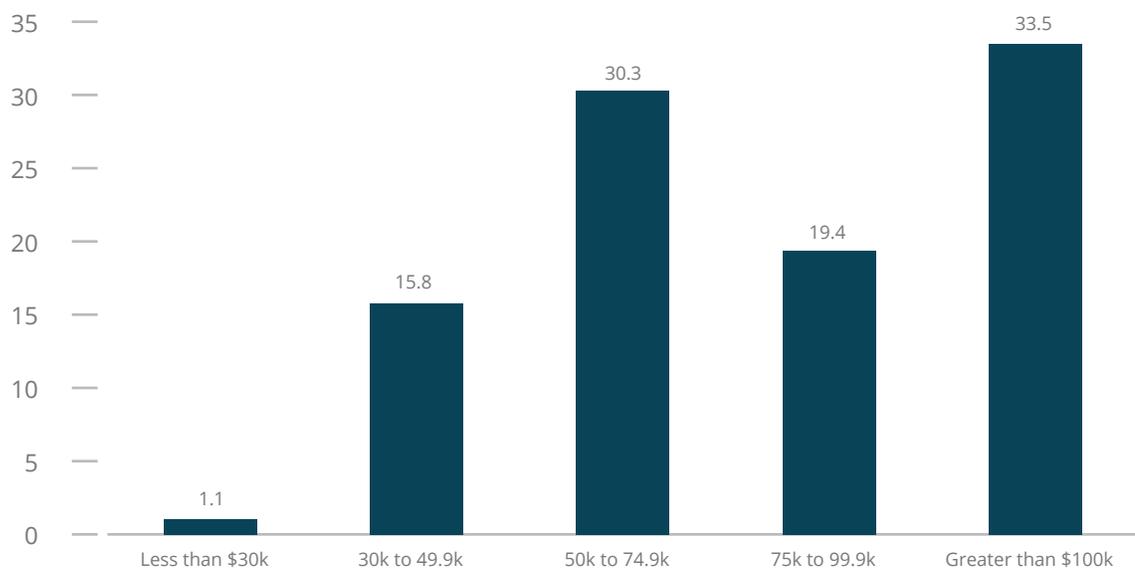


Source: LACERA; analysis by Beacon Economics.

## 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.

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# 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.

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# 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
<b>Total</b>	<b>586.9</b>	<b>497.3</b>	<b>435.6</b>	<b>529.2</b>	<b>606.3</b>

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
<b>Tota</b>	<b>5,287</b>	<b>4,391</b>	<b>3,245</b>	<b>4,960</b>	<b>5,724</b>

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
<b>Total</b>	<b>180.6</b>	<b>149.4</b>	<b>137.8</b>	<b>162.1</b>	<b>185.3</b>

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
<b>Total</b>	<b>33.5</b>	<b>28.2</b>	<b>22.9</b>	<b>32.0</b>	<b>37.4</b>

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
<b>Total</b>	<b>37.8</b>	<b>30.8</b>	<b>34.5</b>	<b>35.8</b>	<b>45.7</b>

Source: IMPLAN; analysis by Beacon Economics.

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# 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](http://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.



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# Economic, Fiscal, and Social Impacts of LACERA Pensioners

September 2022

# Assembly District 41

## 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	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
<b>Total</b>	<b>5,207</b>	<b>13,099</b>	<b>18,306</b>

Amount CalSTRS paid to retired members	
AD 41	\$389.91 million
Statewide	\$14.26 billion

Amount employers paid to active members	
AD 41	\$922.34 million
Statewide	\$40.90 billion

### 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](https://www.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
<b>Total</b>	<b>7,929</b>	<b>19,275</b>	<b>27,204</b>

Amount CalSTRS paid to retired members	
SD 25	\$546.18 million
Statewide	\$14.26 billion

Amount employers paid to active members	
SD 25	\$1.37 billion
Statewide	\$40.90 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](https://www.calstrs.com/reports-and-studies) for more information.



# Congressional District 28

## 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	3,080	7,424	10,504
Inactive membership	1,133	2,481	3,614
Retired	1,991	5,080	7,071
Disabled	30	80	110
Survivor benefit recipients	39	46	85
Option beneficiaries	217	449	666
<b>Total</b>	<b>6,490</b>	<b>15,560</b>	<b>22,050</b>

Amount CalSTRS paid to retired members	
CD 28	\$467.14 million
Statewide	\$14.26 billion

Amount employers paid to active members	
CD 28	\$1.09 billion
Statewide	\$40.90 billion

### Active membership characteristics

#### Members earning CalSTRS service credit

Members	CD 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	CD 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	CD 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	CD 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	CD 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	CD 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	CD 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	CD 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](https://www.calstrs.com/reports-and-studies) for more information.



FOR INFORMATION ONLY



**Operations Briefing Report  
Fiscal Year 2024-2025**



July 10, 2025



The Operations Briefing Report includes a Project Status Dashboard presenting a quick at-a-glance view of each project’s status. The Dashboard is broken up into three color coded sections: New projects or projects with updates are reflected in purple and active projects with no new updates are reflected in blue. Projects completed this fiscal year are reflected in green.

- **New Projects and Updated Project Information**
- **Existing Projects/Initiatives: No New Updates**
- **Completed Projects/Initiatives**

### Status Indicator Note

Color-coded statuses for a quick at-a-glance indicator to tell you how the project is proceeding.

On Schedule	Delayed	Pushed Back
(The project is on schedule and the team intends to meet the stated target date)	(The project is slightly delayed. The team does expect a one to two month slip in meeting the target date. Management is more actively watching the progress of these projects)	(The project has been impacted by a significant obstacle or has been suspended due to emergent priorities. Management is actively discussing remedial steps or has a plan waiting to be implemented)

The Project Status Dashboard includes links to the project’s Active Project Details summary or the Completed Projects Detail summary. This section continues to provide an overall narrative of the project’s purpose and an overview of the project to date. The Project Details summary includes a section highlighting the latest updates to the project in the “Current Update” section followed by a “Historical Perspective” section to show past progress, successes, and challenges the project has gone through since it started.



**PROJECT STATUS DASHBOARD**

**New Projects and Updates to Existing Projects**

Project Title	Strategic Plan Initiative	Target Date	Status
<a href="#"><u>Annual Financial Statement Preparation and Audit (2025)</u></a>	Compliance & Enterprise Risk Management	06/30/2025	On Schedule
<a href="#"><u>Case Management Project (Sol: Phase II)</u></a>	Innovation through Technology		On Schedule
<a href="#"><u>COLA Bank Retroactive Changes</u></a>	Compliance & Enterprise Risk Management	6/30/2026	Delayed
<a href="#"><u>eDiscovery Solution</u></a>	Compliance & Enterprise Risk Management	TBD	Delayed
<a href="#"><u>Enterprise Contract Lifecycle Management (ECLM) Solution</u></a>	Compliance & Enterprise Risk Management	03/31/2025	Delayed
<a href="#"><u>LACERA Event Response Team (LERT) Management Solution</u></a>	Compliance & Enterprise Risk Management	TBD	Delayed
<a href="#"><u>Member Experience Communication Platform (MECP)</u></a>	Superior Member Experience	08/31/2025	Delayed
<a href="#"><u>PEPRA FAC: Scheduled Earnings</u></a>	Compliance & Enterprise Risk Management	06/30/2025	On Schedule
<a href="#"><u>Policy Governing Deductions for Dues and Similar Assessments From Retiree Benefit Payments Implementation Project</u></a>	Compliance & Enterprise Risk Management	TBD	On Schedule
<a href="#"><u>Virtual Mailroom</u></a>	Innovation Through Technology	02/28/2025	Pushed Back



Existing Projects - No Updates

Project Title	Strategic Plan Initiative	Target Date	Status
<a href="#"><u>Case Management Project (Sol: Phase I)</u></a>	Superior Member Experience	11/30/2024	Delayed
<a href="#"><u>Communications Plan</u></a>	Superior Member Experience	06/30/2024	Pushed Back
<a href="#"><u>PEPRA Implementation: Annual Benefit Statement</u></a>	Superior Member Experience	12/31/2025	Pushed Back
<a href="#"><u>Prepaid Bank Card Project</u></a>	Superior Member Experience	06/30/2025	Delayed
<a href="#"><u>Public Domain Migration Project</u></a>	Superior Member Experience	09/30/2025	On Schedule
<a href="#"><u>Retroactive Payroll Adjustments: Prospective Correction</u></a>	Compliance & Enterprise Risk Management	TBD	Pushed Back



**FY 24-25 Completed Projects**

<b>Project Title</b>	<b>Strategic Plan Initiative</b>	<b>Target Date</b>	<b>Status</b>
<a href="#"><u>960-hour Rehired Retiree audit process</u></a>	Superior Member Experience	6/30/2023	<b>Completed</b>
<a href="#"><u>Actuarial Valuation Reports: Retirement Benefits (Pension) (2024)</u></a>	Compliance & Enterprise Risk Management	06/30/2025	<b>Completed</b>
<a href="#"><u>Actuarial Valuation Reports: Retiree Healthcare (RHC) or Other Post-employment Benefits (OPEB) Program (2024)</u></a>	Compliance & Enterprise Risk Management	05/31/2025	<b>Completed</b>
<a href="#"><u>Actuarial Valuation Report: Retirement Benefits (Pension) (2024)</u></a>	Compliance & Enterprise Risk Management	02/28/2025	<b>Completed</b>
<a href="#"><u>Actuarial Valuation Reports: Retiree Healthcare (RHC) or Other Post-employment Benefits (OPEB) Program</u></a>	Compliance & Enterprise Risk Management	09/04/2024	<b>Completed</b>
<a href="#"><u>Alameda Decision Implementation</u></a>	Compliance & Enterprise Risk Management	N/A	<b>Completed</b>
<a href="#"><u>Annual Financial Statement Preparation and Audit (2024)</u></a>	Compliance & Enterprise Risk Management	01/31/2025	<b>Completed</b>
<a href="#"><u>Data Digitization Sharing Project</u></a>	Innovation Through Technology	12/30/2024	<b>Completed</b>
<a href="#"><u>Enterprise Budget Application (Questica) Implementation Phase II: Budget Book</u></a>	Compliance & Enterprise Risk Management	N/A	<b>Project Terminated</b>
<a href="#"><u>Medicare Part B Verification Enhancement</u></a>	Innovation Through Technology	6/30/2023	<b>Completed</b>
<a href="#"><u>Microsoft Copilot Search Implementation</u></a>	Innovation Through Technology	07/31/2024	<b>Completed</b>



**FY 24-25 Completed Projects**

<b>Project Title</b>	<b>Strategic Plan Initiative</b>	<b>Target Date</b>	<b>Status</b>
<a href="#"><u>HR-NeoGov Expansion &amp; Learning Management System</u></a>	Investing in People	03/31/2025	<b>Completed</b>
<a href="#"><u>PEPRA Implementation: FAC Issue</u></a>	Compliance & Enterprise Risk Management	12/31/2024	<b>Project Terminated</b>
<a href="#"><u>Pre-2003 Pension Reserve Clean-up</u></a>	Superior Member Experience	12/31/2024	<b>Completed</b>
<a href="#"><u>Retirement Estimate Redesign</u></a>	Superior Member Experience	12/30/2024	<b>Completed</b>
<a href="#"><u>Retiree Healthcare Administration: Lifetime Maximum Benefit Project</u></a>	Superior Member Experience	12/31/2024	<b>Completed</b>



**ACTIVE PROJECT DETAILS**

**Status Indicator Note**

Color-coded statuses for a quick at-a-glance indicator to tell you how the project is proceeding.

On Schedule	Delayed	Pushed Back
(The project is on schedule and the team intends to meet the stated target date)	(The project is slightly delayed. The team does expect a one to two month slip in meeting the target date. Management is more actively watching the progress of these projects)	(The project has been impacted by a significant obstacle or has been suspended due to emergent priorities. Management is actively discussing remedial steps or has a plan waiting to be implemented)



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<p><b>Project / Issue Title</b> <b>Brief Description</b></p>	<p><b>Strategic Plan Initiative:</b></p>		<p><b>Compliance &amp; Enterprise Risk Management</b></p>	
	<p><b>Type</b></p>	<p><b>Project Sponsor</b></p>	<p><b>Start Date</b></p>	<p><b>Target Date</b></p>
	<p>BSG</p>	<p>Financial Accounting Services Division</p>	<p>May 2025</p>	<p>December 2025</p>
	<p><b>Project Lead(s): Ted Granger</b></p>			
	<p><b>On Schedule</b></p>			
<p><b>Current Update</b></p>				
<p><b>Annual Financial Statement Preparation and Audit (2025):</b> Government code sections require that LACERA prepare annual financial statements including footnotes and disclosures in accordance with applicable accounting standards, obtain an external audit opinion of the financial statements, and transmit the reports to the Los Angeles County Board of Supervisors within six-months following the fiscal year-end.</p>				
<p><i>June 2025 – LACERA staff continued internal planning for the upcoming audit. Plante Moran completed their pre-audit communication to the Audit, Risk, Compliance and Ethics Committee.</i></p>				
<p><b>Historical Perspectives</b></p>				
<p>May 2025 – LACERA staff obtained and uploaded supporting schedules and additional documentation requested by the auditor. Meanwhile, Plante Moran completed their risk assessment, audit planning, and preliminary fieldwork during May.</p>				
<p>April 2025 – Staff and Plante Moran held the annual kick-off meeting and began preparing the annual financial statement supporting schedules. Internal Audit coordinates these efforts.</p>				
<p>LACERA staff prepare LACERA’s Annual Financial Statements (AFS) as of June 30<sup>th</sup> while Plante Moran, LACERA’s external financial statement auditor, completes the audit process starting in May and running through October. Staff expects to complete the AFS and audit opinion by mid-October and provide LACERA’s AFS to Los Angeles County, so the County can finalize their financial statement prior to calendar year-end.</p>				



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	03/06/2025	TBD
<b>Project Lead(s): Fabio Ramirez</b>				
<b>On Schedule</b>				
<b>Current Update</b>				
<b>Policy Governing Deductions for Dues and Similar Assessments from Retiree Benefit Payments Implementation Project</b> Implementation of the new policy governing agency deductions. This project is an effort to address existing and future members who elect to have dues or fees or premium payments for various third-party agencies deducted from their retirement benefit on a monthly basis to ensure LACERA is compliant with CERL Section 31452.5.	<p><i>Updated as of June 9<sup>th</sup>. In collaboration with our Legal Department, we have established criteria for reviewing older Deduction Authorization forms submitted by LA Financial Credit Union and Credit Union of Southern California. These documents, referred to as Legacy Authorization Forms, are distinct from our newly updated Deduction Authorization agreements.</i></p>			
	<p><i>The Benefits Account Maintenance Unit (AMU) will develop a project plan to review the 800 cases provided by both credit unions. Additionally, we will be evaluating updates to our agency deduction contracts to align with recent policy changes. Once our contract policies are adopted, we will continue collaborating with our agency partners to ensure their concerns are heard and addressed.</i></p>			
	<b>Historical Perspectives</b>			
<p>We continue to refine the current process of accepting deduction changes based on feedback we received from NACo. We have agreed to adjust the requirements for a new Deduction Authorization Agreement (DAA) signed by the member for changes when a member is not adding or deleting a deduction in a specific category. Going forward, the agency will be able to request the change on a revised DDA. The change will be formally initiated with NACo in June.</p>				
<p>The Board of Retirement adopted the new policy effective March 5, 2025. Following the Board meeting a project lead was selected. Management and the project lead began development of the project plan for this rollout. The project is expected to be carried out in multiple phases over the next year.</p>				



	In May, the project team provided an Information Only memo outlining the status of the project to the Operations Oversight Committee outlining the phased project plan. The initial “Discovery” phase is in progress, and we have begun contacting agencies to request data regarding legacy authorizations.
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive	August 24, 2022	December 2, 2024
	<b>Project Lead(s): JJ Popowich, Luis A. Lugo, &amp; Iveta Brecko (PM)</b>			
<b>Delayed</b>				
<b>Current Update</b>				
<b>Case Management Project (Sol: Phase I)</b> Implement a case management system that will improve efficiency in processing member requests, provide accurate status and data collection for metrics, and improve the member experience.  Processes included in Phase I are: Disability Retirement Services (DRS) Disability Litigation Office (DLO) Benefits – First Payment	<i>The Case Management Project Phase I is currently in the Closure Phase. All three processes included in Phase I of the Case Management Project have been implemented and are running in production. The PMO is transitioning operational support of Sol from the Case Management Project to the Business Solutions team.</i>			
	<b>Historical Perspectives</b>			
	In May of 2022, the BOR approved LACERA’s recommended vendor, Eccentex, to partner with LACERA to develop our Case Management System. Eccentex was selected after an extensive review of thirteen vendor proposals received from our RFP.  The team identified five phases over a series of years that would benefit from the Case Management System.  Phase I consisted of three sub-phases: Disability Retirement Services (DRS), Disability Litigation Office (DLO, and the Benefits First Payment Process. The LACERA and Eccentex teams completed the development of the case management processes for DRS going live effective: September 22, 2023. The team continues to fine tune the system's performance and make updates as needed.			



	Development of the last sub-phase – the Benefits First Payment process – began simultaneously with the other projects as staff worked to develop detailed process flow maps of the process and define and refine business rules and minimum expectations for the case management system. With the completion of the DRS/DLO sub-phases the teams focused their efforts on the First Payment Process.
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive		
	<b>Project Lead(s): JJ Popowich, Iveta Brecko (PM)</b>			
	<b>On Schedule</b>			
<b>Current Update</b>				
<p><b>Case Management Project (Sol: Phase II Discovery)</b> Implement a case management system that will improve efficiency in processing member requests, provide accurate status and data collection for metrics, and improve the member experience.</p>	<p><i>In May 2022, the Board approved LACERA’s recommendation to engage Eccentex as our strategic partner for the development of a comprehensive Case Management System. This decision followed a rigorous evaluation process of thirteen vendor proposals submitted in response to our Request for Proposals (RFP).</i></p> <p><i>The Case Management System initiative was structured into five distinct phases, each designed to enhance operational efficiency across key business areas over several years. We are pleased to report that LACERA is now initiating Phase II of the project, which will focus on Death Processing. As part of this phase, the project team has commenced a Discovery engagement with Eccentex to define and document detailed business requirements.</i></p> <p><i>Key deliverables from this Discovery phase include:</i></p> <ul style="list-style-type: none"> <li>• <i>A formal Statement of Work (SOW)</i></li> <li>• <i>A comprehensive Requirements Document</i></li> <li>• <i>A detailed Project Plan</i></li> <li>• <i>An Estimated Budget for implementation</i></li> </ul>			
<b>Historical Perspectives</b>				



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Benefits	04/01/2021	06/30/2026
<b>Project Lead(s): Louis Gittens / Theodore King</b>				
<b>Delayed</b>				
<b>Current Update</b>				
<b>COLA Bank Retroactive Changes</b> In April of 2021, the Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation.	<p><i>We recently revisited this project and determined that, due to the advanced knowledge required, it would be more efficient for staff at the RBS III level within Benefits to perform this task. We anticipate starting this project July 1, 2025. We believe this can be completed by June 30, 2026.</i></p> <p><i>Theodore King serves as the Section Head of Special Benefits Services and will be managing this project.</i></p>			
	<b>Historical Perspectives</b>			
	<p>The project was broken down into five phases based on the complexity of the calculations needed to pay retroactive benefits to members. We will resume working on this project in July 2024.</p> <p>Phase I-IV: As of the date of this report, LACERA has paid out just over \$3.8 million in retroactive COLA earnings. Of the 9,672 members and survivors impacted, 8,511 accounts have been systematically resolved, which represents all members and survivors currently in a payment status.</p> <p>The fourth phase of the project, which requires manually calculating the retroactive benefits, includes 1,494 cases in payment status. The manual phase of the project began in December 2021. Staff have manually calculated COLAs for 455 members and payments were issued for this population.</p> <p>Phase V: The final phase involves deceased members with no survivors currently receiving benefits. This phase requires research to identify the appropriate beneficiary(ies) or estates to pay the retroactive benefits that were due to the deceased member. This phase is currently delayed due to staffing limitations and the focus on the Alameda Decision Implementation.</p>			



Systems and Benefits have been reviewing the root cause for the manual processing and developing plans for redesigning some portions of our pension administration system to help alleviate the need for processing for future projects.

COLA Bank: Retroactive Payment Project		
Status (As of 3/31/23)	Number	Percentage
Completed	8,511	88%
In-Process	1,161	12%
<b>Grand Total</b>	<b>9,672</b>	<b>100%</b>

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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	02/28/2022	06/30/2025
<b>Project Lead(s): JJ Popowich &amp; Cynthia Martinez</b>				
<b>Pushed Back</b>				
<b>Current Update</b>				
<b>Communications Plan</b> The development of a strategic Communications Plan providing an overview of the guiding principles used to communicate with LACERA's various stakeholder groups. The plan will also provide an overview of the channels, resources, methods, planned campaigns, and current commitments of the Communications team. The plan will outline how our communications Division has been	<i>No updates at this time.</i>			
	<b>Historical Perspectives</b>			
The LACERA executive team met on August 30, 2022, to review and discuss the Communication Plan(s) drafted by both EKA (the Board of Retirement's public relations consultant) and the LACERA Communications division. Both plans outlined a more tactical approach to engaging our members and various stakeholders, as opposed to a strategic roadmap. The team discussed opportunities and ideas for improving the Communication plan document. We are going to coordinate these efforts with our Strategic Planning process, since the work overlaps with our current Strategic Planning efforts.				



<p>designed to be flexible and responsive to our needs as we fulfill our communication goals.</p>	<p>The Communications team is continuing the process of updating the draft Communications Plan to incorporate the Strategic Plan priorities based on the input from the assigned LEADS of each objective and other feedback provided by the Executive Team.</p> <p>On October 2, 2024, the Communications team completed the update of the Communications Plan and incorporated the Strategic Plan priorities. The plan has been submitted to the Executive Office for review. Feedback has been received from the Executive Office and is pending updates.</p>
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<p>Project / Issue Title Brief Description</p>	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
	<p><b>eDiscovery Solution</b> Implement an eDiscovery solution that provides an intuitive and seamless way for the Legal Office and Information Security Teams to conduct eDiscovery, eDiscovery is the process of identifying, collecting, and producing electronically stored information (ESI) for use in a lawsuit or investigation, to respond to a Public Records Act, or to facilitate collection of information for other business purposes. An eDiscovery solution can help automate the collection of electronic data, such as email, MS Teams messages, SharePoint storage, Bloomberg communication, and SMS, and automate</p>	Strategic	Information Security	12/01/2023	TBD
		<p><b>Project Lead(s): Steven Rice, Chaitanya Errande, &amp; Alonso Favela (PM)</b></p>			
		<p><b>Delayed</b></p>			
<p><b>Current Update</b></p>					
<p><i>The eDiscovery Project is in the Planning Phase. A no-cost Proof of Concept agreement has been executed with the vendor so that staff can get hands-on experience with the product to ensure that it meets LACERA's needs. The POC is expected to take place within the next month. Staff also continue to try to work through the remaining issues on the product purchase agreement.</i></p>					
<p><b>Historical Perspectives</b></p>					
<p>In December of 2023, the IT Coordination Council (ITCC) approved the request by the Legal Office and Information Security teams to search and select a vendor that can provide LACERA an eDiscovery Solution.</p>					
<p>The LACERA eDiscovery Team evaluated and selected a vendor by inviting Veritas, Smarsh and GlobalRelay to provide quotes, demo the products, and answer questions relating to eDiscovery needs. Additionally, the eDiscovery project bypassed the Request for Proposal (RFP) process because all invited vendors offered costs below the qualifying threshold set in the RFP guidelines. After performing the necessary due diligence and</p>					



repetitive tasks, reducing the need for manual intervention.

incorporating selection factors such as system functionalities, pricing, support availability, system integrations, User Experience (UX), and end-user training, the eDiscovery Project team selected GlobalRelay as the vendor that would partner and collaborate with LACERA to implement the eDiscovery solution. The following milestones have been completed:

**Contract Finalization and Procurement –** The contract costs were revised to include SharePoint. The original proposal anticipated SharePoint as a future add on, but staff and management have determined that the purpose and efficacy of the project, and cost efficiency as well as project roll out and implementation, will be enhanced by including SharePoint from the inception. The Board of Retirement approved the revised monthly and total five-year expenditures on February 5, 2025.

The eDiscovery Solution Team is in the Contract Development process, wherein terms and conditions are discussed with the vendor. After the proposed contract was submitted for review, the Legal Division and Executive Office determined that additional terms are needed before proceeding any further with the project.

In May, we reported the Team has hit some significant delays in the process of finalizing the final contract with Global Relay to ensure that the contract terms are clear and provide adequate protection to LACERA. The team is assessing our options and working to determine what the next steps are. Once the final contract has been submitted for review, Vendor Management will complete the process, and we will schedule a formal kickoff date to begin implementation.

As the Team continues to work through the contracting issues for purchase of the product, we have executed a no-cost Proof of Concept Agreement to enable testing of the product with actual test data to confirm that the product has the capabilities and user-friendly features that LACERA needs.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Administrative Services	03/01/2022	12/31/2025
	<b>Project Lead(s): Ricki Contreras, Elsy Gutierrez &amp; Penelope Rodriguez (PM)</b>			
<b>Delayed</b>				
<b>Current Update</b>				
<b>Enterprise Contract Lifecycle Management (ECLM) Solution</b> Pursuant to a recommendation by Administrative Services staff, the Operations Oversight Committee (OOC) on March 2, 2022, authorized a Request for Proposal (RFP) for software and consulting services to procure, configure, customize, and implement an ECLM system, which was published on LACERA.com on March 4, 2022.	<p><i>The ECLM project is in the Execution Phase. The Vendor Management team has successfully adopted the new solution and completed the initial round of training with business owners.</i></p> <p><i>The project team's next steps include:</i></p> <ul style="list-style-type: none"> <li>• Finalizing procedural documentation for business owners</li> <li>• Conducting a second round of training sessions</li> <li>• Executing a phased rollout of the solution to all business owners</li> </ul> <p><i>These efforts will ensure a smooth transition and consistent adoption across the organization. We hope to finish the phased rollout of the solution by December 2025. We have adjusted the Target Date to match this new phased rollout plan.</i></p>			
	<b>Historical Perspectives</b>			
<p>On April 4, 2022, LACERA received proposals from nine vendors. LACERA's evaluation team reviewed all RFPs and selected five vendors as finalists. These finalists demonstrated their solutions to the team. A final vendor has been identified and a recommendation to the Board of Retirement was scheduled for consideration at the September 2022 Board Meeting. The Board of Retirement approved the recommended vendor, Cobblestone, at the September 2022 Board meeting for the Enterprise Contract Lifecycle Management system.</p> <p>The ECLM Solution's Iteration 4 is underway to meet the newly structured Vendor Management, the basic framework for the contract administration is still intact from the initial implementation. The new process has forced a pivot to restructure user groups and security roles to align with the Vendor Management group and personnel. The ECLM Vendor</p>				



Management system is functional and available for testing as the workflows are updated. Systems, Admin Services, Legal, Investment Division, and FASD Subject Matter Experts (SME's) have completed rendering the final requirements imposing the process change and the final items of restructuring are in-flight. We are currently Projecting project to launch on time.

- Contract Repositories
- Vendor Portal
- Contract Approval Chain
- Consolidated Bid Responses and Evaluation – RFP Management
- AI Capabilities – Drafting, Reviewing & Executing of Contracts
- Reporting - Contract Requests, Solicitations, Contracts, and Vendors
- Systems Integration with Great Plains

To enhance the effectiveness of end-user training across all business divisions, we have restructured the approach. Instead of conducting large 2-hour training sessions, we will now break down the training into 1-hour modules for each of the 5 individual modules. This modification aims to facilitate easier retention for end users. Additionally, each training session will involve a Subject Matter Expert (SME) from each division. These sessions will be supported by customized training materials tailored to our internal processes, which will be distributed before the sessions commence.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
	Exec	Executive	01/01/2023	TBD	
	Project Lead(s): JJ Popowich, Chait Errande, and David Choe (PM)				
<b>Delayed</b>					
<b>Current Update</b>					
<b>LACERA Event Response Team (LERT) Management Solution</b> LACERA seeks a solution that automates the tracking and workflow of LACERA incidents.	<p><i>The LERT project Phase 1 is currently in the Closure Phase. The tasks that need to be completed are:</i></p> <ol style="list-style-type: none"> <li><i>Workplace Violence Events – The project team will finetune the HR reporting requirements and adjust reports to include additional data points.</i></li> <li><i>General LACERA Events – The Information Security Office will hold a workshop for stakeholders to review the LERT creation process and workflow.</i></li> </ol> <p><i>The LERT Phase 2 Kick Off meeting was completed. This meeting reestablished the project team, scope, subject matter experts (SMEs), stakeholders, and project timeline. The main deliverables for Phase 2 are: Workspace integration and letter generation with LERT, On-Solve integration with Service Now, and a user interface re-design of some of the Employee Center pages in ServiceNow .</i></p> <p><i>The LERT Phase 2 Workspace Integration design was approved by LACERA’s Architecture Review Board (ARC) on May 14, 2025. During the next several weeks, the project team will draft integration specifications and refine the LERT letter templates for submittal to LACERA’s ServiceNow and WS developers.</i></p>				
	<b>Historical Perspectives</b>				
	<p>In December 2022, the Information Technology Coordination Council approved a LIRT incident management solution project to automate the tracking of LACERA incidents. The LIRT project team decided to leverage a product that is already implemented at LACERA: ServiceNow Information Technology Service Management (ITSM). LACERA selected Winward as our business partner to leverage and customize the incident workflow of ServiceNow’s ITSM to support LACERA’s process regarding incident tracking, management, and reporting. Because LACERA owns this product and is only configuring one module to support our</p>				



specific process, we were able to absorb the project's cost in the FY 2023-24 budget. Although the project was initially scheduled for completion in June 2024, we have extended the timeline to incorporate additional compliance requirements related to new Workplace Violence regulations.

The LIRT Management Solution has been rebranded to the LACERA Event Response Team (LERT) Management Solution. The project is in the Monitoring and Control Phase. On December 19, 2024, ServiceNow modules for LERT and Workplace Violence reporting, as part of the new HR Employee Center website, were presented during the Brown Bag All Staff meeting. These modules are published and are accessible to all staff on LACERA Connect. The HR Employee Center website allows staff to confidentially self-report Workplace Violence incidents to Human Resources or Data Privacy and I/T Security events related to member data directly to LACERA's Event Response Team. This is a significant milestone as both modules support the recently adopted Workplace Violence Prevention Plan Policy and existing LACERA Event Response Team Policy.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	JJ Popowich (Exec - MOG)	10/18/2022	TBD
	<b>Project Lead(s): Cookie Jaranilla, Tatiana Bayer, &amp; Cassandra Smith</b>			
	<b>Delayed</b>			
<b>Current Update</b>				
<b>Member Experience Communication Platform (MECP):</b> LACERA is looking to improve Member Experience through innovative use of modern technology to provide better support for our omnichannel service approach. This project is to select a cloud-based communication service that provides omnichannel contact center with native MS Teams' certificated integration along with other features designed to improve and make our services more efficient.	<i>The MECP Project is in the Planning Phase.</i>			
	<i>The LACERA MECP team, Vendor Management team, and Legal Office have been actively collaborating with Genesys and TTEC to resolve outstanding matters related to the Master Services Agreement (MSA) and the Statement of Work (SOW). We're pleased to report that significant progress has been made, and both the MSA and SOW have now been finalized and fully executed by all parties.</i>			
	<i>With these agreements in place, we are preparing to officially launch the project, with a kickoff meeting scheduled for July 2025.</i>			
<b>Historical Perspectives</b>				
LACERA seeks a Member Experience Communications Platform software as a service (SaaS) with a proven, state-of-the-art, commercial-off-the-shelf solution with minimal modifications. LACERA's goal is to gain efficiency and update existing processes through a best-of-breed enterprise communications system, focusing on improving the timeliness, accuracy, consistency of information, and internal operations.				
At the August 7, 2024, meeting, the Board of Retirement authorized staff to engage with TTEC/Genesys to provide software and consulting services to configure, customize, and implement the Member Experience Communications Platform (MECP) – Genesys application for the Member Services and Retiree Health Care Divisions at a first-year cost of \$590,260 (implementation cost of \$157,675 and licensing fee of \$432,585). The total anticipated five-year cost is \$2,320,600. Sufficient appropriation is included as part of the FY 2024-25 Systems Division Enterprise Software Account. Contract development is now underway.				



	<p>The MECP Project Team successfully completed the review and discussion sessions with the primary stakeholders, subject matter experts, and the vendor. The review and finalization of the Statement of Work is ongoing. Integration with Eccentex, the Case Management vendor, is considered part of the deliverables.</p> <p>In May 2025 we reported the Team has hit significant delays in the process of finalizing the Statement of Work and final contract with Genesys and TTEC (our implementation partner). The team has been assessing our options and working to determine what the next steps are. Once the final contract has been submitted for review, Vendor Management will complete the process, and we will schedule a formal kickoff date to begin implementation.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	01/01/2013	12/31/2024
<b>Project Lead(s): Cynthia Martinez</b>				
<b>Pushed Back</b>				
<b>Current Update</b>				
<p><b>PEPRA Implementation: Annual Benefit Statement</b> LACERA does not currently offer an Annual Benefit Statement (ABS) for PEPRA members.</p>	<p><i>The team had placed a temporary pause on this project due to resource constrictions. We are pleased to announce that the team has reassigned Subject Matter Experts from Member Services to the team. Communications is currently working on an updated project plan to select a new target date.</i></p>			
<b>Historical Perspectives</b>				
	<p>LACERA was unable to generate a PEPRA member ABS until we could accurately, automatically, calculate a member's FAC. This project is moving forward now that the FAC issue is nearly resolved. In the meantime, Progress continues on the <b>PEPRA Implementation: FAC Issue</b> project and that project's target date has been updated to October 30, 2023, to allow time to import historical files necessary to calculate a member's benefit estimates.</p> <p>A kickoff meeting was held on August 22, 2023, to discuss project expectations, review the Project Charter, confirm the ABS Team participants, briefly review the Active redesigned</p>			



comp, and discuss next steps. It was confirmed the team will meet weekly to begin the review process of the Active redesigned comp. The team decided to change how we generate the ABS. To provide us with more flexibility in distribution of the new ABS, the team decided to move to a digital version which will decouple LACERA's reliance on specialized programming with our print vendors, reduce print and mailing costs, expedite receipt of the ABS by members, and was expected to shorten the development time for the new ABS. Communications has incorporated all feedback from the team and the ABS is currently in production for update of data fields and rebranding based on the team input.

The project continued to be negatively impacted by delays in finalizing the PEPRFA Final Average Compensation (FAC) amount. While work with the Auditor-Controller and our Systems teams continued a decision in May of 2024 was made to provide an estimated benefit amount based on an estimated FAC with caveats regarding accuracy and then focus on providing an accurate representation of the member's current and future percentage of FAC to provide insight into how their benefit is growing over time. A new target date was set for July 30, 2024, with the status of the project changing from "Pushed Back" to "Delayed."

Since May, Communications drafted two ABS "comps" based on the team review and input (draft examples of what the new ABS will look like) and worked with Systems and our design vendor to refine the concepts. Feedback was sought from the team and then the Executive Office. A "final" review as conducted by all involved parties. After the final review, a few additional changes were required, and the ABS format was finalized.

In November 2024, we reported the project is pending development of programming required to generate the data and print the new ABS format. However, the project has been significantly delayed due to resource challenges as System resources are dedicated to the Case Management project.

Once resources are available Systems will provide their timeline for development, beta testing, and logistics. Systems will also provide Communications with a sample test file for the print vendor. After print vendor testing of the sample files and there are no issues, Communications will determine a final timeline and estimated completion date. The final stage is expected to be a campaign to inform our members two to three months prior to distribution of the new digital and print ABS and a launch date will be announced.



Systems started processing the finalized PDF design and including working on defining the logic for each field based on the templates Communications has provided to ensure accuracy in November 2024. To ensure the correct logic is being programed, there are several questions that need to be addressed further by the PMG team/SMEs assigned to this project before Systems can move forward with programming/mapping of the data. However, based on staff workload and existing project priorities, this project has been pushed back. Once resources are available, we will resume work on this project.

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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	01/15/2025	06/30/2025
	Project Lead(s): Kevin Hawkins			
	On Schedule			
Current Update				
<p><b>PEPRA FAC: Scheduled Earnings</b>  On January 15, 2025, the Board of Retirement adopted a recommendation to change the methodology for calculating a PEPRA member’s Final Average Compensation due to a revised interpretation of PEPRA and CERL. Effective with this decision, LACERA will now use Scheduled Earnings to calculate the FAC, instead of Actual Earnings. The change is retroactive to all retirements under PEPRA since PEPRA’s passage in 2013. This project covers all efforts to implement this change and pay any retroactive benefits.</p>	<p><i>Phase III: We have now shifted to working on retirement benefit adjustments and retroactive benefit calculations. The plan is for impacted members to see the adjustment to their monthly benefit on the June 2025 scheduled payment. The retroactive benefit payments will be issued soon thereafter. Before the June 2025 monthly disbursements, we will send a letter to these members to notify them of what to expect.</i></p> <p><i>Member Communication Plans:</i></p> <p><i>Members Who Generated/Received Retirement Estimates Between January 1, 2025, and March 31, 2025: We sent letters to members in this category to let them know they can visit My LACERA and run updated estimates based on the new calculation methodology.</i></p>			



**Historical Perspectives**

The Process Management Group is heading up this implementation plan. A project plan is in place and implementation has begun. The project has three phases:

- Phase I: Development of business rule, procedures, training, programming to support the change, and initial member notification,
- Phase II: Begin processing all new retirements after Phase I in accordance with the business rules and Board’s resolution, and begin updating LACERA’s online and print materials that have PEPRA FAC information, and
- Phase III: Review and calculate any required changes for retired members retroactively. Tasks will mostly be worked on in order according to their phase as numbered here but some tasks for different phases are being worked on simultaneously. The team will present a project plan to the Board of Retirement by March 2025.

The revision of the existing business rule for PEPRA FAC is in progress.

The first revision of the existing business rule has been approved and distributed to stakeholders. Systems completed preliminary programming based on the approved portion of the revised business rules and will complete the remaining programming upon their receipt of the approved revised business rule.

The forthcoming second revision of the rule is pending a final decision on how to handle FAC for part-time PEPRA members and PEPRA members with FAC periods of less than 36 consecutive months. In the interim, the first revision of the business rule gives staff enough guidance to move forward with processing most cases, and management will provide guidance for how to handle any cases that involve part-time or FAC periods of less than 36 months.

All first payments, beginning with the March 2025 first payments, were calculated based on scheduled earnings for FAC. Workspace has been updated to calculate PEPRA FAC using scheduled earnings.

The My LACERA PEPRA retirement benefit estimator has been updated to automatically provide the highest FAC based on scheduled earnings. Staff tools such as checklists,



spreadsheets, and procedures, and the applicable Quality Assurance audit criteria have been reviewed for compliance with the business rule.

Member Communication Plans:

Communications published articles about the change in the March 2025 Spotlight and Pathways newsletters. On the LACERA.com News and Announcements, Communications published an announcement about LACERA's change to using scheduled earnings for PEPRA FAC, including details and a timeline for how the different impacted member populations are being addressed. Also, additional information was added to the LACERA.com Compensation page to explain how 36-month FAC is calculated.

March First Payments: Members whose benefit payments started in March 2025, were sent a letter advising them that their FAC was updated to comply with the change in the calculation methodology and their retirement benefit allowance increased from the previous estimate.

April or Later First Payments: Retired members whose benefit payments were expected to start in April 2025 were sent a letter advising them that their FAC was updated to comply with the change in the calculation methodology and their retirement benefit allowance increased from the previous estimate.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience		
	Type	Project Sponsor	Start Date	Target Date	
	Strategic	Executive (MOG)	06/15/2022	10/01/2025	
	Project Lead(s): JJ Popowich & Shonita Peterson (PM)				
<b>Delayed</b>					
<b>Current Update</b>					
<b>Prepaid Bank Card Project</b> Introduction of a prepaid bank card option for monthly benefit payments	<i>The team has made significant headway working with Systems to design the My LACERA and Workspace enrollment process. In late June the team set a new expected "Go-Live" date of October 1, 2025. Based on the revised date we have changed the target date from July 30, 2025 to October 1, 2025.</i>				
	<b>Historical Perspectives</b>				
	<p>LACERA is working on implementing a Prepaid Debit Card Service to provide an alternative to paper checks for retired and survivor benefit payments, aiming to reduce costs and improve reliability due to significant degradation of USPS mailing reliability and difficulty with delivering to some foreign countries.</p> <ul style="list-style-type: none"> <li> <b>Project Initiation and Vendor Selection:</b> In June 2022, LACERA issued an RFP for a Prepaid Debit Card Service and received two proposals by September 30, 2022. Conduent was selected as the vendor, with the Board of Retirements' approval in April 2023.         </li> <li> <b>Contract and Legislative Developments:</b> Contract and Statement of Work discussions with Conduent proceeded as planned. However, after a tentative agreement the project was delayed as Conduent and LACERA worked to address data security concerns expressed by the Information Security Office. Following successful discussions contract amendments were prepared for review.         </li> </ul> <p>Concurrently, LACERA worked with the State Legislature to seek changes to relevant state laws to authorize this new method of delivering benefit payments. The State Legislature passed AB 2474, authorizing a test program for the debit cards, which was signed by the Governor in July 2024.</p>				



Following the resolution of both issues contract amendments were finalized.

Additionally, discussions with Conduent continued on issues like debit card design and finalizing a Statement of Work.

*The contract amendment has been signed by Conduent and returned to LACERA.*

PMG and the LACERA team continue to meet weekly with Conduent to discuss the implementation process. The LACERA stakeholders also hold weekly meetings to review internal implementation procedures. The team is currently focused on the launch and enrollment process for the LACERA Prepaid Debit Card campaign.

We have set a tentative launch date of July 30, 2025.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience		
	Type	Project Sponsor	Start Date	Target Date	
	Strategic	JJ Popowich	11/04/2024	09/30/2025	
<b>Project Lead(s): Alonso Favela (PM)</b>					
<b>On Schedule</b>					
<b>Current Update</b>					
<p><b>Public Domain Migration Project:</b> Our current domain, lacera.com, does not clearly convey our status as a government entity. To address this, we plan to transition to a .gov domain that will immediately signal our official and trustworthy nature to users and email recipients. This change aims to enhance the system's credibility, ensuring that users and other agencies feel secure and confident in the legitimacy of their interactions with LACERA.</p>	<p><i>The Communications, Retiree Healthcare, and Systems divisions are collaboratively preparing for the transition from lacera.com and mylacera.com to lacera.gov and mylacera.gov. The target transition date is set for 07/31/2025.</i></p> <p><i>Draft notification letters have been completed and approved.</i></p>				
	<b>Historical Perspectives</b>				
	<p><b>Domain Transition Decision</b></p> <p>In November 2024, LACERA's Executive Office decided to transition from a .com public domain to a .gov public domain. This decision was prompted by inquiries regarding LACERA's status as a government entity due to our use of a .com domain. The .gov domain was selected for several key reasons:</p> <ul style="list-style-type: none"> <li>• <b>Trust and Credibility:</b> The .gov domain is exclusive to government entities, ensuring that websites with this domain are verified and legitimate. This enhances public trust, as users can be confident, they are accessing official government information.</li> <li>• <b>Professionalism:</b> A .gov domain conveys professionalism and authority, distinguishing government websites from commercial or non-profit sites and reinforcing the agency's official status.</li> <li>• <b>Security:</b> .gov domains adhere to stringent security standards and regulations, protecting sensitive information and ensuring the integrity of the website, which is crucial for maintaining public confidence in the agency's online presence.</li> <li>• <b>Consistency:</b> Utilizing a .gov domain fosters a consistent and recognizable brand identity for government agencies, helping users easily identify and remember official government websites.</li> </ul>				



	<ul style="list-style-type: none"> <li>• <b>Search Engine Optimization (SEO):</b> .gov domains often receive higher priority in search engine results, facilitating the public's access to official government information online.</li> </ul>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Exec	06/01/2021	TBD
	Project Lead(s): JJ Popowich			
<b>Pushed Back</b>				
<b>Current Update</b>				
<b>Retroactive Payroll Adjustments: Prospective Correction</b> The Auditor-Controller is responsible for collecting contributions on all compensation earnable and pensionable earnings compensation at the time of payment. For many years, the AC has not been collecting contributions on retroactive payroll adjustments. In 2021, the AC made changes to their programming to take deductions at the time of payment. However, there are still some situations where these contributions are not being collected.	<i>No updates at this time.</i>			
	<b>Historical Perspectives</b>			
	Following the AC's programming change, LACERA implemented a testing regimen to ensure that the contributions were being deducted as expected.  In August, the AC notified LACERA that they were adjusting the time frame that they would be withholding contributions for retroactive adjustments to 60 months (from the current 99 months). All retroactive earnings paid for pay periods more than 60 months in arrears would no longer have contributions deducted from them. This change was made by the County due to excessive degradation in their payroll system's performance.  In 2022, LACERA met with the AC's team to discuss collection of contributions for adjustments more than 60-months old. A few ideas were generated, and we continue to work with them to develop a procedure that both the County and LACERA can support.			



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Laura Guglielmo (Exec - BSG)	11/12/2024	02/28/2025
	<b>Project Lead(s): Ahmad Chisty (PM), Ricki Contreras, &amp; Esmeralda Delgado</b>			
<b>Pushed Back</b>				
<b>Current Update</b>				
<b>Virtual Mailroom:</b> Establish a virtual mail room to provide a business continuity plan in the event that the LACERA building in Pasadena is inaccessible.	<i>A re-engagement meeting with stakeholders and business owners was held in May to review and reestablish project scope, project plan and timeline. The project team completed the Scope of Work and engaged Vendor Management to develop a Request for Proposal (RFP) for this project. The team will be working with Vendor Management as they finalize and publish the RFP.</i>			
	<b>Historical Perspectives</b>			
	On March 19, 2024, the IT Coordination Council (ITCC) approved Administrative Service's DPC team to seek a vendor for a Virtual Mailroom Pilot Program. This initiative establishes a business continuity plan in the event that the LACERA building and mail room are inaccessible. The core objective is to outsource the digitization of member documents and incoming mail to a vendor that will act as a virtual mail room for LACERA. LACERA would then receive mail digitally, eliminating or supplementing the current process of digitizing incoming paper mail in LACERA Document Processing Center (DPC). Funding for this project was included in LACERA's Administrative Budget for FY 2024/25.			
In November 2024, we reported that this project is in the Planning Phase. The project team gathered the necessary knowledge and completed the Request for Information (RFI) from the vendors. The results of the RFI were presented to and conditionally approved by the IT Coordination Council, garnering Executive Sponsorship for cost and resource allocation. The team has started the next milestone by preparing the documentation and information needed to collaborate with the vendor management group to create and issue the Request for Proposal (RFP).				



COMPLETED PROJECT DETAILS

This portion of the Operations Briefing will detail projects and initiatives that have been completed during the Fiscal Year 2024 - 2025.

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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Benefits	Exec	2/1/2023	3/31/2024
<b>Project Lead(s): Shonita Peterson &amp; Alex Ochoa</b>				
<b>Completed</b>				
<b>Current Update</b>				
<p><b>960-hour Rehired Retiree Audit Process</b> Automate the reporting and auditing of rehired retirees. Import data from the 120-day report into Workspace and automate notification letters to members approaching IRS limits.</p>	<p><i>In February 2024, the software changes to support automated auditing and reporting of rehired retirees were deployed in MyLACERA and Workspace. The changes included a new tile on MyLACERA for rehired retirees detailing the total hours that they have worked for the current fiscal year as well as an audit routine in Workspace that detects rehired retiree work hours and automatically sends notifications to members and their departments as certain thresholds of work hours are reached.</i></p> <p><i>In March 2024, the first audit process was executed to identify rehired retirees and send notifications to both the members and their departments.</i></p> <p><i>From April through June 2024, the audit process was executed monthly to identify members that were exceeding certain thresholds and sending automated notifications to both the members and their departments. It is important to note that no members have exceeded the 960-hour limit since the automated audit process was implemented. We consider this a complete success.</i></p> <p><i>The Systems Division is currently transitioning the rehired retiree audit process from a monitoring and controlling phase to project closure by adding it to LACERA's enterprise systems calendar and turning operational support over to the production support team. We expect the transition to be completed and the project to be closed by August 31, 2024.</i></p>			



*As of August 2024, with the new automated Letters being sent to members and departments this project is complete. LACERA will rely on system automation to monitor Rehired Retiree hours worked.*

**Historical Perspectives**

The California Public Employees' Pension Reform Act of 2013 (PEPRA) prescribes limitations on the activities of retired members of these retirement systems, which supersede the provisions of PERS with which they conflict. Under both PERS and PEPRA, a retired member is generally subject to a limit of 960 hours of employment within a calendar or fiscal year, depending on the administrator of the system, for specified employers without reinstating in the system.

To remain compliant with IRS regulations, LACERA must audit rehired retirees to ensure that these members do not exceed the 960-hour limit.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
	BSG	Financial Accounting Services Division	April 2025	June 2025	
	<b>Project Lead(s): Ted Granger</b>				
<b>Completed</b>					
<b>Current Update</b>					
<b>Actuarial Valuation Reports: Retirement Benefits (Pension) (2024)</b> The Government Code requires that valuations of the Retirement Benefits Fund (Pension Plan) be performed at least once every three years. The Board of Investments' 2013 Retirement Benefit Funding Policy requires valuations be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the Retirement Plan. In addition, the valuation report provides information used to prepare the Governmental Accounting Standards Board (GASB) Statement Numbers 67 & 68 reports. Plan Administrators (LACERA) and Plan Sponsors (County) use the GASB reports to obtain information required for their financial statement disclosures.	June 2025 – Milliman presented the Actuarial Risk Assessment report at the June Board of Investments meeting. Also, Milliman completed an actuarial educational session held virtually for several Trustees at the end of June. The 2024 reporting cycle has been completed.				
	<b>Historical Perspectives</b>				
	May 2025 – Milliman completed drafts of the Actuarial Risk Assessment report and presentation slides. LACERA staff reviewed the materials and provided feedback. In addition, Milliman drafted presentation slides for a Trustee actuarial educational session, hosted by Milliman and staff, which will follow the Board of Investments meeting.				
April 2025 – Milliman began preparing the Actuarial Risk Assessment report and presentation slide deck. Staff provided some input for Milliman to consider.				Milliman prepares an annual risk assessment report based upon the most recent annual actuarial valuation report, to discuss various risk factors associated with the pension valuation process. This report also serves as a mid-year touch point for Milliman to provide the Trustees with additional actuarial information. Milliman will present the results to the Board of Investments at their June meeting.	



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
	BSG	Financial & Accounting Services Division	August 2024	February 2025	
	<b>Project Lead(s): Ted Granger</b>				
<b>Completed</b>					
<b>Current Update</b>					
<p><b>Actuarial Valuation Reports: Retirement Benefits (Pension) (2024)</b>                      The Government Code requires that valuations of the Retirement Benefits Fund (Pension Plan) be performed at least once every three years. The Board of Investments' 2013 Retirement Benefit Funding Policy requires valuations be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the Retirement Plan. In addition, the valuation report provides information used to prepare the Governmental Accounting Standards Board (GASB) Statement Numbers 67 &amp; 68 reports. Plan Administrators (LACERA) and Plan Sponsors (County) use the GASB reports to obtain information required for their financial statement disclosures.</p>	<p><i>2024 Retirement Benefits – Annual Valuation</i>                      Milliman and staff presented the final report to the Board of Investments (BOI) at their February 2024 meeting. There are two additional reports that will be prepared based upon the results of the 2024 Retirement Benefits Valuation Report:</p> <ol style="list-style-type: none"> <li>1) Staff will work with Milliman to prepare the upcoming GASB 68 report for Los Angeles County's June 30, 2025, annual financial statements.</li> <li>2) Staff will work with Milliman to prepare the upcoming Risk Assessment Report, tentatively scheduled to be presented at the June 2025 Board of Investments meeting.</li> </ol>				
	<b>Historical Perspectives</b>				
	<p>January 2025 – Board materials updated. This item is scheduled for the February 2025 BOI agenda.</p> <p>December 2024 – This item was moved to the February 2025 BOI agenda. Milliman completed the 2024 Valuation report and is working with LACERA to finalize the Board materials.</p> <p>November 2024 – Milliman prepared a draft valuation report and presentations slide for review in November.</p> <p>September 2024 – The County sent their annual request and Milliman provided a preliminary funding estimate letter, which includes estimates of the funded ratio as of June 30, 2024, and employer contribution rates for the fiscal year beginning July 1, 2025.</p>				



	<p>August 2024 – Milliman (LACERA’s consulting actuary) provided and LACERA staff completed the annual information request. LACERA’s Systems Division prepared and transmitted the year-end member census data to Milliman. LACERA prepared a project timeline and Milliman reviewed and approved the timeline.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial Accounting Services Division	September 2024	May 2025
<b>Project Lead(s): Ted Granger</b>				
<b>Completed</b>				
<b>Current Update</b>				
<p><b>Actuarial Valuation Reports: Retiree Healthcare (RHC) or Other Post-employment Benefits (OPEB) Program (2024)</b></p> <p>The Retiree Healthcare (RHC) Program administered by LACERA on behalf of Los Angeles County includes retiree healthcare benefits such as medical and dental/vision insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Numbers 74 &amp; 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually, and experience and assumption studies are prepared triennially for Los Angeles County and</p>	<p><i>April 2025 – Staff and Milliman presented the final 2024 OPEB Valuation Report which the Board approved at their April 2025 meeting. Staff and Milliman presented the status of LACERA’s OPEB pre-funding plan and policy development efforts as an employer sponsor. The Board provided some feedback for staff to consider.</i></p>			
	<b>Historical Perspectives</b>			
	<p>March 2025 – Staff and Milliman completed the materials for the April 2025 Board of Retirement meeting. Staff and Milliman will provide a separate presentation to the Board regarding LACERA’s OPEB pre-funding efforts as an employer sponsor.</p> <p>January 2025 – Milliman continued working on the annual valuation report with an earlier deadline than prior years. One lead consultant (Janet Jennings) at Milliman will retire mid-year and be replaced with another consultant (Ryan Cook) who is already assigned to the LACERA account.</p> <p>December 2024 – LACERA and Milliman are working towards completing the annual valuation report under the new shortened timeline. We are also requesting that the Los Angeles County stakeholders consider a condensed timeline for the GASB 74 &amp; 75 reports.</p>			



<p>LACERA's Board of Retirement to make funding decisions and to provide the information for the GASB 75 report which is based on the actuarial valuation and used for employer financial statement disclosure reporting.</p>	<p>November 2024 – LACERA and Milliman met with the Los Angeles County stakeholders and decided to shorten the annual reporting timeline by several months. Some data captured in the prior reporting model which delayed the reporting process, such as late-enrollee and the next year's healthcare premium renewal rates, will be included in the following year's report. The revised timeline will ensure the County receives reports earlier and help LACERA staff better manage competing projects.</p> <p>August 2024 – LACERA transmitted the census data file to Milliman (LACERA's consulting actuary) when they began planning for the annual OPEB valuation project.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial Accounting Services Division	August 2023	September 2024
	<b>Project Lead(s): Ted Granger</b>			
	<b>Completed</b>			
	<b>Current Update</b>			
<p><b>Actuarial Valuation Reports: Retiree Healthcare (RHC) or Other Post-employment Benefits (OPEB) Program</b>                      The Retiree Healthcare (RHC) Program administered by LACERA on behalf of Los Angeles County includes retiree healthcare benefits such as medical and dental/vision insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Numbers 74 &amp; 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are</p>	<p><i>September 2024 – Milliman (LACERA's consulting actuary) presented the 2023 OPEB Actuarial Valuation report and CavMac (LACERA's reviewing actuary) presented the results of their review to the Board of Retirement (BOR) at their September meeting. There were some questions regarding the future funding of the OPEB Program that will be followed up on. This presentation and BOR's approval completed the 2023 OPEB reporting cycle.</i></p> <p><i>LACERA slightly delayed the experience study process so Milliman could review the Board of Investment's recently updated strategic asset allocation (SAA) for the OPEB Trust when considering the investment return assumption. The target completion date for this project was moved from August to September 2024.</i></p>			



prepared annually, and experience and assumption studies are prepared triennially for Los Angeles County and LACERA's Board of Retirement to make funding decisions and to provide the information for the GASB 75 report which is based on the actuarial valuation and used for employer financial statement disclosure reporting.

**Historical Perspectives**

August 2023 – LACERA transmitted the census data file to Milliman when they began planning for the triennial year OPEB actuarial project cycle which includes an investigation of experience study and an annual valuation. Milliman started their work shortly thereafter.

In February 2024, Milliman presented a first draft Experience Study report to the Los Angeles County Stakeholder group. The BOR approved FY 2024-2025 retiree medical insurance premiums presented by the Retiree Healthcare (RHC) Division at the March meeting. Milliman updated their analysis to include the latest premium information to develop the medical cost trends and projections.

April 2024 – The Board of Investments approved and updated their strategic asset allocation (SAA) for the OPEB Trust. It was determined that LACERA needed to delay the experience study process so Milliman could review the new SAA when considering the OPEB Trust investment return assumption and share this recent information with the County Stakeholder Group.

In May 2024, the Board of Investments approved and updated the OPEB Trust performance benchmarks and in June, the Investment Policy Statement (IPS) based on their recent approval of the SAA. LACERA held a second meeting to discuss draft 2 of the OPEB Experience Study with the Los Angeles County Stakeholder group including the County, Superior Court, labor groups, and their consultants, to review the remaining economic assumptions impacted by the SAA. There were no additional questions/concerns from the Stakeholder group.

June 2024 – Milliman provided an educational session to the Board of Investments at their in June meeting. The draft experience study report, which includes the actuarial assumptions, was completed by Milliman and presented at the July Board of Retirement meeting for approval. Milliman will prepare the annual valuation report and present it at the Board of Retirement meeting for approval in September.

July 2024 – The Board of Retirement approved the 2023 OPEB Experience Study draft report which included updated actuarial assumptions and methods that will be used to



	<p>prepare the 2023 OPEB Valuation report. Milliman provided the draft valuation report appendices to LACERA for review.</p> <p>In August 2024, Milliman completed the draft 2023 OPEB Valuation Report while LACERA staff and Milliman hosted the third and final Los Angeles County Stakeholder meeting for this project cycle. Milliman and CavMac (LACERA’s reviewing actuary) presented their results with no major issues from the Stakeholder group. Milliman and staff prepared final reports for the September BOR meeting.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Benefits	08/01/2020	N/A
	Project Lead(s): Shonita Peterson			
	Completed			
Current Update				
<p><b>Alameda Decision Implementation</b>                      In 2020, the California Supreme Court issued its decision in the Alameda County Deputy Sheriff’s Association v. Alameda County Employees Retirement Association (“Alameda”), challenging the constitutionality of changes passed in 2013 Assembly Bill 197, which amended the definition of compensation earnable, specifically, excluding pay items previously included such as unused vacation, termination pay, in-kind payments, and payments for services rendered outside of normal working hours. The Court upheld the constitutionality of the Legislature’s actions. In 2021, the Legal Office notified</p>	<p><i>This project has been completed. LACERA identified all impacted members and calculated the required changes to the member’s benefit where applicable. All impacted members have been notified, and any owed or outstanding benefits have been paid.</i></p> <p><i>There is a small group of deceased members who we have been unable to locate current contact information for the beneficiaries. We will continue to follow our normal processes for locating these beneficiaries and paying out any outstanding amounts. However, for the purposes of this project, since all changes and calculations have been completed, we are closing the project.</i></p>			
	Alameda Project Status		Current Report: 11/30/2024	
	Row Labels (Type, Status, Detail, Outstanding)		Count	%
	<b>Pending Notification</b> (Staff Reviewing and Processing)		0	0.000%



the Board of Retirement that it had completed an initial review of LACERA legacy pay codes and determined that Standby Pay did not meet the expanded understanding of compensation earnable because of the Alameda Case.

<b>Active</b>	0	0.00%
<b>Retired</b>	0	0.00%
<b>Deferred/Inactive</b>	0	0.0%
<b>Retired Deceased</b>	0	0.00%
<b>Active Death</b>	0	0.00%
<b>Other – *Active/Exceptions</b>	0	0.00%
<b>Withdrawn</b>	0	0.0%
<b>Completed</b>	4,622	100.00%
<b>Active</b>	3,035	65.66%
<b>Retired</b>	879	19.02%
<b>Deferred/Inactive</b>	149	3.22%
<b>Deceased</b>	8	0.17%
<b>Other - *Active/Exceptions</b>	439	9.50%
<b>Withdrawn</b>	56	1.21%
Not affected	56	1.21%
<b>Grand Total</b>	4,622	100%

**Historical Perspectives**

This has been a multi-year project that evolved as we conducted discovery and made changes required by the Alameda Decision. The project involved updating salaries and recalculating contributions for members affected by the exclusion of Standby Pay from earnings. Staff broke the project into segments based on member status and situation, because each segmented group required unique handling. The summary below (produced with the assistance of Co-Pilot) reflects the historical progress to date:

- **Active Members:** Salaries of 4,176 members were updated, with 3,013 actively employed. Of these, 2,284 had overpaid contributions, leading to the suspension of future contributions until balances were depleted. Notifications were sent in February 2022 to avoid overwhelming the Member Services Call Center.



- **Deferred and Inactive Members:** Staff identified 149 deferred and inactive members, issuing 132 refund checks. The remaining 17 members were not owed a refund.
- **Retirees and Benefit Adjustments:** Retirees who retired on or after January 1, 2013, had their benefits adjusted prospectively from August 30, 2020. Notifications were sent in May 2022 to 710 members about benefit reductions effective July 31, 2022, with repayment options for overpaid benefits. Some members received refund checks, while others saw no changes due to specific conditions.

An important part of the historical record for this project is the acknowledgement of the Benefits commitment to self-evaluation and transparency. In August, Benefits reviewed the report and determined the actual number of affected members is 4,622. Initially, the project was handled by multiple units and there was a duplication of members. At this point, the project team has eliminated the duplicates and also completed 35 additional cases, leaving 17 cases remaining.

In September, Benefits reviewed the full report to identify previously completed cases that now require additional processing. For example, a member who was in Active service at the time of completion may now be deceased and their case now requires coordination with the survivor. At this point, the number of open cases is 31. Now that this review is complete, we do not anticipate a future increase to this number.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	May 2024	January 2025
	Project Lead(s): Ted Granger			
<b>Completed</b>				
<b>Current Update</b>				
<p><b>Annual Financial Statement Preparation and Audit:</b> Government code sections require that LACERA prepare annual financial statements including footnotes and disclosures in accordance with applicable accounting standards, obtain an external audit opinion of the financial statements, and transmit the reports to the Los Angeles County Board of Supervisors within six-months following the fiscal year-end.</p>	<b>2024 – Annual Financial Statements/Audit</b>			
	<p><i>January 2024 – The Annual Financial Review presentation was agendized for the January 2025 Operations Oversight Committee.</i></p> <p><i>This project has been completed for the FYE 2024 reporting cycle.</i></p>			
	<b>Historical Perspectives</b>			
<p>December 2024 – FASD and Communications completed the 2024 ACFR and 2024 PAFR. The ACFR was posted to lacera.com and the PAFR was sent to all members with the December newsletters.</p> <p>Plante Moran, LACERA's external auditor, began interim audit testing in May and June 2024, focusing on member data, benefit calculations, internal controls, and fraud interviews. By July, LACERA staff had completed the financial statement closing process and started preparing the Annual Financial Statements (AFS). In August, staff responded to audit information requests, and the auditor began substantive testing. During September, Plante Moran continued testing while LACERA staff prepared draft financial statements and investment-related disclosures, holding regular status meetings to finalize adjustments and complete the audit process.</p> <p>In October 2024, LACERA staff prepared and issued two draft reports for review and one final Annual Financial Statement Report (AFS). Plante Moran completed their audit inquiries,</p>				



testing, and issued their audit opinion. LACERA received an unmodified or “clean” audit opinion dated October 15, 2024. There were no audit findings or recommendations to report this year. Plante Moran will present their findings to the Audit Compliance Risk and Ethics (ACRE) Committee at the meeting in December. A copy of the audited AFS was sent to Los Angeles County by the deadline so the County can include some of LACERA’s financial statement data within their financial statements.

November 2024 – FASD is currently working with Communications to prepare the 2024 Annual Comprehensive Financial Report (ACFR). The ACFR is an enhanced version of the Annual Financial Statements (AFS) but includes some additional information such as LACERA Trustees, transmittal letter from the CEO, and organizational chart. We expect to complete and distribute the ACFR in mid-December.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Systems	11/01/2023	12/30/2024
	Project Lead(s): Tom De Luca			
<b>Completed</b>				
<b>Current Update</b>				
<b>Data Digitization Sharing Project</b> A project to share previously digitized microfiche and Optical Archive System (OAS) records with the LA County Auditor/Controller	<p><i>The team presented the SharePoint prototype to the Auditor/Controller (A/C) and instructed them on how to navigate the site. The A/C have been reviewing the site on their own, asking probing questions such as the file-naming convention, how certain metadata values were sourced, and the pros and cons of various repository choices. The Project Team at LACERA completed and released a preliminary cost estimate on September 17th. This estimate includes both labor and material costs, covering hardware and software. The costs are categorized into two sections: those exclusive to LACERA and those that can be shared with the Auditor/Controller. Subsequently, if A/C decides to have LACERA staff further develop the prototype into a functioning tool for their department, a new project proposal and business statement have to be created for IT Coordination Council submission and approval. Additionally, the estimate features a fixed cost component and a variable cost that depends on the page volume. The next step for this project will be to return to the IT Coordination Council with feedback from the A/C, the project cost estimates, and a project proposal.</i></p>			
	<b>Historical Perspectives</b>			
<p>The Information Technology Coordination Council (ITCC) approved a prototype project to share previously digitized microfiche with the LA County Auditor/Controller (A/C) in October 2023. LACERA previously digitized 50 million microfiche and Optional Archive System (OAS) records containing LA County payroll data and built an electronic viewer for the images. The A/C only has the physical microfiche and the OAS records for this payroll data. The LACERA Systems Division would like to share our digitized images with the A/C in a portable format that is independent from all technology at LACERA. The prototype project that was approved by the ITCC will involve converting a subset of microfiche images to searchable PDF files and building a SharePoint page for searching the images. If the prototype is successful, and the A/C finds the files useful, we will make a request to the ITCC to</p>				



	<p>convert 30 million of the 50 million images to searchable .pdf and securely transmit them to the A/C.</p> <p>We have converted the subset of files to searchable PDF files for the prototype and are configuring the SharePoint page that will be used to search these files.</p> <p>Systems completed the configuration and set-up of the SharePoint site that will be used by the Auditor-Controller. The team continued to conduct internal testing to ensure it works as expected during the month of May. The prototype for sharing the digitized microfiche with the LA County Auditor/Controller (A/C) has been completed.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	12/01/2023	TBD
<b>Project Lead(s): Laura Guglielmo and Cookie Jaranilla (PM)</b>				
<b>Project Terminated</b>				
<b>Current Update</b>				
<p><b>Enterprise Budget Application (Questica) Implementation Phase II: Budget Book</b></p> <p>LACERA nearly finished implementing its first automated enterprise budget application which will be used for budget development and budget control and will integrate with LACERA's financial system, Great Plains. This phase of the project will address the Budget Book that is submitted to the Boards during the approval process.</p>	<p><i>When LACERA embarked upon the automation of our budget process and purchased Questica, we intended to leverage a third-party software solution (Caseware) to create our Budget Book as our vendor had recommended. Over the past several months, the Budget Unit staff have worked with the vendor and were able to accurately replicate LACERA's budget book. However, the process was not seamless, required significant staff training to recreate the necessary charts and graphs and still required careful and extensive editing for the narrative portions. For these reasons, staff recommended, and management agreed that LACERA utilize PowerBI to create the numerous charts and graphs seen throughout the Budget Book and continue to manually update the budget narratives in Microsoft Word. The source for PowerBI will remain our Questica Budget System. We believe this is a better solution because PowerBI is widely used and a desirable skillset for staff and for the organization. Trustees and members will see no difference in the quality of the Budget Book</i></p>			



**Historical Perspectives**

The implementation of the Questica budgeting solution has been divided into two phases. Phase I concerns the implementation of the budgeting application itself. Phase II consists of the review and implementation of the Budget Book function to assist with assembling the budget book that is submitted for approval to the Boards.

Development of the budget book is a unique and detailed process that requires significant focus to migrate to a new platform. The native budget book application provided by Questica will be evaluated by the team after we have completed implementation of the budget application. The team plans to produce the FY 25 Budget Book outside of this application while this is under review. Once we have completed the roll out of the Questica application we will assign a target date for completion of this phase. The Project Team has been actively collaborating with Questica's Implementation Team to discuss project planning and schedule a kickoff for this initiative.

On July 15<sup>th</sup>, the Budget Modernization Project Team held a kick-off meeting with FH Black, our partner from Questica, the vendor for our new budgeting software. As a historical note, FH Black, the vendor responsible for the Budget Book implementation, was introduced by Questica in October 2023. FH Black was also included in Questica's RFP response as part of their Implementation Team in July 2022. During the kick-off, the team discussed the project's scope, requirements, implementation plan, post-implementation support, and training. We emphasized the importance of clear communication and setting expectations among all involved parties, including our own resources, subject matter experts, key stakeholders, and the vendor's implementation team.

The Questica Budget Book Project is now in the Execution Phase. The necessary application, Caseware, has been installed for the Budget's Subject Matter Experts (SMEs). The project team is currently scheduling training and testing sessions for the Budget SMEs with FH Black's Implementation Team.

Staff has completed initial CaseWare training and has received final versions of the report. We are assessing and reviewing these reports.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Cassandra Smith	9/1/2022	3/31/2025
<b>Project Lead(s): Leilani Ignacio &amp; Kevin Hunter</b>				
<b>Completed</b>				
<b>Current Update</b>				
<b>Medicare Part B Verification Enhancement Status Update</b> This process improvement project is to have the OCR tool (Optical Character Recognition) scrape the data from the scanned/uploaded documents submitted as proof for Medicare Part B reimbursement. Another objective of this project is to use the scraped data from documents to systematically create work objects for resolution by the business users.	<i>This project has been completed. The Medicare Part B documents submitted to LACERA are now sent through the automated Optical Character Recognition (OCR) process and routed to the correct queue based on the data detected by the OCR process. This data is prepopulated on the user interface, and the users need to make a few decisions to confirm that the data is accurate for the Medicare Part B document to be processed.</i>			
	<b>Historical Perspectives</b>			
	<p>In June 2024, the software changes to support Medicare Part B Optical Character Recognition (OCR) were deployed to Workspace. The changes included new OCR web services, a new automated workflow for Medicare Part B documents, and a new user interface for Workspace.</p> <p>As Medicare Part B documents are received by mail and scanned into our Enterprise Content Management (ECM) system or uploaded by members on My LACERA and automatically committed to our ECM, the following steps occur:</p> <ol style="list-style-type: none"> <li>1. The documents are sent through the automated Optical Character Recognition (OCR) process.</li> <li>2. The documents are automatically routed to the correct queue based on the data picked up during the OCR process.</li> <li>3. When a document is selected from a queue for processing, the data automatically picked up during the OCR process is presented to the user. The user does not need to complete any data entry, they only need to make a few decisions to confirm that data and complete the processing of the document.</li> </ol> <p>The Project Team looked for opportunities to expand the automation and increase the accuracy of the OCR process. For example, members tend to submit multiple copies of the same</p>			



document – by mailing one in, uploading another on My LACERA, and dropping a third copy off in LACERA’s drop box. The OCR capabilities allow the workflow to detect these duplicate documents, and they are sent to a specific “duplicate Medicare Part B” queue for review. If RHC finds that the duplicate detection is accurate, and they always terminate the duplicate request with an appropriate comment, we can automate this step for them. This is one of many possibilities for increased automation using OCR for Medicare Part B data.

Historically, the documents submitted for the verification of Medicare Part B reimbursements were manually reviewed by users for key data points and entered the data manually using Workspace online transactions.

This project was created to automate the process to bypass the manual review and entry of data points into Workspace.

In September 2024, the team started to work with the vendor Forefront Technologies to improve the implementation of the OCR technology and get their help in resolving issues. The vendor had been asked to resolve an issue occurring when extracting data from multi-page Medicare Part B documents.

In October 2024, the vendor provided the team with a few proposed methods for resolving the issue with extracting data from multi-page Medicare Part B documents. The team began to discuss and further explore the solutions in more detail with the vendor.

The team developed the enhancement to the OCR capability that resolves multi-page document issue. This update will roll out to the staff in the near future. The team plans to monitor feedback and resolve any additional adjustments needed by the end of March.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Systems	02/21/2024	09/30/2024
<b>Project Lead(s): Summy Voong, Jim Lyle</b>				
<b>Completed</b>				
<b>Current Update</b>				
<b>Microsoft Copilot Search Implementation</b> The introduction of Microsoft Copilot Search, Microsoft’s AI chat interface	<i>The project has been completed.</i>			
	<b>Historical Perspectives</b>			
	<p>The ITCC and Artificial Intelligence (AI) Committee approved the initial phase of the Microsoft Copilot deployment at LACERA in February (2024). The initial phase will involve the launch and training of Microsoft's generative AI chat and search features that work with Microsoft Edge. The new tool will be presented to the organization through MAC, SAC, and Brown Bag meetings as well as a series of training sessions customized for each division. We anticipate the launch to be finished by the end of September 2024.</p> <p>Project Steps:</p> <ol style="list-style-type: none"> <li>1. Road Show to Division Managers – Completed</li> <li>2. AI policy approval – Completed.</li> <li>3. Staff to sign an acknowledgement new AI policy - 99% Completed.</li> <li>4. The Executive Board Assistants will be scheduling two meetings for Trustees - TBD</li> <li>5. Presentation/Demo to MAC/SAC teams – Completed.</li> <li>6. Demonstration during Brown Bag Meeting – Completed</li> <li>7. Enable feature for all staff (that signed the AI Policy) and send out training documents – Completed.</li> </ol> <p>Staff created a draft policy and forwarded it to the Ethics and Compliance Committee (ECC) for review.</p>			



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Investing in People		
	Type	Project Sponsor	Start Date	Target Date	
	Strategic	Laura Guglielmo (Exec - BSG)	03/19/2024	06/30/2025	
<b>Project Lead(s): Alonso Favela (PM), Carly Ntoya, &amp; Roberta Van Nortrick</b>					
<b>Completed</b>					
<b>Current Update</b>					
<b>HR-NeoGov Expansion &amp; Learning Management System:</b> Expand LACERA’s use of NeoGov to include Talent Acquisition, the Performance Module for represented staff, and the Learning Module, in line with Strategic Initiative #3.3 - Investing in People.	<p><i>The project is in the Execution Phase. The HR-NeoGov Implementation team has been collaborating with the project team regarding the implementation of the Performance (PERFORM) and Learning (LEARN) Modules.</i></p> <p><i>The LEARN training has been completed and the Learn module has been implemented.</i></p> <p><i>The configuration of the PERFORM module for represented employees and supervisors has been completed and tested successfully. A phased roll out of the PERFORM module for represented personnel is in progress and should be completed by June 30, 2025.</i></p>				
	<b>Historical Perspectives</b>				
	<p>On March 19, 2024, the IT Coordination Council (ITCC) approved the Human Resources team's proposal to expand LACERA's use of the NeoGov system. The approved enhancements include expanding the Talent Acquisition, Performance Modules for represented staff, and the Learning Module. This initiative directly supports LACERA's Strategic Initiative #3.3, which focuses on investing in the development and growth of our workforce. Funding for the additional NeoGov modules was included in LACERA’s Administrative Budget for FY 2024/25.</p>				



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
	Strategic	Executive (MOG)	01/01/2013	12/31/2024	
	Project Lead(s): JJ Popowich & Lynn Francisco				
<b>PROJECT TERMINATED</b>					
<b>Current Update</b>					
<p><b>PEPRA Implementation: FAC Issue</b>            The Final Average Compensation for PEPRA members is exclusive of most pay items except base pay. The County uses pay code 099 as their base pay code. This pay code has embedded pay items within the code that are not pensionable compensation under PEPRA. To accurately calculate a member's benefit, these non-pensionable compensation items need to be filtered out.</p>	<p><i>On the January 15, 2025, Board meeting, BOR approved using scheduled earnings for PEPRA FAC. This decision resolves the outstanding issues related to actual earnings. As a result, we have terminated this project.</i></p>				
	<b>Historical Perspectives</b>				
	<p>The LACERA team and the Auditor Controller's Office have been diligently working on a project with a target completion date of December 31, 2024, despite encountering several challenges.</p> <ul style="list-style-type: none"> <li>• <b>Initial Progress and Deadlines:</b> As of late April 2023, both teams have been meeting regularly and made significant progress towards the initial deadline of June 30, 2023, with a commitment to complete the project by July 2023.</li> <li>• <b>Technical Developments:</b> Significant advancements include the implementation of a program to update PEPRA earnings and the ingestion of historical files, which were completed by January 2024 by the Auditor-Controller's Office. Since January LACERA's Systems and Quality Assurance teams have been coordinating to validate and adjust internal programming to utilize the data provided by the Auditor-Controller.</li> <li>• <b>Challenges and Adjustments:</b> Several issues, such as handling retroactive payroll adjustments, and finalization of Business Rules have delayed the project, pushing the target date to December 31, 2024.</li> <li>• <b>Robotic Processing Automation (RPA):</b> The RPA tool has been developed to assist in the manual verification process, although it is not yet capable of fully automating the FAC calculation due to data insufficiencies.</li> </ul>				



\*This summary is AI generated and edited for content.

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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	07/01/2022	03/31/2025
	<b>Project Lead(s): Louis Gittens / Shonita Peterson</b>			
	<b>Completed</b>			
	<b>Current Update</b>			
	<b>Historical Perspectives</b>			
<p><b>Pre-2003 Pension Reserve Clean-up</b> Prior to January 1, 2003, non-vested contributory individuals were required to withdraw their contributions upon termination as they were not entitled to future benefits. The law was changed as of that date and non-vested members are now permitted to leave funds on deposit and later retire. LACERA has attempted to contact the non-vested individuals who terminated prior to 2003 and still have funds on deposit so they can withdraw their funds.</p> <p>The purpose of this project is to ensure that LACERA sends written notices through Certified mail to the most valid address we can find. Individuals in this group who still have funds on deposit after this initiative will have their funds placed into the Pension Reserve.</p>	<p>LACERA previously sent notification to the remaining 673 affected individuals. We determined which letters were returned to LACERA and sent notifications to secondary addresses through Certified mail. In November, we began sending letters to the next of kin for deceased members.</p> <p>The Process Management Group (PMG) is reviewing all accounts to ensure notification has been sent to all affected individuals. PMG will then work with FASD and Systems to have funds placed in the Pension Reserve, the final stage of this project.</p> <p>PMG is working with the Benefit Protection Unit within Benefits to locate individuals who have relocated. This additional effort will ensure LACERA has done all it can to notify this population.</p> <p>Final Notices have been sent to all impacted former members. The recipients have until 12/31/24 to respond. Based on the recipients' responses we will make final adjustments to the accounts and disburse any funds necessary or transfer all the remaining accounts accordingly. In order to accommodate processing time, we have adjusted the project completion date to 01/31/2025.</p> <p>Project extended to allow time for recipients to respond to the final notices.</p>			



Following the deadline set for member responses (12/31/2024), LACERA is reviewed and refined the list of impacted members and updated their LACERA account as 'Unclaimed.' The project was officially closed in March 2025.

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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	RHC	Exec	03/01/2021	12/31/2024
	<b>Project Lead(s): Santos H. Kreimann &amp; Luis A. Lugo</b>			
	<b>Completed</b>			
	<b>Current Update</b>			
<b>Retiree Healthcare Administration: Lifetime Maximum Benefit Project</b> Going forward we will do an annual review with the County CEO as we move towards ultimately eliminating the lifetime maximum.	October 2024 – The county CEO will raise the lifetime maximum from \$1 million to \$1.5 million dollars effective with the next renewal cycle, July 1, 2025. LACERA will then provide the county CEO with migration data quarterly with the goal of gradually increasing lifetime maximum.			
	<b>Historical Perspectives</b>			
	Since the beginning of 2023, LACERA and the County CEO’s Office have been in active communication by meeting biweekly to address the Lifetime Maximum Benefit issue. LACERA provided the Board of Retirement (BOR) with a formal report and update on our progress during the August 2023 meeting via closed session.  In November 2023, LACERA received an information request from the County and provided the requested information to the County. The County requested additional RHC program related information from LACERA in December 2023 and January 2024, to which LACERA responded accordingly.  Since March 2024, The County of Los Angeles, and Coalition of County Unions (CCU) have continued to work through negotiations. LACERA continues to engage the County and Union representatives to provide any relevant information as they progress through their negotiations.  LACERA staff and LACERA’s actuary continue to consult with the County’s staff and actuary. These conversations and the County’s negotiation process have resulted in additional			



actuarial-related information requests from the County. LACERA worked with Milliman and the County's actuary to complete and deliver these items in February 2024:

- 1) Actuarial Model – Retiree Healthcare benefits analysis and modeling to project future healthcare cost changes due to hypothetical benefit changes.
- 2) Cost Projections – GASB 75 report projections to analyze the impact of future healthcare cost changes.
- 3) Cost Savings – Retiree Healthcare benefit analysis of Tier 2 historical cost savings.

July 2024 – LACERA CEO and Deputy CEO have completed our Lifetime Maximum Benefit (LMB) educational meetings with all five Board of Supervisor (BOS) offices as of July 2024. The BOS and County CEO office are expected to discuss LMB next month. We provided the BOS and County CEO office with projected premium impact should the County CEO and/or BOS eliminate or raise the \$1 million LMB on Anthem I, II, and Prudent Buyer plans. We also informed the BOS and County CEO that a decision is needed by September 2024 for a July 2025 effective date



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	01/01/2019	12/30/2024
<b>Project Lead(s): Maggie Luong, Shonita Peterson</b>				
<b>Completed</b>				
<b>Current Update</b>				
<b>Retirement Estimate Redesign</b> With the recent launch of our new Retirement Planning Hub and the My LACERA online retirement election process, we are turning our attention to re-designing the Retirement Estimate.	<i>The estimate is in Workspace production. This project is completed.</i>			
	<b>Historical Perspectives</b>			
	<p>In 2019, an effort was undertaken to beta test a new Retirement Prospectus Estimate and Election form. The project was placed on hold due to the COVID-19 Pandemic. Coming out of the immediate impacts of the pandemic the results of the beta teste were reviewed and it was determined the redesigned estimate was more complicated than would be useful.</p> <p>Subsequently LACERA pivoted to the new Retirement Planning Hub, the new Omnichannel Retirement Counseling process, and the My LACERA on-line retirement election.</p> <p>In April, the workgroup made great progress on the new estimate template finalizing their design and text recommendations. The final recommended estimate was distributed for re-view and approval.</p> <p>The estimate was approved. LACERA’s Systems staff has incorporated the new design in Workspace. The new form will be in conjunction with the First Payment Case Management Project in September 2024.</p> <p>Process Management Group is currently collaborating with Systems with testing of the new estimate in Workspace.</p> <p>Workspace QA. The new estimate template is being tested by select Benefits and Member Services staff. Once testing is completed, the estimate will be available in Workspace</p>			



	<p>production. Once in production, it will replace the old estimate and will be used for member counseling.</p>
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**LACERA Public Records Requests**  
**May 15, 2025 – June 14, 2025**

DATE RECEIVED	REQUESTER	DOCS REQUESTED
05-14-25	H. Masters, Sullcrom	<p>Request: All responsive email communications and other documents re materials provided to BOR and BOI on guidelines, policies, procedures or principles in effect from February 21, 2017, through December 31, 2020, for the investment advisors listed below.</p> <p>BlackRock Institutional Trust Company, Bowling Portfolio Management LLC, Intech Investment Management LLC, J.P. Morgan Investment Management Inc., Loomis, Sayles &amp; Company, L.P., Pacific Investment Management Company LLC, Pugh Capital Management Inc., RREEF America LLC, State Street Global Advisors Inc., Twin Capital Management LLC, Wells Capital Management, and Western Asset Management Company, including FirstEnergy Corporation and related lawsuit.}</p> <p><b><i>Transmitted 1 document.</i></b></p> <p><b><i>Legal, on May 23, 2025, sent via email, the responsive letter listed below.</i></b></p> <p><b><i>052325 Masters First energy PRA Response.pdf.</i></b></p>
05-15-25	R. Inchody, Pitchbook	<p>Request: Copy of Quarterly performance data for alternative asset holdings from 1Q25.</p> <p><b><i>Transmitted 2 documents.</i></b></p> <p><b><i>Legal, on May 20, 2025, via email, transmitted the 2 responsive documents listed below.</i></b></p> <p><b><i>FOIA Request – Pitchbook – Hedge Funds Data ITD to March 2025 and FOIA Request – Pitchbook – Private Markets Q1 2025 Best Available.xlsx.</i></b></p>
05-16-25	X. M. Revil, with. Intelligence	<p>Request: Investment pools, relating to the performance of all the closed-end funds.</p> <p><b><i>Legal, on May 20, 2025, via email, transmitted the responsive document listed below.</i></b></p> <p><b><i>Private Markets Q1 2025 Best Available.xlsx.</i></b></p>
05-21-25	J. Chronowiak, Citywire	<p>Request: Copies of records pertaining to LA County’s pension fund investments in Private Equity Investments; Private Debt Holdings, and other Private Assets.</p> <p><b><i>Transmitted 1 document.</i></b></p> <p><b><i>Legal, on May 30, 2025, via email, transmitted the responsive document listed below.</i></b></p> <p><b><i>Private Markets Q1 2025.xlsx.</i></b></p>

**LACERA Public Records Requests**  
**May 15, 2025 – June 14, 2025**

DATE RECEIVED	REQUESTER	DOCS REQUESTED
05-30-25		<p>Follow-up request: Confirm all figures are reported in USD.</p> <p><i>Legal, on June 2, 2025, via email, informed Requester that all LACERA reporting is in U.S. dollars and provided the link shown below to LACERA's website that contains the annual fee report.</i></p> <p><b>Disclosure/LACERA</b></p>
06-02-25	<p style="text-align: center;">FOIA Data Aggregation Team</p>	<p>Request: Information of secondary activity, sales and purchases from January 1, 2020 to date.</p> <p><b>Transmitted 16 documents.</b></p> <p><i>Legal, on June 11, 2025, via email, transmitted 16 responsive redacted documents regarding secondary sales.</i></p>
06-04-25	<p style="text-align: center;">D. Quijano, SDS Capital Group</p>	<p>Request: Specific meetings or committees where the Emerging Manager Program has been most actively reviewed or updated.</p> <p><i>Legal, on June 4, 2025, via email, transmitted the LACERA Link providing the responsive information. The link is listed below.</i></p> <p><b>Board of Investments and Committees Archives/LACERA.</b></p>
06-05-25	<p style="text-align: center;">M. Kruppa, The Information</p>	<p>Request: Any documents pertaining to LACERA's investment in Magnetar Lake Credit Fund.</p> <p><i>Legal, on June 16, 2025, via email, notified Requester that responsive records will be produced by June 18, 2025, if not sooner.</i></p>
06-06-25	<p style="text-align: center;">H. Ahaiwe, HR, LA County and 1 other Recipient</p>	<p>Per monthly request:</p> <p><b>Transmitted 1 document.</b></p> <p><i>Executive Office, on June 6, 2025, via email, transmitted the responsive document listed below.</i></p> <p><b>MonthlyAgenda.csv dated June 5, 2025.</b></p>
06-06-25	<p style="text-align: center;">Sheriffs Dept, LA County and 4 other Recipients</p>	<p>Per monthly request:</p> <p><b>Transmitted 2 documents.</b></p> <p><i>Executive Office, June 6, 2025, via email, transmitted the 2 responsive documents listed below.</i></p> <p><b>Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing, each dated June 4, 2025.</b></p>

**LACERA Public Records Requests**  
**May 15, 2025 – June 14, 2025**

DATE RECEIVED	REQUESTER	DOCS REQUESTED
06-06-25	C. Siverson, Fire, LA County, and 5 other Recipients	<p>Per monthly request:</p> <p><b><i>Transmitted 1 document.</i></b></p> <p><b><i>Executive Office, on June 6, 2025, via email, transmitted the responsive document listed below.</i></b></p> <p><b><i>Board of Retirement Meeting Benefit Approval List dated June 4, 2025.pdf.</i></b></p>
06-11-25	Researcher, Transparent California	<p>Request: Copy of Los Angeles County Employees Retirement Association (LACERA)'s 2024 pension benefits report.</p> <p><b><i>Transmitted 2 documents.</i></b></p> <p><b><i>Legal, on June 17, 2025, via email, transmitted the 2 responsive documents listed below.</i></b></p> <p><b><i>Transparent_Calif_Retirees_2024.xlsx and Transparent_Calif_Survivors_2024.xlsx.</i></b></p>
06-12-25	B. Rottet, Sullcrom	<p>Request: A total of 6 proposed search parameters regarding documents and communications totaling approximately 61 defined requests during the time period of February 21, 2017, through December 31, 2020.</p>

## REPORT OF FELONY FORFEITURE CASES

**June 17, 2025**

#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	STATUS*	DISABILITY STATUS	SERV. LEVEL
74	KAMACK	DANNIE T.	PROBATION	3/3/2025	4/22/2025	N/A	N/A	DELAY – CD	N/A	N/A
73	KIRK	TREVOR J.	SHERIFF	2/6/2025	3/5/2025	N/A	N/A	CLOSED – INA	N/A	N/A
72	BENZA	JOSEPH M.	SHERIFF	12/17/2024	2/11/2025	N/A	N/A	DELAY – CD	PEND	N/A
71	SAAVEDRA	ERIC C.	SHERIFF	1/16/2025	2/6/2025	N/A	N/A	DELAY – CD	PEND	N/A
70	PINEDA	REMIN	SHERIFF	11/19/2024	1/10/2025	N/A	N/A	PEND	N/A	N/A
68	ESSEX	SEAN	SHERIFF	6/7/2024	7/22/2024	N/A	N/A	DELAY – CD	N/A	N/A
66	VEGA	MIGUEL	SHERIFF	9/5/2023	10/27/2023	10/17/2024	N/A	APPEAL	N/A	N/A
64	RIDLEY-THOMAS	MARK	BOS	3/31/2023	3/31/2023	10/23/2023	N/A	APPEAL	N/A	N/A

**STATUS LEGEND:**

- **APPEAL:** Pending an appeal filed with LACERA
- **CLOSED: RET:** Retired member, case is complete
- **CLOSED: DEF:** Deferred member, case complete
- **CLOSED: INA:** Inactive member – not eligible until age 70, case closed
- **DELAY-MI:** Member input needed (i.e. pending a legal split decision)
- **DELAY-CD:** Pending a court decision (reduction in charges pending conditions being met)
- **PEND:** Case is currently in evaluation and notification stages
- **WITHDRAWN:** Member withdrew prior to conviction – no impact
- **N/A:** Not Available/Applicable

# Board of Retirement (BOR) Strategic Plan Quarterly Update (2024-2028)

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Operations Oversight Committee Meeting  
July 2025



# 01 Progress Dashboard

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# Strategic Planning Dashboard - July 2025



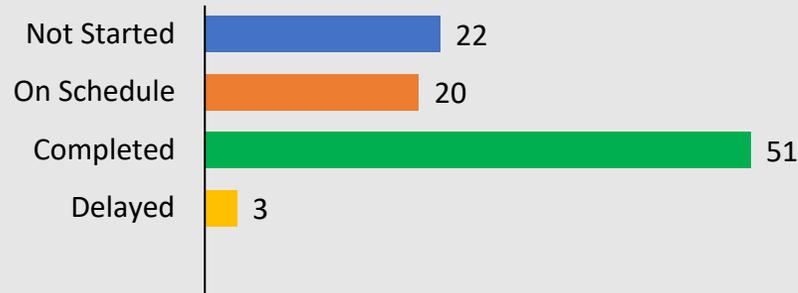
Total BOR Strategic Priorities  
**5**

Total Strategic Objectives  
**13**

Objectives: Current Focus  
**9**

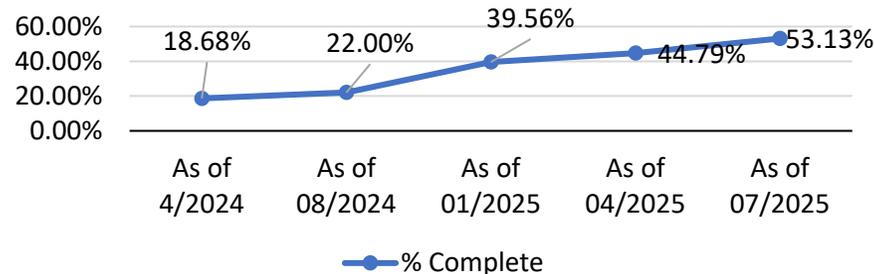
Total Tasks  
**96**

## Task Status as of July 2025



% of Tasks Completed  
As of July 2025  
**53.13%**

## % of Tasks Completed by Quarter



## Strategic Priority Goals

**1 Superior Member Experience**  
Innovate and continuously improve the member experience

**2 Innovation through Technology**  
Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

**3 Investing in People**  
Attract, motivate, hire, and retain a highly engaged and skilled workforce

**4 Compliance and Enterprise Risk Management**  
Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance

**5 Fiscal Durability**  
Exercise care and prudence in managing our resources and fund assets

## Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience

- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information

- 3.1 Develop and implement a DEI framework aimed at promoting and embracing diversity, equity, and inclusion
- 3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development
- 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning

- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

- 5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
- 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals.





# 03 Workplan Dashboards

(PENDING)

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# WORKPLAN - Strategic Objective 1.1



Strategic Goal: **Superior Member Experience**  
 Strategic Objective: **1.1 – Ensure an omni-channel experience at every stage of a member journey**  
 Executive Sponsor and Leads: **JJ Popowich; Tatiana Bayer (Lead)**

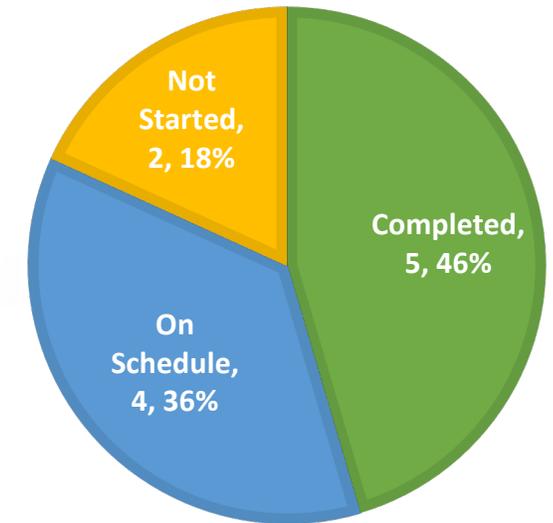
**Legend**

- On Schedule ●
- Delayed/Stopped ▲
- Not Started ◆
- Complete ★

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Determine the member’s journey methodology	★	10/2023	01/12/2024
3	Member Experience Council Charter	★	10/2023	06/30/2024
4	Internal Communication Plan (BOR, OOC, Executive Team, and Staff)	★	10/2023	06/01/2024
5	Identify and define Member Journeys	★	1/1/2024	07/01/2024
6	Create tools to review and track progress on objective/initiatives	●	12/1/2024	06/30/2026
7	Identify the channels of service required for each member journey	●	TBD	06/30/2026
8	Establish goals and KPI’s for each member journey	◆	TBD	10/31/2026
9	Assess the consistency and service quality across each channel	◆	TBD	12/31/2026
10	Identify member interaction pain points and opportunities for improvement	●	TBD	12/31/2026
11	Identify Budget Needs	●	TBD	12/31/2026

## MILESTONE TRACKER

■ Completed ■ On Schedule ■ Not Started



# WORKPLAN - Strategic Objective 1.4



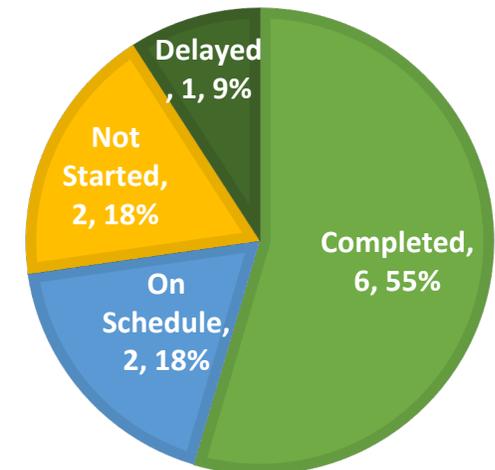
Strategic Goal: **Superior Member Experience**  
 Strategic Objective: **1.4 – Improving the Retiree Healthcare (RHC) experience.**  
 Executive Sponsor and Lead: **JJ Popowich; Tionna Fredericks (Lead)**

**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

## MILESTONE TRACKER

■ Completed ■ On Schedule  
■ Not Started ■ Delayed



\* Expected completion date: 12/31/2025

#	Objective Milestones	Status	Start	Expected Completion
1	Build core team and schedule meeting cadence	★	10/2023	01/04/2024
2	Set-up team's collaboration timeline	★	10/2023	01/12/2024
3	Discuss ideas and opportunities for improving the Retiree RHC experience	★	10/2023	06/30/2024
4	Approval of Strategic Outline objective	★	10/2023	06/01/2024
5	Identify, Define, and Document Retiree Healthcare Roadmap	●	01/2024	12/31/2024*
6	Establish County – LACERA working group	★	07/2024	07/18/2024
7	Coordinate communication plan with internal and stakeholders	★	10/2023	12/31/2024
8	Automation Opportunity: RHC Online Enrollment	●	11/2024	12/31/2025
9	Automation Opportunity: SSA Data Exchange	▲	3/2025	12/31/2024*
10	Automation Opportunity: RHC/County Comparison Roadmap		TBD	6/30/2025
11	Collaborate with Union sponsored healthcare plans	◆	3/2025	12/31/2025

# WORKPLAN - Strategic Objective 2.1



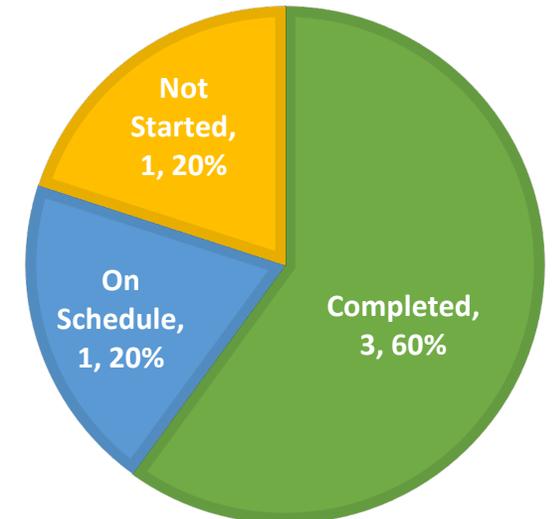
Strategic Goal: **Innovation Through Technology**  
 Strategic Objective: **2.1 – Implement Enterprise Business Intelligence Solution**  
 Executive Sponsor: **Luis Lugo; Kathy Delino (Lead)**

**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

## MILESTONE TRACKER

■ Completed ■ On Schedule ■ Not Started



#	Objective Milestones	Status	Start	Expected Completion
1	Develop objective scope and goals	★	10/2023	01/01/2024
2	Communication Plan, Communicate objective goals to various stakeholders	★	01/2024	06/30/2024
3	Centralize Data Governance- Establish Data Management Team	★	7/1/2024	12/31/2024*
4	Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)	●	7/1/2024	12/31/2026
5	Replace reporting requests with on-demand dashboards	◆	TBD	12/31/2025**
6				
7				
8				
9				
10				
11				

\* Expected completion date: 6/30/2025

\*\* Expected completion date: 06/30/2026

# WORKPLAN - Strategic Objective 2.2



Strategic Goal: **Innovation Through Technology**  
 Strategic Objective: **2.2 – Implement Enterprise Knowledge Management System**  
 Executive Sponsor: **JJ Popowich; Eugenia Der (Lead)**

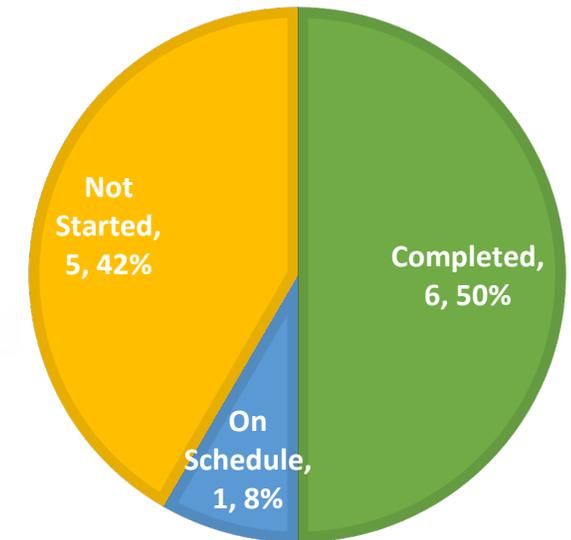
**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Project Approval by the IT Coordination Council	★	10/2023	03/31/2024
3	Communication Plan- Educate and Engage stakeholders on Knowledge Mgmt.	★	10/2023	07/01/2024
4	RFP for taxonomy consultant	★	03/2024	12/31/2024
5	Selection of consultant	★	11/2024	03/31/2025
6	Complete assessment of organizational needs and specifications, consultant discovery work	★	03/2025	04/30/2025
7	Review knowledge assets and begin content tagging	●	06/2025	06/30/2025
8	Complete taxonomy and content tagging	◆	09/2025	09/30/2025
9	Select vendor and product	◆	TBD	06/30/2026
10	Project Launch	◆	TBD	07/31/2026
11	Create and adopt knowledge playbook/policy/guidelines	◆	TBD	12/31/2028

## MILESTONE TRACKER

■ Completed ■ On Schedule ■ Not Started ■



# WORKPLAN - Strategic Objective 2.2



Strategic Goal: **Innovation Through Technology**  
Strategic Objective: **2.2 – Implement Enterprise Knowledge Management System**  
Executive Sponsor: **JJ Popowich; Eugenia Der (Lead)**

**Legend**

- On Schedule  Complete 
- Delayed/Stopped 
- Not Started 

#	Objective Milestones	Status	Start	Expected Completion
12	Project Completion		TBD	12/31/2028

# WORKPLAN - Strategic Objective 3.1



Strategic Goal: **Investing in People**

Strategic Objective: **3.1 – Develop and implement framework aimed at promoting D.E.I.**

Executive Sponsor: **Laura Guglielmo**

**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	●	10/2023	6/30/2025
3	Assemble a staff driven IDEA Council	★	3/2024	07/26/2024
4	Develop a Statement of Commitment	★	02/2025	06/30/2025
5	Collect data from staff, members, vendors, and business partners re: Diversity, Equity, Inclusion, Belonging and Accessibility (DEIBA)	●	06/2024	6/30/2025 and ongoing
6	Develop topical library for internal and external users	◆	7/1/2025	6/30/2026
7	Post IDEA initiative and educational content within LACERA Connect	◆	7/1/2025	06/30/2026
8	Develop an Organizational Training Plan for DEIBA	◆	TBD	12/31/2025
9	Develop an Organizational Training Plan for DEIBA	◆	TBD	12/31/2025
10	Communication Plan – Brown Bags & Staff Meetings, LACERA.Com, LACERA Connect	◆	06/2025	12/31/2025

## MILESTONE TRACKER

- Completed ■ On Schedule
- Not Started ■ Delayed



# WORKPLAN - Strategic Objective 3.3



Strategic Goal: **Investing in People**  
 Strategic Objective: **3.3 – Improve and simplify hiring process**  
 Executive Sponsor: **Laura Guglielmo; Carly Ntoya (Lead)**

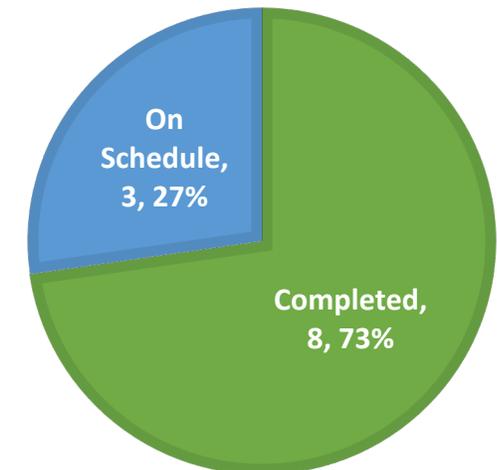
**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Labor Agreement for performance management changes	★	5/2024	10/31/2024
3	Explore opportunities to simplify LACERA Hiring Playbook	★	ongoing	6/30/2025
4	Revise and publish employee handbook and orientation	★	10/2023	12/31/2024
5	Revise rater training	★	10/2024	12/31/2024
6	Expand use of NEOGOV for performance management	★	2/2024	06/30/2025
7	Achieve an organizational vacancy rate of 15% (determine internal KPI)	★	7/2024	12/31/2024+
8	Enhance recruitment and applicant communication in NeoGov	★	1/2024	12/31/2024
9	Implement use of a job analysis tool to use and create competency-based assessment	●	7/2025	6/30/2027*
10	Develop a Workforce Plan to mitigate attrition	●	7/2025	6/30/2028
11	Achieve an organizational vacancy rate of 13%	●	7/2025	6/30/2026

## MILESTONE TRACKER

■ Completed ■ On Schedule  
■ Not Started ■ Delayed



\*Changed from 3/31/2026  
 + Achieved 6/30/2025

# WORKPLAN - Strategic Objective 4.1



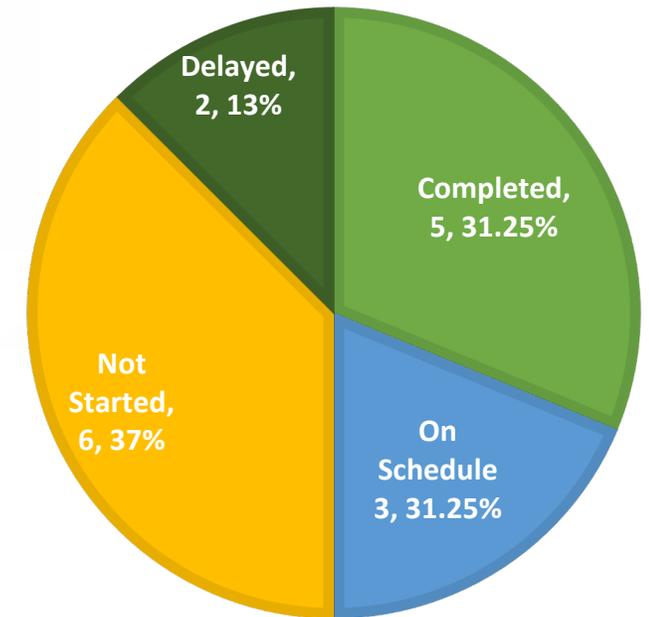
Strategic Goal: **Compliance and Enterprise Risk**  
 Strategic Objective: **4.1 – Develop and implement an Enterprise Ethics and Compliance Program**  
 Executive Sponsor: **Luis Lugo; Steven Rice and Allison Barrett (Leads)**

## Legend

- On Schedule ●
- Delayed/Stopped ▲
- Not Started ◆
- Complete ★

## MILESTONE TRACKER

■ Completed ■ On Schedule ■ Not Started



#	Objective Milestones	Status	Start	Expected Completion
1	Ethics Compliance Program (ECP) Communication campaign	●	10/2023	Ongoing
2	Approval of Ethics and Compliance program Charter	★	10/2023	10/09/2024
3	Update and obtain approval of ACRE Charter	★	10/2023	10/09/2024
4	Chief Ethics and Compliance Officer (CECO) job description and class spec.	★	10/2023	12/01/2024
5	Ethics and Compliance Program Foundational Work Plan	★	7/2023	10/09/2024
6	Complete inventory of all Policies, Procedures, and Charters	▲	2/2022	6/01/2025
7	Ethics and Compliance Orientation (ACRE, MAC, SAC, and Staff)	●	11/1/24	6/01/2025
8	Update LACERA Code of Ethical Conduct	▲	7/2023	6/01/2025
9	Ethics and Compliance Training Program Plan	◆	TBD	12/01/2025
10	Determine critical ethics and compliance risk areas and Scope of Program Oversight	◆	TBD	6/01/2025
11	PPC Management Software Solution/Compliance GRC solution (GRC 360) - Compass	★	3/2023	12/01/2024
12	County Approval of CECO Position	◆	TBD	6/01/2025

# WORKPLAN - Strategic Objective 4.1



Strategic Goal: **Compliance and Enterprise Risk**  
 Strategic Objective: **4.1 – Develop and implement an Enterprise Ethics and Compliance Program.**  
 Executive Sponsor: **Luis Lugo; Steven Rice and Allison Barrett (Leads)**

**Legend**

- On Schedule ●
- Delayed/Stopped ▲
- Not Started ◆
- Complete ★

#	Objective Milestones	Status	Start	Expected Completion
13	Initial/Baseline Divisional EC Risk Assessments and Ethical Culture Measurement	●	TBD	6/1/2025
14	Development of recruitment process for ECO staff	◆	TBD	TBD
15	Recruit/Hire CECO staff	◆	TBD	TBD
16	Recruit/Hire ECO staff	◆	TBD	TBD

# WORKPLAN - Strategic Objective 5.1



Strategic Goal: **Fiscal Durability**  
 Strategic Objective: **5.1 – Develop organizational tools and mindset to support fiscal responsibility**  
 Executive Sponsor: **Laura Guglielmo; Ricki Contreras (Lead)**

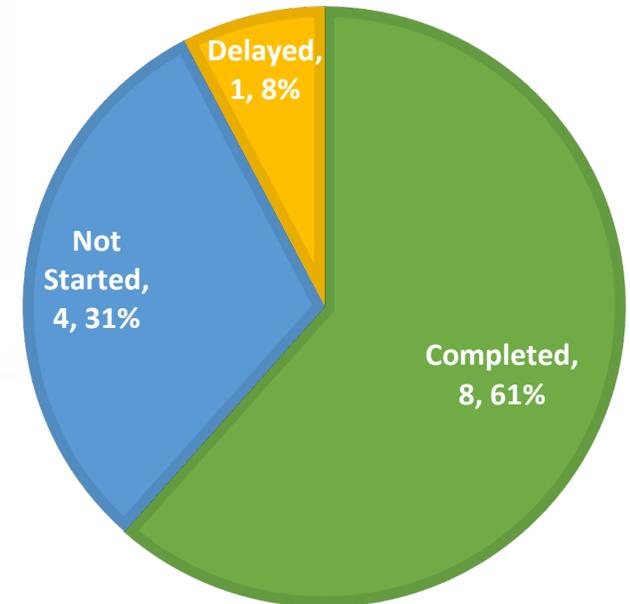
**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Finalize Certify AP Implementation	★	10/2023	02/28/2024
3	Finalize Budget software (Questica) Implementation/Complete full budget cycle	★	10/2023	06/30/2024
4	Finalize Contract/Vendor solution (Cobblestone) implementation/Train Users	★	10/2023	12/31/2024
5	Design and Implement Centralized Vendor Mgmt. Program	★	10/2023	09/30/2024
6	Update Procurement Policy	★	10/2023	09/30/2024
7	Create Non-Administrative Budget in Questica	★	07/2024	12/31/2024
8	Design and Assess Scope of ERP & Timing of Acquisition – Consultant Only	◆	TBD	06/30/2027
9	Design and Deliver a Comprehensive Financial Training for Managers	◆	TBD	06/30/2026
10	Design and Deliver Basic Financial Training for Staff	◆	TBD	06/30/2026
11	Implement Travel Expense Module for Certify AP or equivalent	★	10/2024	06/30/2025
12	Automate the budget book publishing	▲	10/2024	Canceled
13	Design and Deliver a Comprehensive Financial Training for Supervisors (1-30/2026)	◆	TBD	1/30/2026

## MILESTONE TRACKER

■ Completed ■ Not Started ■ Delayed







## Superior Member Experience

**Aspirational State:** LACERA Members feel valued, heard, and empowered, experiencing seamless interactions that exceed expectations through personalized benefit service and proactive educational support.



## Innovation Through Technology

**Aspirational State:** LACERA fosters a culture of digital transformation, leveraging AI, automation, and data-driven insights to optimize workflows, improve decision-making, and enhance the member and team experience.



## Investing in People

**Aspirational State:** Team members feel valued and inspired, experiencing opportunities for professional growth, leadership development, and well-being through a strong culture of engagement and recognition.



## Compliance and Enterprise Risk

**Aspirational State:** Ethics and Compliance is embedded within the organization's culture, balancing vigilance and agility while enabling proactive decision-making that mitigates threats and ensures regulatory compliance.



## Fiscal Durability

**Aspirational State:** LACERA operates with financial prudence and stewardship, while securing fiscal resilience.

# LACERA Strategic Priorities and Objectives



**BOR approved the Strategic Plan on July 6, 2023**

**Board of Retirement**

Strategic Priority Goals	Objectives
 <b>1 Superior Member Experience</b> Innovate and continuously improve the member experience	<ul style="list-style-type: none"><li>1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey</li><li>1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan</li><li>1.3 Develop, implement, and deploy a digital strategy to better serve our members</li><li>1.4 Improve and enhance the retiree healthcare experience</li></ul>
 <b>2 Innovation through Technology</b> Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity	<ul style="list-style-type: none"><li>2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform</li><li>2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information</li></ul>
 <b>3 Investing in People</b> Attract, motivate, hire, and retain a highly engaged and skilled workforce	<ul style="list-style-type: none"><li>3.1 Develop and implement a DEI framework aimed at promoting and embracing diversity, equity, and inclusion</li><li>3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development</li><li>3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning</li></ul>
 <b>4 Compliance and Enterprise Risk Management</b> Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance	<ul style="list-style-type: none"><li>4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations</li><li>4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management</li></ul>
 <b>5 Fiscal Durability</b> Exercise care and prudence in managing our resources and fund assets	<ul style="list-style-type: none"><li>5.1 Develop organizational tools to support enterprise-wide fiscal responsibility</li><li>5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals.</li></ul>



# COMPLETE - Strategic Objective 5.2



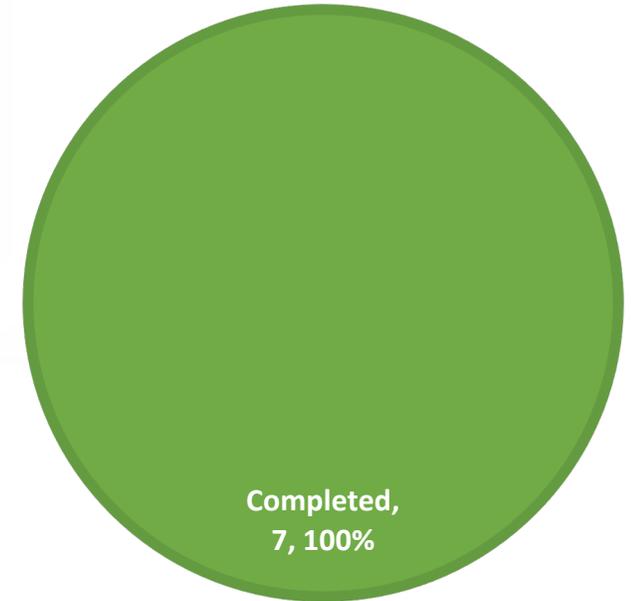
Strategic Goal: **Fiscal Durability**  
 Strategic Objective: **5.2 – Update and revise LACERA Actuarial Funding Policy**  
 Executive Sponsor: **Luis Lugo; Vache Mahseredjian (Lead)**

**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

## MILESTONE TRACKER

■ Completed



#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives. Investment team in collaboration with FASD and Legal led jumpstart during 2023 BOI offsite	★	09/2023	01/01/2024
2	Review of existing policy and discussion of desirable elements	★	10/2023	12/01/2023
3	Schedule meetings among workgroup to develop drafts of new policies	★	10/2023	07/2024
4	FASD and LACERA Actuary (Milliman) to draft separate interest crediting policy	★	01/2024	08/2024
5	Seek approval of funding policy and interest crediting policy by LACERA ECC	★	08/2024	08/2024
6	Seek trustee input on proposed update of Actuarial Funding Policy and new Interest Crediting Policy.	★	08/2024	09/2024
7	Both policies adopted at BOI Meeting in October	★	09/2024	10/2024

June 20, 2025

TO: Each Trustee,  
Board of Retirement

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

FOR: July 10, 2025 Operations Oversight Committee Meeting

SUBJECT: Review of "Limited Duration" Requirement for Rehired Retirees

At the December 12, 2024, Audit, Compliance, Risk, and Ethics (ACRE) Committee meeting, Internal Audit presented the results of an audit of Los Angeles County's Compliance with Requirements for Rehired Retirees. Along with voting to accept and file the Audit Report, the ACRE Committee directed staff to forward the report to the attention of the Board of Retirement (BOR) with attention to the outstanding recommendation related to the finding on Limited Duration. The report was provided at the June 4, 2025, BOR meeting.

By this memo, staff provides the Operations Oversight Committee with a presentation addressing: the history and meaning of the applicable PEPRA provision to encourage the use of permanent employees and discourage long-term use of retirees; LACERA's direct approach to managing Limited Duration; the County's approach, which does not explicitly establish a heightened showing or standards for evaluating the length of rehired retiree assignments; LACERA's monitoring and oversight processes for both the LACERA and County rehired retiree programs; and suggestions for improved compliance, while preserving the County's ability to access rehired retirees as a resource in appropriate cases and for reasonable periods of time.

In addition to staff's presentation, the following documents are attached:

- Attachment A: LACERA's Post Retirement Employment Policy
- Attachment B: LACERA's Letter to All New Rehired Retirees
- Attachment C: LACERA's Reported Hours Letter to Rehired Retirees
- Attachment D: County PPG 505
- Attachment E: Board of Retirement Memo from June 4, 2025 meeting, including Internal Audit of County Rehired Retiree Program for FYE June 30, 2024
- Attachment F: Internal Audit Report of LACERA's Rehired Retiree Program for FYE June 30, 2023 and 2024

cc: Luis A. Lugo                      Richard Bendall      Jean Kim  
Laura Guglielmo                  Carly Ntoya, Ph.D.    Alex Ochoa  
JJ Popowich                        Louis Gittens



# Review of “Limited Duration” Requirement for Rehired Retirees

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Operations Oversight Committee  
July 10, 2025

# Table of Contents



1. PEPRA's Legal Requirements for Rehired Retirees
2. LACERA's Approach to Limited Duration
3. County's Approach
4. LACERA's Concerns with County's Approach
5. LACERA's Monitoring and Oversight as Fiduciary Administrator
6. Approach to Improved Compliance by County

## Attachments:

- A. LACERA Post Retirement Employment Policy
- B. LACERA Form of Letter to New Rehired Retirees
- C. LACERA Form of Reported Hours Letter to Rehired Retirees
- D. County PPG 505
- E. BOR Memo, including Internal Audit of County Rehired Retiree Program for FYE June 30, 2024
- F. Internal Audit Report of LACERA's Rehired Retiree Program for FYE June 30, 2023 and 2024

# PEPRA's Legal Requirements



Government Code Section 7522.56

A retired person “shall not” serve or be employed by an employer in the same retirement system without reinstatement from employment except as provided in this section:

- 1. Skills to provide “work of limited duration” ← TODAY’S FOCUS**
2. 960 hours or other equivalent limit per fiscal year
3. Not eligible for 180 days after retirement

With exception to meet critical need approved by agency board

In addition, under tax law, if retiree is under Normal Retirement Age, there must be a 90-day break in service and there can be no prearrangement for post-retirement employment

# Statutory Interpretation



## 1. Plain meaning

- a. Significance to every word; separate requirement so separate meaning
- b. “Limited” means confined within limits, restricted
- c. “Duration” means continuance in time, time something exists or lasts

## 2. Legislative History and Intent

- a. Doesn't specifically mention “limited duration”
- b. Assembly and Senate Reports – AB 340 intended to end “double-dipping”

## 3. Ambiguity Resolved in Favor of the Pensioner

- a. Must be consistent with clear language and purpose of statute

**Conclusion:** Limited Duration means post-retirement employment must be reasonably limited in overall length, as a separate requirement in addition to the 960-hour per fiscal year limit; underlying policy is that work should be performed by permanent employees

# Consequences for Violation



- Section 7522.56: LACERA may require reinstatement or suspend pension
  - LACERA as plan administrator has a fiduciary duty not to pay a pension to those who are ineligible under the Plan Documents (CERL and PEPRA); LACERA's IRS tax qualifications depends on following the Plan Documents
- AB 2474, effective September 17, 2024, added Section 31680.9 in CERL to address violations of Section 7522.56
  - To assist compliance, employers must report rehire date, monthly hours to system
  - Broad language but primarily intent focused on 960-hour violations
    - ✓ For retiree: Reimburse system for pension paid during violations; if reinstated, pay contributions that would have been paid, with interest; contribute to system's administrative costs if retiree at fault
    - ✓ For employer: If retiree is reinstated, pay employer contributions during violation, with interest; contribute to system's administrative costs if employer at fault

# Compliance Responsibilities



The goal of LACERA as administrator and participating employers should be to avoid violations, ensure compliance with Limited Duration, and mitigate tax qualification risk that follows from non-compliance

While Limited Duration is not defined, thereby giving discretion to employers and systems to develop reasonable procedures that meet local needs, the letter and spirit of the law is that reasonable limits be placed on the duration of the total length of a rehired retiree's assignment

Compliance responsibility under Sections 7522.56 and 31680.9 is shared by:

- Employers, such as the County and LACERA
- LACERA as plan administrators
- Rehired retirees, who should own their compliance, so long as they are provided necessary information to do so

# LACERA's Approach as Employer



Reasonable steps taken to apply Limited Duration to LACERA's rehired retirees:

- Post Retirement Employment Policy approved by Board of Retirement
  - Limited duration determined on a case-by-case basis
  - Approved annually by Executive Office for max of two years, except in emergency
  - Board of Retirement may approve additional years upon a finding of "exceptional circumstances" supported by an Executive Office memo explaining critical need, why transition of knowledge and planned work is not completed, why permanent staff cannot perform the work, and a plan for completion
  - Forms must be completed annually by requesting manager and by retiree
- Enforced by Executive Office, HR, Benefits; budgeted, reported to BOR
- Internal Audit conducts annual audit as to compliance
- Results for FY 2025: 3 rehired retirees, with 1, 2 (now termed), and 6 years
- Similar to four CERL systems: Kern, Sacramento, San Bernardino, Santa Barbara

# County's Approach



- PPG 505 Appointment of Retirees to a 120-Day Temporary Assignment
  - Limited Duration not defined except appointments “shall be limited in duration”
    - DHR FAQs: Rehires not limited to two years and those “beyond two years are eligible ... so long as the retiree possesses special skills or knowledge in which current staff could not be easily prepared or trained, or in critical positions where expertise is unavailable elsewhere in the department”
  - Departmental requests annually reviewed, approved by CEO Budget, Class/Comp
    - Requests must include retirement date, organizational chart with reporting structure, duty statement for the temporary assignment, and a statement substantiating the need for the temporary as opposed to full-time position
  - Department should develop a transition for retiree’s special skills or knowledge
  - Waiver forms signed by retiree and Departmental Human Resources Manager
  - Departmental records subject to review and audit by CEO and DHR
- County Ordinance 17.01 B – rehire upon director of personnel approval

# LACERA's Concerns with County's Approach



The current version of PPG 505 was effective October 16, 2024

LACERA was consulted and requested a more direct approach to limited duration

LACERA annually audits the County's program, and delivers it to County CEO

The last LACERA audit was for fiscal year ending June 30, 2024 and found "Continued Violation of PEPRA's 'limited duration' language," with a risk rating of High

Among the County 417 rehired retirees, "249 (60%) have worked for an extended duration as a temporary rehired retiree, which is for three or more years, with 100 (24%) having worked for 10 or more years"\*

Internal Audit's report considered PPG 505 and found it an improvement in some areas but lacking a process to specifically address Limited Duration

\* These numbers include three LACERA retirees, at three, five, and 14 years. LACERA has addressed its compliance as stated on slide 7. The FY 2023 and 2024 Internal Audit report found LACERA's compliance "Satisfactory."

# Additional Information



LACERA collects information on the number of hours worked by all rehired retirees. This information can be used to test whether retirees rehired for many years work more in earlier years and work less or sporadically in their later years, indicating a tapering of usage by the employer.

The data shows that this is not the case, and supports the compliance concerns:

<b>Consecutive Years of Post-Retirement Employment</b>	<b>Average Hours Worked in FY 2022</b>	<b>Average Hours Worked in FY 2023</b>	<b>Average Hours worked in FY2024</b>
4	955	756	702
5	818	785	678
6	470	487	502
7	794	825	743
8	749	709	694
9	821	790	688
10	737	735	733
11	758	779	754
12	752	718	674
13	666	772	694
14	809	791	775

# LACERA's Monitoring and Oversight as Fiduciary Administrator



1. LACERA is informed by County when a retiree is rehired and then monitors hours
2. Letter from Benefits Division to new rehired retirees to inform them of PEPRAs requirements, including Limited Duration, to provide notice and promote compliance  
“... violations of the laws governing post-retirement employment can result in a suspension of your retirement allowance and other benefits or IRS penalties. In addition to the 960-hour maximum, your employment must be of Limited Duration and to a position on a temporary basis ...”
3. Reported Hours Letters from Benefits when near 960-hour maximum to prevent violations  
“LACERA will send notification letters to you and your department when you have reached 480 hours, 720 hours, and 864 hours to assist you in monitoring your work hours in a fiscal year. Please speak to your department with specific questions regarding timecard issues.”  
Reported Hours Letters do not currently address Limited Duration
4. Internal Audit's annual audits of LACERA and County PEPRAs compliance

# Proposed Approach to Improved Compliance by County



LACERA recognizes the positive improvements in PPG-505. However, the County's approach to Limited Duration remains a concern for LACERA and its members. These steps may improve the County's compliance:

1. Executive level collaboration by LACERA's CEO with the County CEO regarding the definition of Limited Duration and stronger process to comply
2. Ongoing Internal Audit expand focus on Limited Duration in annual audits, such as:
  - a. Obtain County request forms and other documents to examine the reasons for repeated renewal of post-retirement assignments
  - b. Focus on hours spent by returning retirees with three years and more of post-retirement employment to confirm the significance of the issue
3. Benefits Division monitor years of post-retirement employment in addition to hours spent each year, and add language concerning Limited Duration in LACERA Reported Hours Letters similar to language in original letter sent upon rehire
4. Develop Board of Retirement policy for oversight of County's program

# Discussion and Questions



# Attachment A

LACERA's Post Retirement Employment Policy



## **POST RETIREMENT EMPLOYMENT POLICY**

**Authorizing Manager:** Director of Human Resources

**Effective Date:** July 7, 2023

**Last Updated:** November 4, 2020

**Mandatory Review:** July 2026 (Every Three Years)

**Policy Type:** Board

**Approval Level:** Board of Retirement

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### **1. PURPOSE**

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

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

### **2. SCOPE**

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

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

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### **3. LEGAL AUTHORITY**

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

### **4. DEFINITIONS**

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

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

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

Age 65 for general members of Plan E

Age 55 for safety members

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

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

### **5. POLICY STATEMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**6.2 Rehire Necessary During an Emergency**

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

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

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

### **6.3 Common Requirements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **6.4.1 Request**

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

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

LACERA's public business, and such other information as is required under Section 6.1, 6.2, and 6.3. Renewal requests must include an explanation on the 960 Request Form as to the continuing need and why the work was not completed during the prior period.

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

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

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

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

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

#### **6.4.3 Board Approval**

All 960 Hour Requests for more than two fiscal years must be approved annually by the Board of Retirement in open session on the non-consent calendar on an annual basis, subject to Section 6.1.2. Board approval must be based on a finding that grounds continue to exist for continued appointment under Sections 6.1 and 6.2. Board approval of an

exemption from the 180-day waiting period shall be made as described in Section 6.3.4.

#### **6.4.4 Monitoring**

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

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

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

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

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

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

**7.1 Standard**

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

**7.2 Request and Management Approval**

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

**7.3 Limitations**

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

**8. ENFORCEMENT**

The scope of this Section 8 is limited to enforcement of Sections 7522.56 and 31680.6, and other applicable law, with respect to the eligibility under that statute of a retired annuitant, in accordance with and subject to and in compliance with this Policy, to provide service to LACERA and the consequences for violation as described in

Section 8.2. This section does not address other matters arising from the employment of a retired annuitant or their work for LACERA. Issues relating to all other employment matters, including but not limited to job duties and assignments, compensation, performance evaluation, compliance with other LACERA policies and procedures, and discipline, up to and including termination, remain the responsibility of the Chief Executive Officer, the Deputy Chief Executive Officer, the Human Resources Director, or their designees.

### **8.1 Standard**

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

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

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

### **8.3 Appeal**

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

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

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

This Policy shall be applicable to all retired annuitants employed by LACERA as of the effective date ("Existing Retired Annuitants") based on their years of such employment as of that date. If an Existing Retired Annuitant's total period of employment by LACERA as of the effective date for special skills to perform work of limited duration exceeds the four fiscal year maximum permitted under Section 6.1.2, the Board of Retirement may annually grant an extension in one fiscal year increments

based on an annual explanation by the Executive Office of exceptional circumstance as defined in Section 6.1.2.

## **10. REFERENCES**

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

### **Related Policies:**

- Administrative Appeal Procedure for Retirement Benefits

### **Related Procedures:**

- Retired Annuitant Hours Tracking Method

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

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

### **Other Related Information:**

- California Government Code Section 7522.56
- California Government Code Section 31680, 31680.2, and 31680.6
- Board of Retirement Regulation XV

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

## **11. VERSION HISTORY**

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

Reviewed and current revised version approved by the Board of Retirement and effective on July 7, 2023.

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

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

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## POST RETIREMENT EMPLOYMENT POLICY

July 7, 2023

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### **Attachments:**

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



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

RETIREE NAME:

EMPLOYEE NUMBER:

DATE OF BIRTH:

DIVISION: Select Option

PAYROLL TITLE:

ASSIGNED SUPERVISOR:

START DATE OF ASSIGNMENT:

END DATE OF ASSIGNMENT:

ESTIMATED HOURS:

(Attach additional pages for each section below, as necessary)

Description of work of limited duration (or emergency to prevent stoppage of LACERA business) & explanation of why work cannot be performed by a permanent staff member and state how many hours are required to complete the work:

Retiree's applicable knowledge, skills, and abilities, based on their prior job classification and work history, needed for the work and plan to transition knowledge to permanent staff:

Description of work of limited duration (or emergency to prevent stoppage of LACERA business) and plan to complete the work, including explanation as to why work was not already completed if the request is for a renewal, if the request requires Board approval, describe the good cause or exceptional circumstances:

**Request for Employment of Retiree to a 960 Hour Temporary Assignment**  
**Page 2**

If this is a renewal, explain why the work was not completed during the prior approval period:

If there is a critical need that supports an exception to the 180-day waiting period after the retiree's retirement, explain in full:

SUBMITTED BY:

\_\_\_\_\_

Division Manager Name

\_\_\_\_\_

Division Manager Signature

\_\_\_\_\_

Date

APPROVAL:

\_\_\_\_\_

Assistant Executive Officer

\_\_\_\_\_

Assistant Executive Officer Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Human Resources Director

\_\_\_\_\_

Human Resources Director Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Chief Executive Officer

\_\_\_\_\_

Chief Executive Officer Signature

\_\_\_\_\_

Date

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

**CONDITIONS OF POST RETIREMENT EMPLOYMENT AND WAIVER  
FOR 960 HOUR TEMPORARY ASSIGNMENT****Retiree Name:****Employee Number:**

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

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

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
Date



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

RETIREE NAME:

EMPLOYEE NUMBER:

DIVISION:

SECTION:

PAYROLL TITLE:

ASSIGNED CONTRACT SUPERVISOR:

INDEPENDENT CONTRACTOR NAME:

Attach a copy of entire contract with independent contractor, including scope of work, if separate.

(Attach additional pages for each section below, as necessary)

Description of work to be performed by retiree, including an explanation as to how the retiree's work under the contract will be substantially different from their work as an employee before retirement, and that this request is not to evade the 96 hour limit for rehired retirees:

Confirm that the terms of the retiree's employment, the means and methods of the retiree's work, and supervision of the work will be controlled by the contractor, not LACERA:

Confirm that the retiree does not control or own the independent contractor, directly or indirectly, in whole or in part:

**Request for Post Retirement Work Under a Bona Fide Independent Contract**  
**Page 2**

Explain how the independent contractor was selected, and provide information showing that the contractor is substantial in terms of its business, history, and make up:

SUBMITTED BY:

\_\_\_\_\_  
Division Manager Name

\_\_\_\_\_  
Division Manager Signature

\_\_\_\_\_  
Date

APPROVAL:

\_\_\_\_\_  
Assistant Executive Officer

\_\_\_\_\_  
Assistant Executive Officer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Human Resources Director

\_\_\_\_\_  
Human Resources Director Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Executive Officer Signature

\_\_\_\_\_  
Date

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

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

**Retiree Name:**

**Employee Number:**

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
Date

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

## Attachment B

LACERA's Letter to All New Rehired Retirees

May 12, 2025



## **POST-RETIREMENT EMPLOYMENT TO A TEMPORARY ITEM**

Dear [REDACTED]:

Congratulations on your recent appointment as a rehired retiree with LA County under the 960-Hour program (120-Day Rule), and welcome back to service.

As a reminder, your appointment is subject to post-retirement employment laws and regulations under the County Employee Retirement Law (CERL) and the Public Employees Pension Reform Act (PEPRA). You are eligible to return to work for the County for a period of up to 960 hours during any July 1–June 30 fiscal year and continue to receive your retirement allowance. During this post-retirement employment, you will not accrue any additional LACERA pension benefits, nor will you or the County pay contributions.

You and your department are responsible for ensuring your appointment remains compliant under the 960-hour program. This is important because violations of the laws governing post-retirement employment can result in a suspension of your retirement allowance and other benefits or IRS penalties. In addition to the 960-hour maximum, your employment must be of limited duration and to a position on a temporary basis that requires special skills or knowledge in which staff could not be easily prepared or trained, or in critical positions where expertise is unavailable elsewhere in the department. These are separate requirements that LACERA monitors. Continued employment under the 960-hour program may be subject to approval. LACERA encourages you to speak to your department about this issue and to obtain details to ensure compliance with the law.

LACERA will send notification letters to you and your department when you have reached 480 hours, 720 hours, and 864 hours to assist you in monitoring your work hours in a fiscal year. Please speak to your department with specific questions regarding timecard issues. LACERA will obtain hours worked from payroll records submitted to the Auditor Controller by your department.

**Please review your personal information, and promptly notify LACERA if there are any errors.** We have enclosed additional information regarding the 960-hour program for your reference so that you can make sure your employment remains compliant with legal requirements such as separation and waiting periods, hour limits, and other rules.

**Retirement Date:** [REDACTED]

**Retirement Type:** [REDACTED]

**Retirement Age:** [REDACTED]

\*The Board of Supervisors adopted a motion on January 28, 2025, meeting regarding the Los Angeles County Recovery Efforts and Building Urgency into Implementation of Long-Term Disaster Support (Motion 13-C). Included in the motion was one directive related to the 120-Day Rehired Retiree program that allows departments to hire a retired employee, that retired over the normal retirement age, without the 180-day waiting period with approval from the CEO's office.

Please speak to a Retirement Benefits Specialist if you have any questions. You can also send us a secure message using your My LACERA portal account. We encourage all members working in the 960-hour program to have a My LACERA portal account to review their hours worked in the fiscal year and important information.

### **How to Connect With Us**

If you have questions about your LACERA benefits or need any other assistance, we are always here to help. Here is how you can reach us:

- **Call us** at 800-786-6464 between 7:00 a.m. and 5:30 p.m. (Pacific Time), Monday through Friday, except holidays.
- **Schedule an appointment** (in-person or virtual) by visiting [lacera.com](http://lacera.com) and clicking on "Appointment Reservations."
- **Log in to My LACERA** to send us secure messages and view your correspondence and transactions.
- **Email us** at [welcome@lacera.com](mailto:welcome@lacera.com) with general questions.

Go paperless with My LACERA! It's the easiest way to manage your account and get important information via email. Just visit [lacera.com](http://lacera.com) and click on the green button at the top right of any page to sign up. Don't wait—make the switch today!

Sincerely,

Member Services Division

[REDACTED]

## Attachment C

LACERA's Reported Hours Letter to Rehired Retirees



[Date]

[First Name] [Last Name]  
[Address Line 1]  
[Address Line 2]  
[Address Line 3]

### **POST-RETIREMENT EMPLOYMENT (120-DAY RULE): REPORTED HOURS**

Dear [First Name] [Last Name]:

As a rehired retiree working for L.A. County in a temporary capacity, your appointment is subject to post-retirement employment laws and regulations under the County Employee Retirement Law (CERL) and the Public Employees Pension Reform Act (PEPRA).

You are allowed to work for the County for a period of up to 120 days (960 hours during any July 1 to June 30 fiscal year) and continue to receive your retirement allowance.

**Our records indicate that as of accrual period ending [AccrualDate] for the fiscal year ending June 30, [YEAR], you have worked [HoursToDate] hours, towards the limit of the allowable hours of 960 hours under the 120-day rule.**

You and your department are responsible for ensuring your temporary appointment remains compliant with the laws governing post-retirement employment. This is important because violations of the law can result in suspension of your retirement allowance and healthcare benefits.

Speak to your supervisor and Human Resource Department as soon as possible to discuss your hours worked and determine if a permanent return to work is appropriate for you. If you would like to return to work on a permanent basis with the County, your request for reemployment will need to be approved by the County Board of Supervisors and LACERA Board of Retirement, and you will also need both boards' approvals to return to active LACERA membership and receive service credit.

Permanently returning to work will suspend your LACERA benefit, and you will be enrolled in the current retirement plan. For more about the Returning to Work process,

you can contact us to speak with a LACERA representative or visit [lacera.com](http://lacera.com) > Retirees and Families > Returning to Work.

### **Post-Retirement Employment Rules**

We have provided additional information in the attachment for reference so that you can make sure your employment is compliant with other legal requirements. Please speak to a Retirement Benefits Specialist if you have any questions. You can also send a secure message.

### **How to Connect With Us**

If you have questions about this information or need any other assistance, we are always here to help. Here's how you can reach us:

- Call us at 800-786-6464 between 7:00 a.m. and 5:30 p.m. (Pacific Time), Monday through Friday, except holidays.
- Schedule an in-person or virtual face-to-face appointment by visiting [lacera.com](http://lacera.com).
- Log in to your My LACERA account to send us a secure email.
- Email us at [welcome@lacera.com](mailto:welcome@lacera.com) with general questions.

Sincerely,

Member Services Division

{CORTM/LACERAID}

Attachment D

County PPG 505



# COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

## HEADQUARTERS

KENNETH HAHN HALL OF ADMINISTRATION  
500 W. TEMPLE STREET, ROOM 579 • LOS ANGELES, CALIFORNIA 90012  
(213) 974-2406 • FAX (213) 621-0387

## BRANCH OFFICE

510 S. VERMONT AVENUE, 12<sup>TH</sup> FLOOR • LOS ANGELES, CALIFORNIA 90020  
(213) 866-5846 • FAX (213) 637-0821

**LISA M. GARRETT**  
DIRECTOR OF PERSONNEL

October 16, 2024

To: All Department Heads

From: Lisa M. Garrett  
Director of Personnel

## UPDATE TO PPG 505 - APPOINTMENT OF RETIREES TO A 120-DAY TEMPORARY ASSIGNMENT

[Assembly Bill 2474](#) was signed into law on July 15, 2024, and served to refine further the requirements for rehiring retirees as authorized by the Public Employees' Pension Reform Act. As part of the Department of Human Resources' (DHR) commitment to providing departments with updated and relevant policies and resources, we partnered closely with the Chief Executive Office (CEO) and the Los Angeles County Employees Retirement Association (LACERA) to revise Countywide Policies, Procedures, and Guidelines (PPG) No. 505, now retitled as *Appointment of Retirees to a 120-Day Temporary Assignment* to reflect this legal update (Attachment).

The County and our rehired retirees must adhere to post-retirement employment laws. Noncompliance with reporting and strict time limit requirements pose significant adverse consequences for the County and all active and retired County employees.

Notable revisions to this policy include:

- Adding clarifying language, contacts, and links throughout the policy.
- Adding the new monitoring procedure now required under Government Code §31680.9(g) by which all departments employing 120-day retirees must provide written notification to the employee before they are within 10-business days or 80 hours of the time limits of the policy.
- Updating the required *Condition for Post-Retirement Employment and Waiver* (PPG Attachment A) with improved content and a fillable format that can be digitally signed.
- Providing a new *Frequently Asked Questions* document (PPG Attachment B) to address the common questions received by CEO and DHR regarding rehiring retirees.

All Department Heads  
October 16, 2024  
Page 2

- Providing a new template notice, titled *Appointment of Retiree to 120-Day Temporary Assignment Written Notice of Reported Hours* (PPG Attachment C), for departments to use to meet the notification requirement under Government Code § 31680.9(g).

The updated policy and related documents are attached to this correspondence and may be viewed online at <http://mylacounty.gov/county-policies> under the “Human Resources Policies & Manuals” section.

Should you have any questions regarding this policy update, please contact me or David M. Morfin, Senior Human Resources Manager, at [DMorfin@hr.lacounty.gov](mailto:DMorfin@hr.lacounty.gov) or (213) 400-5589.

LMG:RC:JAWT  
DMM:LR:ckc

Attachment

c: CEO – Countywide Labor and Compensation Services Division  
LACERA  
Chief Deputies  
Administrative Deputies  
Departmental Human Resources Managers

HRDS\\_PPGs\PPG 505\Memo – LMG to All DHs RE PPG 505 Updates.docx



*County of Los Angeles*  
*Department of Human Resources*  
**POLICIES, PROCEDURES, AND GUIDELINES**

<b>Subject:</b>  <b>APPOINTMENT OF RETIREES          TO A 120-DAY TEMPORARY ASSIGNMENT</b>	<b>Policy Number:</b> <b>505</b>	<b>Pages:</b> <b>5</b>
	<b>Effective Date:</b> <b>October 16, 2024</b>	
	<b>Approved By:</b> 	

## **POLICY**

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Under certain conditions, County department heads may reemploy, without reinstatement from retirement, County retirees who have separated from County service without fault or delinquency for a period not to exceed 960 hours (120 days) in any one fiscal year.

Departments shall fully comply with the California Public Employees' Pension Reform Act (PEPRA) of 2013 pertaining to the waiting period of 180 days from the date of retirement for hiring retired County employees on a temporary basis.

Violation of this policy may subject departmental staff and/or the retiree to appropriate corrective action, which may include discipline for departmental staff, the release of the retiree, and/or the Los Angeles County Employees Retirement Association's (LACERA) suspension of the retiree's retirement and/or healthcare benefits.

Departments are required to submit all requests to appoint a retiree to a 120-day temporary assignment using the Ordinance Position Authority (OPA) process in the electronic Personnel Action Request (ePAR) system. The process will require review and approval by the Chief Executive Office (CEO) Budget and Operations Management Branch (Budget Branch) and the CEO Classification and Compensation Division (Class/Comp Division) to ensure all provisions of PEPRA are met.

## **GUIDELINES**

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All County employees are required to terminate from active employment before receiving pension benefits through LACERA. Pursuant to the Internal Revenue Service (IRS), the act of retirement requires a "bona fide" separation from County service (i.e., an active employee must leave employment prior to receiving LACERA retirement benefits) before returning to work on a temporary retiree assignment.

A retiree's appointment pursuant to this policy shall be limited in duration and to a position on a temporary basis that requires special skills or knowledge in which staff could not be easily prepared or trained, or to a critical position where expertise is unavailable elsewhere in the department. The department should develop a transition plan to ensure the transfer of the retiree's special skills or knowledge to current departmental employees. The retiree shall be appointed to the position consistent with the duties and responsibilities of the reemployed position. As a temporary employee, the retiree may be assigned to supervise permanent County employees, but only under special circumstances as approved by the

<b>Subject:</b> <b>APPOINTMENT OF RETIREES  TO A 120-DAY TEMPORARY ASSIGNMENT</b>	<b>Policy Number: 505</b> <b>Effective Date: October 16, 2024</b>
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CEO or Department of Human Resources (DHR). Retirees may be placed at any step of the salary range for classification, as determined by the department head.

The temporary appointment shall not exceed 960 hours (120 days) in any one fiscal year. The hours worked by a retiree in all temporary assignments in a fiscal year are combined to determine whether this limit has been exceeded. A fiscal year starts on July 1<sup>st</sup> and ends on June 30<sup>th</sup>.

All hiring departments must ensure that rehired retirees comply with this policy. As a condition of employment, the retiree must sign Attachment A - *Condition of Post-Retirement Employment and Waiver* (Waiver). The Waiver shall be included in the employee's Official Personnel File retained within the hiring department's Office of Human Resources section or the County's Electronic Personnel Records (ePR) system and a copy shall be sent to LACERA. A new Waiver should be completed each time the department receives approval from CEO authorizing the retiree to return for any additional fiscal year(s).

**MONITORING THE RETIREE'S HOURS**

Departments shall establish methods to monitor the days and hours worked by retirees to ensure that they do not violate the work time limits established in this policy and the law. This includes monitoring all hours and days worked in multiple departments in any one fiscal year. Departmental records will be subject to review and/or audit by CEO and DHR to ensure compliance. Failure to adhere to the time limits of this policy would not only violate State law, but it may also jeopardize the qualified tax-deferred status of the County's retirement system under federal law and create significant adverse tax consequences for all active and retired County employees. In addition, LACERA may suspend the retiree's retirement and/or healthcare benefits if a violation is found.

In accordance with State law, departments are now required to provide written notification to reemployed retirees before they are within 10-business days or 80 hours of the time limits in this policy.

**WAITING PERIOD FOR POST-RETIREMENT EMPLOYMENT**

The following requirements govern the appointment of retired employees on a temporary basis:

1. An employee will need to wait 180 days from their date of retirement before returning to work on a temporary basis except under either of the following conditions:
  - a) The hiring department can certify that it is necessary to fill a critically needed position before 180 days have passed, and the Board of Supervisors has approved the hiring in a public meeting. The appointment may not be placed on a consent calendar.

<b>Subject:</b> <b>APPOINTMENT OF RETIREES  TO A 120-DAY TEMPORARY ASSIGNMENT</b>	<b>Policy Number: 505</b> <b>Effective Date: October 16, 2024</b>
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- b) The retiree is a public safety officer or firefighter and is returning to perform public safety officer or firefighter duties.

**Note:** Where exception (a) or (b) applies, a member who retires before reaching the Normal Retirement Age, as indicated in the following table, must nevertheless have at least a continuous 90-day break between the date of retirement and their temporary employment with the County as a retiree to demonstrate a bona fide separation of service as required by the IRS.

The Board of Retirement established the following Normal Retirement Age for LACERA members:

Retiree Plan	Normal Retirement Age
Safety Members of Plans A, B, and C	55
General Contributory Members of Plans A, B, C, D, and G	57
General Members of Plan E	65

LACERA members who retire before reaching the Normal Retirement Age may not enter into a prearranged agreement (oral or written) before commencing retirement to return to work for the County in any capacity.

2. A retired employee who, within the 12 months preceding a temporary appointment pursuant to this policy, has received unemployment insurance resulting from prior employment with any public employer is not eligible for such appointment. Upon accepting an offer of temporary employment pursuant to this policy, the retiree must certify in writing that they are in compliance with this requirement by completing the Waiver.
3. A retired employee shall be paid at a rate not less than the minimum rate and no more than the maximum rate for other County employees performing comparable duties.
4. A retiree who received a retirement incentive, such as an Early Separation Program package, is not eligible to return to County service.
5. A retiree who is receiving LACERA benefit cannot be hired by the County as a contract employee.
6. Disability retirees are not eligible to return to work as a 120-day employee in their previous job classification.

<b>Subject:</b> <b>APPOINTMENT OF RETIREES  TO A 120-DAY TEMPORARY ASSIGNMENT</b>	<b>Policy Number: 505</b> <b>Effective Date: October 16, 2024</b>
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Pursuant to Civil Service Rule [3.03](#), the Director of Personnel delegates its authority to approve the reemployment of retirees under [Civil Service Rule 17.01\(B\)](#) to each department head. However, review by the CEO Budget Branch and CEO Class/Comp Division is required to ensure compliance with PEPRA.

## **APPOINTMENT OF RETIREES TO PART-TIME BOARDS OR COMMISSIONS**

The County Employees Retirement Law of 1973 authorizes a retiree to serve on a part-time board or commission without reinstatement from retirement or loss of retirement benefits so long as the appointment is non-salaried and does not provide benefits, service credit, or retirement rights. However, the law allows the retiree to receive any per diem authorized to all members of the board or commission.

## **PROCEDURES**

1. Departments shall determine whether or not the retiree is compliant with the requirements set forth by PEPRA and this policy, including the required waiting period, upon offering temporary employment.
2. The retiree must be appointed to a temporary item. Once the retiree has had a bona fide separation from County service, the retiree may be appointed without examination at any time. The retiree is not limited by Civil Service Rule [17.01\(A\)](#), which only allows former employees in the classified service to be reinstated only within two years from the date of separation.
3. Departments are required to submit all requests to appoint retirees to a temporary assignment using the OPA process in the ePAR system. The process requires the review and approval of the [CEO Budget Branch](#) and the [CEO Class/Comp Division](#).

The request must include the retirement date of the retiree, an organizational chart showing the reporting structure of the selected position, a duty statement outlining the proposed duties of the temporary assignment, a statement substantiating the need for the temporary (as opposed to full-time) position, and the completion of the [Departmental Rehire Request Form](#).

**Note:** Departments seeking an exception to the waiting period must first contact their CEO Budget Analyst for guidance on the appropriate process.

4. The Waiver must be signed by the retiree and the Departmental Human Resources Manager or designated representative and shall be included in the employee's Official Personnel File retained within the hiring department's Office of Human Resources section or ePR. A copy must be submitted to the LACERA's Advanced Payroll Unit by email or first-class mail.

<b>Subject:</b> <b>APPOINTMENT OF RETIREES TO A 120-DAY TEMPORARY ASSIGNMENT</b>	<b>Policy Number: 505</b> <b>Effective Date: October 16, 2024</b>
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Email: [memberdocuments@lacera.com](mailto:memberdocuments@lacera.com)

Mailing address: LACERA  
Attention: Advanced Payroll Unit  
PO Box 7060  
Pasadena, CA 91109-7060

Any questions concerning this policy may be directed to the DHR Human Resources Departmental Support Division at (213) 400-5589 or [DHRPolicy@hr.lacounty.gov](mailto:DHRPolicy@hr.lacounty.gov).

## **ATTACHMENTS**

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- A. Condition of Post-Retirement Employment and Waiver
- B. PPG 505 - Frequently Asked Questions
- C. Template Letter - Retiree Reached 10-Day or 80-Hour Limit

## **RESOURCES AND AUTHORITIES**

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- [Retirement Law Book](#)
- [California Public Employees' Pension Reform Act of 2013](#)
- [California Government Code § 31680.6](#)
- [California Government Code § 31680.9](#)
- Los Angeles County Code, Civil Service Rules [3.03](#) and [17.01\(B\)](#)
- LACERA Board of Retirement Resolution 06-001, August 10, 2006
- Chief Executive Office memos: 120-Day Retirees (February 23, 2010); 120-Day Retirees, (December 2, 2009); New Rules Regarding Employment of Retirees, (October 5, 2007); New Process For Reinstatement of Retirees to a 120-Day Temporary Assignment (January 14, 2016)

## **DATE ISSUED/REVIEW DATE**

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Original Issue Date: March 30, 2004, as PPG 198  
Review Date: February 13, 2015  
Review Date: February 12, 2016  
Review Date: October 16, 2024



# County of Los Angeles

## CONDITION FOR POST-RETIREMENT EMPLOYMENT AND WAIVER

DEPARTMENT AND EMPLOYEE INFORMATION			
Department:			
Employee Name:		Employee Number:	

I, \_\_\_\_\_ retired from County service on \_\_\_\_\_.  
I desire to perform post-retirement work for the County of Los Angeles (County) while remaining on retired status, as provided in Government Code Section 7522.56 and other applicable laws and County policies. During this employment, there will be no suspension or termination of my retirement allowance and benefits if I comply with the foregoing authorities.

I understand and acknowledge as follows:

- That the duration of this employment with the County is limited to a maximum of 960 hours within a fiscal year.
- That violation of the 960-hour limit or other applicable requirements may cause reinstatement from retirement, the suspension of my LACERA retirement allowance and healthcare benefits, and collection of amounts by which I have been overpaid over the 960-hour limit.
- That I have no right to continued employment and that my employment may be terminated by the County at any time without cause.
- That I will not accrue service credit or otherwise acquire any additional retirement benefits from this employment, and I will not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the rate I am paid for my work.
- That, as a condition of this post-retirement employment, I certify that I have not received any unemployment insurance benefits within the last 12 months resulting from prior employment subject to Government Code 7522.56 with any public employer. If I have received such benefits, I shall immediately resign and will not be eligible for reappointment for 12 months.
- That, if I retired before reaching Normal Retirement Age, I did not have a prearranged agreement, either orally or in writing, before commencing retirement to return to work at the County in a position previously held prior to retirement or any other position.
- That I received, read, understand, and will abide by applicable post-retirement employment laws and regulations and County policies, including but not limited to those related to conflicts of interest.
- That I did not receive an incentive in connection with my retirement.

I have received and read, understand, and agree to the above conditions of my rehire by the County. All information that I have provided herein is true and correct.



# County of Los Angeles

## CONDITION FOR POST-RETIREMENT EMPLOYMENT AND WAIVER

EMPLOYEE CONFIRMATION	
Employee Signature _____	Date _____
Print Name _____	
Departmental Human Resources Manager or Designated Representative Signature _____	Date _____
Print Name _____	



## PPG 505 – APPOINTMENT OF RETIREES TO A 120-DAY TEMPORARY ASSIGNMENT Frequently Asked Questions

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### 1. What is the process for obtaining authorization to rehire a retiree to a temporary assignment?

**Answer:** The department's Chief Executive Office (CEO) [Budget and Operations Management Branch \(Budget Branch\) Analyst](#) is the first point of contact when seeking approval to rehire a retiree to County service for a temporary assignment. Each department's process varies on the number of required steps (i.e., additional documentation, meeting with cluster groups, etc.).

The online process includes submitting a request using the Ordinance Position Authority (OPA) in the electronic Personnel Action Request (ePAR) system. Approvals from the CEO Classification and Compensation Division (Class/Comp Division) and CEO Budget Branch are needed.

The department submits an Employee Status Maintenance Transaction (ESMT) in the ePAR system and workflows the approval to CEO Position Control who checks if the department has:

1. An OPA approved by the CEO and
2. A *Departmental Rehire Request Form* approved by the Departmental Human Resources Manager.

If the ESMT has both documents, then CEO Position Control approves and submits the ESMT.

**Note:** When the retiree's rehire date is within 6 months of the retirement date, the CEO conducts additional checks to ensure the retiree qualifies for an exception to the 180-day waiting period requirement.

### 2. Are departments required to obtain CEO approval to renew a current 120-day retiree for an upcoming fiscal year?

**Answer:** Yes. Departments are required to contact their CEO Budget Analyst and submit a request for renewal of a retiree returning for another fiscal year(s).

### 3. Is the completion of a new Waiver needed for renewal of a 120-day retiree?

**Answer:** Yes. Retirees should complete a new Waiver each new fiscal year which is to be included in the employee's Official Personnel File or electronic Personnel Record (ePR) system within the hiring department's Human Resources section, and a copy must be sent to LACERA.

### 4. Is there a directory for who departments should contact in CEO?

**Answer:** Yes. The CEO analysts assigned to assist each department are provided in the directories below, which are also posted at <https://my.lacounty.gov/departmental-budget-instructions/#ceodirectories>.

- [CEO Budget Analysts](#)
- [CEO Classification/Compensation Analysts](#)

### 5. What does "bona fide separation of service" mean?

**Answer:** In order to maintain the County's tax-qualified status, LACERA may only pay retirement benefits to those members who have left active employment. The Internal Revenue Service (IRS) uses the term "bona fide separation" to describe an employee who has left employment. They require that:

1. Employers may not enter into an oral or written prearranged agreement with a member who retires before reaching the Normal Retirement Age to return to County service for the position previously held or any other position before retirement.
2. Employers must terminate the employment relationship before paying retirement benefits.

### 6. What does a "prearranged agreement" mean?

**Answer:** An employee who retires before reaching the Normal Retirement Age may not enter into an oral or written prearranged agreement to return to County service for the position previously held or any other position before retirement. If there is a prearranged agreement, there is no real separation and may be perceived, at best, as a leave of absence.

For example, if a member is considering an "early" retirement (before reaching the Normal Retirement Age), they may not have an oral or written prearrangement to return to work after retirement to their previous position or any other position and continue to receive pension benefit payments. An employee may not be terminated on Friday and be rehired the following Monday. The employee is deemed by the IRS to have never left employment. A bona fide separation from service must be at least a continuous 90-day break in service from the member's last date of employment before being reemployed by the County.

**7. What step is a retiree placed on upon reemployment in a temporary assignment?**

**Answer:** A retiree may be placed at any step (not necessarily the first step) of the salary range for the position, as determined by the Department Head, provided the salary does not exceed the retiree's previous salary and does not exceed the maximum step of the salary range of the classification assigned.

**8. Are rehired retirees eligible for sick leave?**

**Answer:** Retirees who are rehired pursuant to PPG 505 are not eligible for sick leave, vacation, or holidays. When placing a retiree to fill a temporary position, they should be placed on items that do not qualify for these benefits. California's paid sick leave law exempts retired annuitants working for governmental entities from paid sick leave benefits.

**9. Can a retiree complete performance evaluations as a supervisor?**

**Answer:** No. Because a retiree's assignment is temporary by nature, they generally cannot supervise employees on a full-time basis and therefore cannot prepare performance evaluations. A retiree may lead teams and assignments and provide input regarding an employee's performance for their performance evaluation. However, a retiree may not complete the actual performance evaluation.

On exceptional and rare occasions, a retiree may be assigned to supervise permanent County employees under special circumstances as approved by the Department of Human Resources and/or the CEO. In those circumstances, management will determine who will complete the performance evaluation before the retiree begins employment. The retiree may not complete the actual performance evaluation.

**10. Can a department begin the process of returning a retiree to County service prior to the employee's official retirement date?**

**Answer:** If an employee is retiring before reaching the Normal Retirement Age, departments may not submit any request through the ePAR system, start the Board Letter process, or make any prearrangements for the employee's return until after the employee's actual retirement date.

If an employee has already reached the Normal Retirement Age, departments may start the paperwork through the system and prepare the Board Letter since it is a lengthy process. A tentative retirement date is sufficient to initiate the paperwork and can be updated if the retirement date changes.

**11. A former employee has requested to return to County service as a retiree. Is the department under any obligation to grant their request?**

**Answer:** Discretion to rehire a former employee lies with the appointing authority, not the former employee or retiree. Additionally, retirees are not limited to the two-year reinstatement window from the date of separation prescribed by [Civil Service Rule 17.01\(A\)](#). Retirees who have left County service beyond two years are eligible for reemployment so long as the retiree possesses special skills or knowledge in which current staff could not be easily prepared or trained, or in critical positions where expertise is unavailable elsewhere in the department.

**12. Do safety officers need to abide by any waiting period before returning as a retiree?**

**Answer:** No. Under Government Code Section [7522.56](#) and PPG 505, a peace officer returning to perform public safety functions does not need to wait 180 days following retirement to return as a retiree. However, a continuous 90-day break in service is still required if the employee retires before reaching the Normal Retirement Age.

**13. How does a department obtain an exemption from the 180-day waiting period for a critical-needed position?**

**Answer:** The department's CEO Budget Analyst is the first point of contact when seeking an exemption from the 180-day waiting period requirement.

Generally, departments will be instructed to submit a formal Board Letter to their CEO Budget Analyst, sufficiently justifying the need to waive the 180-day waiting period as required under Government Code Section [7522.56](#). The Board Letter, with the CEO's recommendation (Budget Branch and Class/Comp Division), will be forwarded to the Board for approval. Once Board approval is obtained in a public meeting (without placement of the matter on the consent calendar), the letter should be submitted to LACERA.

**14. What tools are available for departments to monitor a 120-day retiree's work time limit?**

**Answer:** There are various tools and resources available to the retiree and hiring department.

1. The *120-Day Retirees Report* is located in the **On Demand** section of the Personnel Administration folder in the eHR Cognos Reports Portal. Departments may download this report, which provides information regarding rehired retiree's assignments and the hours worked in the current month and current fiscal year. The report is a useful tool to assist

departments with monitoring time limits for retirees. For assistance with downloading the report, please contact [BENCOMPOLICY@ceo.lacounty.gov](mailto:BENCOMPOLICY@ceo.lacounty.gov).

- LACERA has implemented a new notification process to assist members hired to a temporary assignment. When LACERA receives reported work hours from the Auditor-Controller for a reemployed retiree under sub-item “FR” or any other temporary item with the suffix “R,” LACERA will send the retiree and the hiring department an *Introduction Letter* as well as the [120-Day Rule Infographic](#). Additionally, a *Rehired Retiree Hours Limits Reached Letter* will be sent to the retiree with a copy to the department once the retiree reaches 50%, 75%, and 90% of the allotted 960 hours.

In accordance with [Government Code § 31680.9\(g\)](#), **departments are required to provide written notification to retirees when they are within 10 business days or 80 hours of the time allotment pursuant to PPG 505.** The *Rehired Retiree Hours Limited Reached Letters* from LACERA to retirees cannot be used in place of a departmental-issued notification. Departments are to assume responsibility for this requirement.

- Retirees are encouraged to set up a *My LACERA* portal account to review hours worked in the fiscal year. A new information box from the Auditor-Controller will inform the retiree of their reported hours.

Sample of information box shown below:



Retirees may visit *My LACERA* at <https://home.mylacera.com> to set up their portal account or email [welcome@lacera.com](mailto:welcome@lacera.com) for assistance.

**15. Is it possible to extend the 960-hour limit per fiscal year?**

**Answer:** No. Temporary appointments of retirees shall not exceed 960 hours (120 days) in any one fiscal year. Exceeding the time limit is a violation of State law, federal tax rules, LACERA rules, and County policy. Such failure may result in severe consequences to the retiree, including but not limited to LACERA's termination or suspension of retirement and health benefits, retroactive loss of retirement and health benefits, collection of the overpayment for the excess hours the retiree worked, disciplinary action, and/or release from employment. Such failure may also result in severe negative consequences to LACERA's retirement fund, including jeopardizing the qualified, tax-deferred status of the County's retirement system under federal tax law, which may create adverse tax consequences for all active and retired County employees. Given the severity of the consequences to the retiree and the department, such failure on the part of the chain of command may result in disciplinary action.

**16. Can a retiree work in multiple departments at the same time?**

**Answer:** The retiree may work in one or more County departments. However, departments must collaborate and monitor the retiree's hours and days to ensure the retiree's total hours do not exceed 960 per fiscal year.

The information box located on the *My LACERA* portal account displays all hours combined counted towards the limited for the fiscal year. It does not provide a breakdown by department. The only exceptions are hours worked as a Board member and being paid per diem. Those items are not counted towards the 960-hour limit.

## Department Letterhead

September 10, 2024

[First Name] [Last Name]  
[Address Line 1]  
[Address Line 2]  
[Address Line 3]

### **APPOINTMENT OF RETIREE TO 120-DAY TEMPORARY ASSIGNMENT WRITTEN NOTICE OF REPORTED HOURS**

Dear [First Name] [Last Name]:

As a rehired retiree working for the County of Los Angeles in a temporary capacity, your appointment is subject to the County Employees Retirement Law (CERL), the Public Employees Pension Reform Act (PEPRA), and Countywide Policies, Procedures and Guidelines No. 505, *Appointment of Retirees to a 120-Day Temporary Assignment*.

Temporary appointment as a rehired retiree shall not exceed 960 hours (120 days) in any one fiscal year. A fiscal year starts July 1<sup>st</sup> and ends June 30<sup>th</sup>.

**Our records indicate that as of [Accrual Date] for the fiscal year ending June 30, [YEAR], you are approaching 10 business days, or 80 hours, towards the 960-hour limit allowable under PEPRA (Government Code Section 7522.56).**

It is imperative that your temporary appointment remains compliant with the laws governing post-retirement employment. Noncompliance may result in your reinstatement from retirement, suspension of your LACERA retirement allowance and healthcare benefits, and the reimbursement to LACERA of any retirement allowance improperly received.

Please reach out to your supervisor and Human Resources Office as soon as possible to discuss the conclusion of your temporary appointment for this fiscal year, and, if appropriate, the feasibility of renewing your temporary appointment for the next fiscal year.

Should you have any questions, please contact me or First Name and Last Name, Title, at (###) ###-#### or email@dept.lacounty.gov.

Sincerely,

TITLE

## Attachment E

Memo, with Internal Audit of County Program FY 2024

**FOR INFORMATION ONLY**

May 27, 2025

TO: Each Trustee,  
Board of Retirement

FROM: Debbie Martin,  
2025 ACRE Committee Chair

Richard P. Bendall   
Chief Audit Executive

Steven Rice   
Chief Legal Counsel

FOR: June 4, 2025, Board of Retirement (BOR) Meeting

**SUBJECT: Los Angeles County's Compliance with Requirements for Rehired Retirees - Fiscal Year Ended June 30, 2024**

At the December 12, 2024, Audit, Compliance, Risk, and Ethics (ACRE) Committee meeting, Internal Audit presented the results of an audit of Los Angeles County's Compliance with Requirements for Rehired Retirees. Along with voting to accept and file the Audit Report, the ACRE Committee directed staff to forward the report to the attention of the Board of Retirement (BOR) with attention to the outstanding recommendation related to the finding on Limited Duration.

While staff presented to the ACRE Committee that the County updated and made some positive process changes to their PPG 505 – Appointment of Retirees to a 120-Day Temporary Assignment (Policy) in October 2024, the County did not address the issue of limited duration in that update separate from the 960-hour limit.

While staff commended the County for addressing the 960-hour limit and the break in service requirements and the County's substantial compliance with these for the period audited, staff expressed concern that the revised Policy did not address the separate issue of limited duration as required by California Government Code Section 7522.56, which is part of the Public Employees' Pension Reform Act of 2013 (PEPRA). Two areas of concern discussed by LACERA's Chief Counsel were:

1. The need for the County to address PEPRA's requirement of limited duration in their Policy by establishing a process to consider limited duration as part of the existing annual review and approval of rehired retirees under PPG 505 and set standards that require a greater statement of need to continue an appointment for additional years after a base period. In adopting such a process, the County will retain the flexibility to hire retirees for serious needs in a manner that complies with PEPRA's requirement that the work be of limited duration as well as no more than 960 hours per fiscal year. LACERA addresses limited duration in its Post Retirement Employment Policy, which requires the Board of

Retirement annually make a finding of “exceptional circumstances to meet a critical LACERA need” to approve any rehired retiree continuing to work more than 2 years. See LACERA Policy (Attachment A).

2. The need for LACERA to develop a process to (a) monitor the County's compliance with limited duration, as well as the 960-hour maximum, by receiving adequate information from the County to conduct complete and ongoing review and audit on both issues and (b) develop options available in the case of a violation of PEPRA's requirements for employment of retirees. LACERA, as plan administrator, has a responsibility to monitor the County's use of rehired retirees because Section 7522.56 provides that a rehired retiree may not receive their pension from LACERA “except as permitted by this section.”

Staff will make a presentation to the BOR's Operations Oversight Committee at its July 10, 2025 meeting to provide additional information on the meaning and context of the limited duration requirement, the extent of the County's use of long-term rehired retirees, and proposals to work with the County to bring its Policy in line with PEPRA as well as proposals to document LACERA's process of oversight of the County's rehired retirees.

## **Background**

As part of their Fiscal Year 2024-25 Audit Plan, Internal Audit conducted an audit of Los Angeles County's (County) compliance with requirements for hiring County retirees for fiscal year ended June 30, 2024. This audit is performed annually as the failure to adhere to the regulations and requirements violates the state law governing retirement benefits. Furthermore, non-compliance could jeopardize LACERA's qualified tax deferred status, under federal tax law, because LACERA's has the responsibility to only pay benefits to rehired retirees whose reemployment is compliant with plan documents, CERL and PEPRA.

The County Employees Retirement Law of 1937 (CERL) and Public Employees' Pension Reform Act of 2013 (PEPRA) provide that the County has the option to employ retirees as “Rehired Retirees” subject to certain requirements. Under Government Code Section 31680.3 of CERL and Section 7522.56, Rehired Retirees may work up to 960 hours per fiscal year, without affecting their retirement status or benefits. Section 7522.56 adds the additional requirement that a retiree can be rehired only to “perform work of limited duration.”

For the fiscal year ending June 30, 2024, Internal Audit noted a decline in the number of retirees surpassing the 960-hour limit compared to previous years due to the proactive initiatives undertaken by LACERA management and staff, in conjunction with the ongoing partnership with the County CEO's office. Only one individual exceeded the 960-hour limit by only 5 hours and was not an issue. Additionally, Internal Audit noted no issues of noncompliance with regards to the PEPRA 180-day break-in-service requirement or the IRS 90-day break-service requirement. However, they also tested Limited Duration by testing 417 Rehired Retirees and identified 249 (60%) that worked an extended duration as a temporary rehired retiree, which is for three or more years, *with 100 (24%) having worked for 10 or more years*. This Limited Duration finding resulted in Internal Audit's Opportunities for Improvement rating.

LACERA is concerned that this situation may violate PEPRA Section 7522.56 (c) which states, “A person who retires from a public employer may serve without reinstatement from retirement or loss or interruption of benefits provided by the retirement system upon appointment by the appointing power of a public employer either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of **limited duration.**” The County’s rehire process does not consider the issue of limited duration separate from the 960-hour requirement, and the County does not provide LACERA, as plan administrator, with sufficient information to assess the individual circumstances of each department and the assignments of each rehired employee to determine if there is a reasonable and compliant rationale for the duration of their post-retirement employment.

LACERA management has agreed with the findings and recommendations and will continue discussions with the County concerning the need for the County to explicitly address the issue of limited duration in its policy to ensure, document, and monitor PEPRA compliance. Management also will review the need for a Board of Retirement policy to enable the Board to perform its fiduciary responsibility to ensure the County’s CERL and PEPRA compliance, including compliance with the limited duration requirement applicable to the County’s returning retirees. Finally, Management encourages the Internal Audit Division to seek additional information from the County to enable LACERA to audit the presence or absence of the County’s compliance with limited duration as to its rehired retirees.

Please refer to the attached report, specifically, the limited duration finding on pages 6 through page 9 (Attachment C). The ACRE Committee presentation is attached as Attachment B.

Attachment A: LACERA’s Post Retirement Employment Policy

Attachment B: ACRE Committee Presentation

Attachment C: Los Angeles County’s Compliance with Requirements for Rehired Retirees - Fiscal Year Ended June 30, 2024



**Los Angeles County's Compliance with  
Requirements for Rehired Retirees – Fiscal Year  
Ended June 30, 2024**

**Issued Date: November 15, 2024**

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**Presenter Name:  
Gabriel Tafoya, Senior Auditor**

# Summary of Engagement



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

## Type of Engagements

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

**Advisory:** Collaborate with Management to provide formal assessments and advice for improving LACERA's go<sup>CLO</sup>vernance, risk management, and control processes, without Internal Audit assuming Management responsibility.

**Value Added:** Provide Management with informal advice.

## Slide 2

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**CLO** This should now be advisory  
Christina Logan, 2024-11-08T23:52:51.876

**LC0 0** corrected  
Leisha Collins, 2024-11-09T00:07:36.683

# Background, Scope, Objective



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



**Scope:** Internal Audit received payroll detail from the County Auditor-Controller identifying 417 retirees who worked as Rehired Retirees during the 2024 Fiscal Year

**Objective:**

Determine compliance with:

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

# Summary of Findings

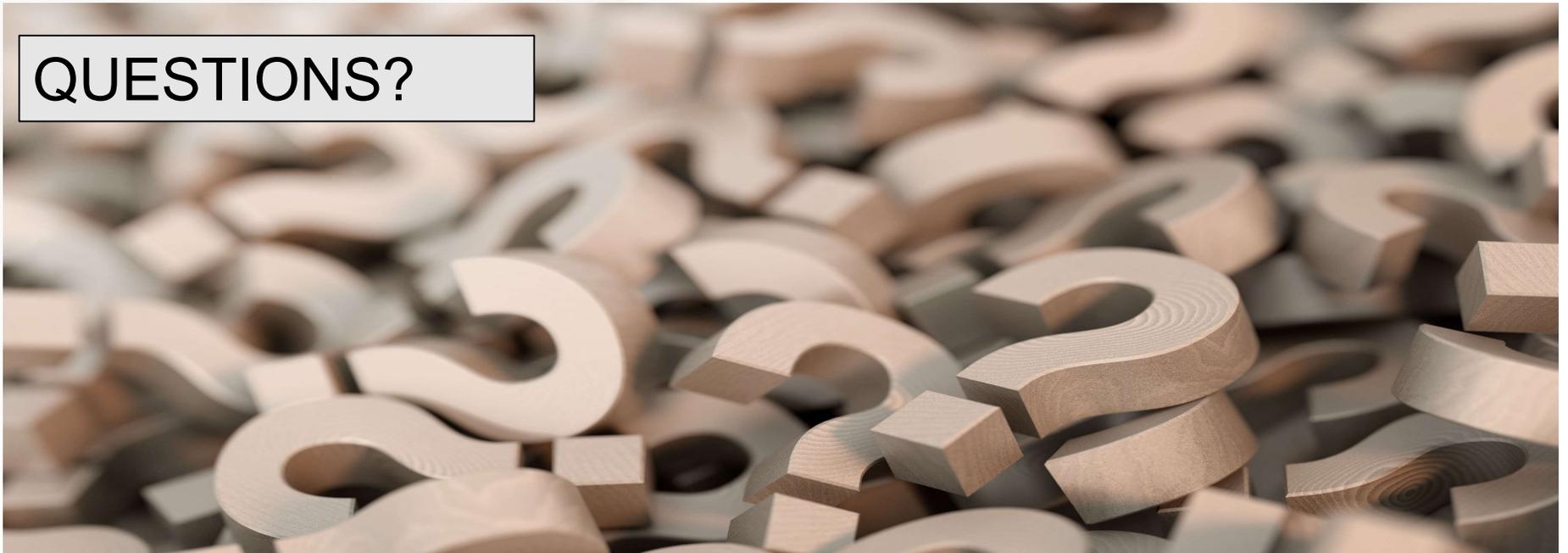


Finding	Rating	Management Response
Continued Violation of PEPRA's "limited duration" language	High	<p>Management agrees with the recommendations. Management, including the Executive Office, Legal Office, and Benefits Division, will continue discussions with the County concerning the need for the County to explicitly address the issue of limited duration in its policy to ensure, document, and monitor PEPRA compliance. Management also will review the need for a Board of Retirement policy to enable the Board to perform its fiduciary responsibility to ensure PEPRA compliance, including compliance with the limited duration requirement applicable to the County's returning retirees. Finally, Management encourages the Internal Audit Division to seek additional information from the County to enable LACERA to audit the presence or absence of the County's compliance with limited duration as to its rehired retirees.</p> <p>Comments have been made in prior years as to the appropriateness of a one size fits all definition of limited duration for the County's rehired retirees across its broad and diverse organizational structure and its diverse and varying needs. Nevertheless, as stated, Management agrees that the County should explicitly address the issue in its policy and practices, as LACERA has done in its own Post Retirement Employment Policy, although not necessarily in exacting the same way. The key elements of a policy are monitoring, documentation of the justification based on good cause flowing from legitimate business need, and enforcement to ensure compliance, as now in place for the 960-hour requirement.</p>

**Thank You**



**QUESTIONS?**





**Los Angeles County's Compliance with Requirements  
for Rehired Retirees – Fiscal Year Ended June 30, 2024**

**November 15, 2024**

**AUDIT PERFORMED BY:**

Gabriel Tafoya  
Senior Internal Auditor

## AUDIT REPORT

<b>Audit Name:</b>	Los Angeles County's Compliance with Requirements for Rehired Retirees - FYE June 30, 2024
<b>Responsible Division</b>	Executive Office
<b>Audit Rating*:</b>	Opportunities for Improvement
<b>Prior Audit Rating*:</b>	Opportunities for Improvement
<b>Prior Report Date:</b>	November 14, 2023

### **BACKGROUND**

As part of our Fiscal Year 2024-25 Audit Plan, we conducted an audit of Los Angeles County's (County) compliance with requirements for hiring County retirees for fiscal year ended June 30, 2024. We perform this audit annually as failure to adhere to the regulations and requirements violates the state law governing retirement benefits. Furthermore, non-compliance, could jeopardize LACERA's qualified tax deferred status, under federal tax law, because LACERA's has the responsibility to only pay benefits to rehired retirees whose reemployment is compliant.

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

In addition, Internal Revenue Service (IRS) regulations require a "bona fide" break-in-service after retirement if the retiree is under the "normal retirement age," before the retiree can be rehired.

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

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

To comply with the IRS regulation, in 2006 LACERA's Board of Retirement adopted a resolution stating that all Rehired Retirees under their "normal retirement age" must comply with at least the 90-day break-in-service requirement and the separate requirement that there be no pre-arrangement for their return to County employment, as well as the PEPRA requirements.

Subsequently, PEPRA added an additional restriction requiring 180-continuous days of separation from the date of retirement before a retiree may be rehired. PEPRA does allow the following two limited exceptions to the 180-day requirement:

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

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

PEPRA section 7522.56 (c) provides that appointing employers may only rehire retirees either during an emergency to prevent stoppage of public business or because the rehired person has skills needed to perform work of “limited duration”. The limited duration requirement is in addition to and separate from the 960-hour per fiscal year requirement.

**AUDIT OBJECTIVE & SCOPE**

For Fiscal Year Ended June 30, 2024, LACERA Internal Audit received payroll detail from the County Auditor-Controller and identified 417 retirees who worked as Rehired Retirees during that Fiscal Year.

We tested all 417 (100%) for compliance with:

- CERL’s 960-hour requirement, hours worked did not exceed 960 hours for the Fiscal Year.
- IRS’ “bona fide” break-in-service requirement, defined as 90 days by LACERA’s Board of Retirement.
- PEPRA’s 180-day break in service requirement.

Additionally, to test the PEPRA requirement of “limited duration,” we stratified all 417 retirees, based on continuous years worked. We used the data that we have accumulated over the last 14 years, to perform this compliance test.

**AUDIT RATING & SUMMARY OF FINDINGS**

The audit rating of Opportunities for Improvement remains the same as last year as we noted continued violations of PEPRA’s “limited duration.” We did, however, remove and close out the finding from the prior year, related to rehired retirees exceeding the 960-hour limit.

As depicted in the table below, our audit continues to identify a notable decline in the number of rehired retirees surpassing the 960-hour limit compared to previous years. Internal Audit believes this decline is due to the proactive initiatives undertaken by LACERA management and staff, in conjunction with the ongoing partnership with the County CEO's office. This year, only one individual exceeded the 960-hour limit by only 5 hours.

<b>Fiscal Year Ended June 30</b>	<b>Rehired Retirees</b>	<b>Noncompliant Rehired Retirees</b>	<b>Noncompliance as a Percentage</b>	<b>Total Overage</b>	<b>Average Overage</b>
2024	417	1	0.24%	5	5
2023	393	3	0.76%	32.5	11
2022	381	17	4.46%	964	57
2021	408	10	2.40%	1778	177

\* See Appendix 1 for Audit Rating

The County has taken additional measures to strengthen its controls for managing rehired retirees. On July 15, 2024, Assembly Bill 2474 was signed into law further refining the requirements of Rehired Retirees as authorized by PEPRA. The County’s Department of Human Resources (DHR) partnered with the County’s Chief Executive Office, in consultation with LACERA, to revise Countywide Policies, Procedures, and Guidelines (PPG) No. 505, now retitled as *Appointment of Retirees to a 120-Day Temporary Assignment*.

Notable revisions to this policy include:

- Adding clarifying language, contacts, and links throughout the policy.
- Adding the new monitoring procedure by which all departments employing 120-day retirees must provide written notification to the employee before they are within 10-business days or 80 hours of the time limits of the policy.
- Updating the required *Condition for Post-Retirement Employment and Waiver* with improved content and a fillable format that can be digitally signed.
- Providing a new *Frequently Asked Questions* document to address the common questions received by CEO and DHR regarding rehiring retirees.
- Providing a new template notice, titled *Appointment of Retiree to 120-Day Temporary Assignment Written Notice of Reported Hours* for departments to use to meet the notification requirements.

The updated policy does not specifically address requirements of “limited duration,” despite LACERA’s input that it should be included. Our audit data continues to demonstrate concerns with the County’s compliance with the “limited duration” clause of PEPRA. Therefore, we continue to report that the finding from fiscal year 2021’s audit remains open, as indicated below.

**Summary of Finding**

<b>Finding#</b>	<b>Page</b>	<b>Description of Finding</b>	<b>Risk Rating**</b>
F1	6	Continued Violation of PEPRA’s “limited duration” language	High

The above Finding is detailed in the following pages, including our recommendation and Management Action Plan.

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

**REPORT DISTRIBUTION**

2024 Audit, Compliance, Risk, and Ethics (ACRE) Committee	Santos H. Kreimann, CEO	J.J. Popowich, AEO
Steven P. Rice, Chief Legal Counsel	Luis Lugo, DCEO	Laura Guglielmo, AEO
Larry Jensen, ACRE Consultant	2024 Plante Moran Audit Team	

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



Fire Department	1	1							1					1	4	347
LAC USC Medical Center		1		1											2	638
Harbor UCLA	1														1	78
Human Resources	3	2		3					2	1	1			1	13	714
Ambulatory Care Network				1											1	41
Health Services Admin		1												1	2	749
Internal Services							1	1						1	3	684
Internal Svcs.	1	1													2	720
Medical Examiner Coroner										1				1	2	139
Mental Health	1														1	555
LACERA		1	1		1									1	4	473
Probation	7	2		1											10	535
Public Defender	15	6	6	1			1	1							30	692
Public Health		1	1	1	3			1		2					9	717
Parks and Recreation		3			1		1								5	784
Public Library	1	1													2	641
Public Works	5	1												1	7	284
Register-Recorder	1	1	1												3	388
Superior Court	1	4	1	2	1			1	1			2		1	14	430
Sheriff	18	9	5		10		3	9	4	12	16	9	2	11	108	749
Total Retirees and Hours	89	79	49	18	31	1	21	9	20	17	24	20	9	30	417	18,802

Of the 417 Rehired Retirees, 249 (60%) have worked for an extended duration as a temporary rehired retiree, which is for three or more years, with 100 (24%) having worked for 10 or more years.

LACERA is concerned that this situation may violate PEPRA section 7522.56 (c) which states, “A person who retires from a public employer may serve without reinstatement from retirement or loss or interruption of benefits provided by the retirement system upon appointment by the appointing power of a public employer either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of **limited duration.**” The County does not provide LACERA with sufficient information to assess the individual circumstances of each department and the assignments of each rehired employee to determine

if there is a rationale for the duration of their post-retirement employment.

If it is determined that an extended duration violation has occurred, LACERA, as benefit trust fund administrator, could proceed with recovery of trust funds for benefits paid during the period of excessive, unlawful work duration.

The Post Retirement Employment Policy adopted by the Board of Retirement for LACERA's own employees addresses the limited duration requirement and puts a process in place for Board approval of rehired retirees based on exceptional circumstances after two years' of Executive approval.

## **RISK**

The above chart highlights a situation which could potentially lead to headline risk regarding the lack of compliance with the PEPRA laws around the use of Rehired Retirees and gives the appearance of allowing "double dipping." More than that, it potentially could risk LACERA's qualified plan status under the Internal Revenue Code (IRC) if LACERA fails to exercise its responsibilities as plan administrator in ensuring compliance with PEPRA, which, along with PEPRA, is LACERA's plan document.

## **RECOMMENDATION**

We restate our recommendation from our previous audit reports of November 4, 2022 (FYE 2021 report), April 28, 2023 (FYE 2022 report), and November 14, 2024 (FYE 2023 report), that,

1. LACERA's Executive Office and Legal Office continue their discussions with the County regarding limited duration and whether policy provisions or practices can be added or strengthened to explicitly address the statutory requirement of limited duration.
2. LACERA's Executive Office and Legal Office work with the Board of Retirement to determine a more defined "bright-line" definition, tracking, and annual review of limited duration for County retirees, in addition to the current policy for LACERA employees, to ensure compliance with PEPRA and provide for recovery of benefits paid during periods worked in violation of PEPRA law.

## **MANAGEMENT'S RESPONSE**

### November 2, 2024 (Update)

Management agrees with the recommendations. Management, including the Executive Office, Legal Office, and Benefits Division, will continue discussions with the County concerning the need for the County to explicitly address the issue of limited duration in its policy to ensure, document, and monitor PEPRA compliance. Management also will review the need for a Board of Retirement policy to enable the Board to perform its fiduciary responsibility to ensure PEPRA compliance, including compliance with the limited duration requirement applicable to the County's returning retirees. Finally, Management encourages the Internal Audit Division to seek additional information from the County to enable LACERA to audit the presence or absence of the County's compliance with limited duration as to its rehired retirees.

Comments have been made in prior years as to the appropriateness of a one size fits all definition of limited duration for the County's rehired retirees across its broad and diverse organizational structure and its diverse and varying needs. Nevertheless, as stated, Management agrees that the County should explicitly address the issue in its policy and practices, as LACERA has done in its own Post Retirement Employment Policy, although not necessarily in the exact same way. The key elements of a policy are monitoring, documentation of the justification based on good cause flowing from legitimate business need, and enforcement to ensure compliance, as now in place for the 960-hour requirement.

#### November 4, 2022 (Original Management Response)

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

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

#### March 2023 (Update)

We have been in contact with CalPERS and are monitoring their efforts to regulate limited duration employment for Rehired Retirees. CalPERS is developing updated regulations that they expect to submit to their Board for approval. LACERA is monitoring their process and may develop similar regulations that will generally limit re-employment to a two-year period. LACERA's Legal Office was provided the proposed regulations and are monitoring CalPERS' progress. The Legal and the Executive Office will make a determination if LACERA will develop similar regulations by June 2023 or propose a different alternative.

#### November 2023 (Update)

The LACERA Board of Retirement (BOR) approved a revised and restated LACERA-Agency policy on July 7, 2023. In approving the new LACERA policy, the Operations Oversight Committee (OOC) and Board trustees expressed views on certain aspects of LACERA's oversight of the County's program, particularly the concept that there may need to be some flexibility in the definition of limited duration among the many County departments and their widely varying circumstances. With the LACERA-Agency policy as a framework, work will now begin on drafting a policy for returning retirees hired by the County. Much work remains before presentation to OOC in the 4<sup>th</sup> quarter of FYE 2024.

### **TARGET COMPLETION DATE**

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June 30, 2025

## **APPENDIX 1 AUDIT RATING SCALE**

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

### **Satisfactory**

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

### **Opportunities for Improvement**

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

### **Unsatisfactory**

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

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

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

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

# Attachment F

Internal Audit of LACERA Program FY 2023, 2024



July 9, 2024

TO: 2024 Audit Committee  
Debbie Martin, (BOI Trustee), Chair  
Wayne Moore, (BOR Trustee), Vice Chair  
Vivian Gray, (BOR Trustee), Secretary  
Nancy Durazo, BOR Trustee  
Elizabeth Ginsberg, Ex-Officio  
Jason Green, BOI Trustee  
Nicole Mi, BOI Trustee

Audit Committee Consultant  
Larry Jensen

FROM: George Lunde *GL*  
Senior Internal Auditor

FOR: September 19, 2024 Audit Committee Meeting

SUBJECT: **LACERA's Rehired Retiree Program Audit Fiscal Year Ended  
June 30, 2023, and 2024**

### **RECOMMENDATION**

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

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

### **ENGAGEMENT REPORT**

LACERA's Rehired Retiree Program Audit Fiscal Year Ended June 30, 2023, and 2024  
(Report Issued: June 3, 2024)

Attachment

Noted and Reviewed:

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Richard P. Bendall  
Chief Audit Executive



**LACERA INTERNAL AUDIT DIVISION**

**LACERA's Rehired Retiree Program  
Fiscal Years Ended June 30, 2023, and 2024**

**June 3, 2024**

**AUDIT PERFORMED BY:**

**George Lunde**  
Senior Internal Auditor

## AUDIT REPORT

<b>Audit Name:</b>	LACERA's Rehired Retiree Program
<b>Division:</b>	Human Resources
<b>Audit Rating*:</b>	Satisfactory
<b>Prior Audit Rating*:</b>	Unsatisfactory
<b>Prior Report Date:</b>	July 31, 2023

### BACKGROUND

The State of California's County Employees Retirement Law of 1937 (CERL) and Public Employees' Pension Reform Act of 2013 (PEPRA) provides that LACERA has the option to employ retirees as "Rehired Retirees" subject to certain requirements. Under Government Code Section 31680.6 of CERL and Section 7522.56, rehired retirees may work up to 960 hours per fiscal year, on a temporary basis, without affecting their retirement status or benefits. Retirees may not return to service under a "contract directly" with the agency; retirees may be employed by a third-party vendor under a bona fide independent contract with LACERA and provide service under that third party contract provided there are no indicia that the arrangement is intended to circumvent the CERL and PEPRA provisions relating to rehired retirees.

LACERA management and Board of Retirement (BOR) have been proactive in addressing the recommendations of prior audits, most notably culminating in the approval by the BOR at the July 2023 meeting of the revised "Post Retirement Employment Policy" (2023 Board Policy). Implementation of the revised policy was effective in helping to address our prior audit findings.

We noted that in the past there was an issue of rehired retirees working for an extended duration which appeared to be non-compliant with PEPRA's somewhat vague guidelines. However, the BOR has chosen proactively to establish policy providing rules for continuing work past two years. It requires BOR approval of such work extensions for a rehired retiree. For this audit the rules applied to three rehired retirees, and who were duly approved to continue their work for current fiscal year. See following table by LACERA divisions which have special circumstances requiring employment of retirees.

Number of Years / Number of Retirees				
Division /Years	2 yrs	3 yrs	5 yrs	12+ yrs
RHC				1
Legal		1		
Systems	1		1	

### AUDIT OBJECTIVE & SCOPE

The objective of the audit was to assess LACERA's compliance to Policy, Procedure, and Guidelines for rehiring retired annuitants including the following:

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

\* See Appendix 1 for Audit Rating

The scope for this review included all rehired retirees for fiscal years 2023 and 2024 and all relevant data and records for the rehired retirees. We elected to audit the two years together as the controls implemented through the BOR approval on July 6, 2023, of the revised Post Retirement Employment Policy were in effect for the 2024 Fiscal Year. As a result, our audit primarily focused on testing the controls around rehired retirees employed during Fiscal Year 2024.

The audit was performed in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

**AUDIT RATING & SUMMARY OF FINDINGS**

In our opinion, the current effectiveness of the key controls applicable to the audit scope are satisfactory. Prior audit findings regarding deficiencies with authorization and approval process documentation have been resolved. Along with the implementation of the revised Policy, we observed that LACERA management and staff have implemented effective controls around tracking and monitoring of rehired retiree hours worked. Further, LACERA has implemented very effective communications with the rehired retirees (both for the LACERA rehired retirees and those working for the County).

960 Hour Limit Test Results		
LACERA Rehired Retiree	Total Hours FYE 6/30/23	Total Hours YTD @ 5/15/24
#1	754	538
#2	902	744
#3	960	315
#4	92	31

Based on the results of our audit testing, the system of internal controls around the hiring of retirees appears to be working effectively. The overall environment contains sufficient internal controls to address key risks, and business practices generally comply with LACERA policies.

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

**REVIEWED AND APPROVED**



Richard P. Bendall  
Chief Audit Executive

Date: June 3, 2024

**REPORT DISTRIBUTION**

2024 Audit Committee	Santos H. Kreimann, CEO	Steven Rice, Chief Legal Counsel
2024 Plante Moran Audit Team	Luis Lugo, DCEO	Carly Ntoya, Director of Human Resources
Larry Jensen Audit Committee Consultant	Laura Guglielmo, AEO	J.J. Popowich, AEO

## **APPENDIX 1 AUDIT RATING SCALE**

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

### **Satisfactory**

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

### **Opportunities for Improvement**

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

### **Unsatisfactory**

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



# **LACERA's Rehired Retiree Program Audit Fiscal Years Ended June 30, 2023, and 2024**

**Issued Date: June 3, 2024**

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Presenter by:  
George Lunde, Senior Auditor

# Summary of Engagement



Responsible Division:	Human Resources
Type of Engagement:	Assurance
Audit Rating:	Satisfactory
Prior Audit Rating:	Unsatisfactory

## Type of Engagements

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

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

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

# Background, Scope, Objective



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



**Scope:** The scope for this review included all rehired retirees for fiscal years 2023 and 2024, and all relevant data and records for the rehired retirees.

**Objective:**

Determine compliance with:

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

# Summary of Findings



In our opinion, the current effectiveness of the key controls applicable to the Audit Scope are satisfactory. Prior audit findings regarding deficiencies with authorization and approval process documentation have been resolved. The LACERA revised “Post Retirement Employment Policy” is in effect.

Based on test results the control environment is acceptable. The overall environment contains sufficient internal controls to address key risks, and business practices generally comply with LACERA policies.

**Thank You**



**QUESTIONS?**



**FOR INFORMATION ONLY**

May 15, 2025

**TO:** Operations Oversight Committee  
JP Harris, Chair  
Nancy M. Durazo, Vice Chair  
Aleen Langton, Trustee  
Wayne Moore, Trustee  
Shawn R. Kehoe, Alternate Trustee

**FROM:** Laura Guglielmo, Assistant Executive Officer 

**FOR:** July 10, 2025, Operations Oversight Committee Meeting

**SUBJECT:** **LACERA's Statement of Commitment to Diversity, Equity, and Inclusion**

**SUMMARY**

This status update serves to inform the Committee about the ongoing and evolving efforts on our Diversity, Equity, and Inclusion (DEI) workplan in alignment with Strategic Initiative 3.1. As our approach continues to develop and adapt, our goal is to ensure trustees have confidence in our commitment to fostering a culture of engagement and inclusion.

**STATUS UPDATE**

This update provides the Board of Retirement (BOR) with a progress report on Strategic Initiative 3.1, which focuses on Investing in People through Diversity, Equity, and Inclusion (DEI). LACERA has long embedded DEI into its business practices, ensuring inclusivity remains central to our operations. Our belief is that diversity, equity, and inclusion in all aspects of our operations leads to better results for the system's members and their beneficiaries.

**Evolution of Our Approach**

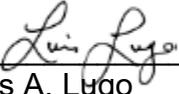
The council leading this strategic objective meets monthly and is focused on documenting and enhancing the DEI-related programs already in place, ensuring incremental improvements while removing potential barriers to inclusion. The following highlights some initiatives the Council is focused on:

LACERA's Statement of Commitment to Diversity, Equity, and Inclusion  
May 15, 2025

- **Statement of Commitment** that strengthens our dedication to inclusivity
- **Focusing efforts on members** (*Superior Member Experience*) and LACERA team members (*Investing in People*), with plans to expand to business partners and the community as the initiative matures
- **Enhancing communication**, leverage communication channels via LACERA.com and our internal intranet site to share information and progress

Our updated workplan is attached for review. We remain committed to **sustaining an inclusive, diverse, accessible and equitable environment**, while ensuring DEI remains an integral part of LACERA's business practices.

Reviewed and approved.

  
\_\_\_\_\_  
Luis A. Lugo  
Deputy Chief Executive Officer

Attachments

C: Santos H. Kreimann  
Luis A. Lugo  
JJ. Popowich  
Steven P. Rice  
Jasmine K. Bath

# Statement of LACERA's Commitment to Inclusion, Diversity, Equity, and Accessibility

Inclusivity is a core, defining value at LACERA aimed at cultivating an engaged and empowered workforce. Inclusive, accessible, and equitable practices that respect diverse backgrounds produce better outcomes and strengthen LACERA's position to best serve our members and achieve our mission – To produce, protect and provide the promised benefits to our members. The following harnesses LACERA's existing philosophy, policies, and practices to clearly describe LACERA's approach to demonstrating its commitment to inclusion, diversity, equity, and accessibility.

## Our Commitment

- **Inclusion:** LACERA is committed to providing equal opportunity and equitable access and resources for our team and our members. Fostering a respectful and welcoming environment for people of diverse backgrounds is integral to our ongoing success.
- **Diversity:** LACERA values diversity, which we define broadly, inclusive of, but not limited to, age, race, ethnicity, national origin, cultural background and expression, educational background, socioeconomic status, religious and nonreligious beliefs, gender, gender identity, gender expression, sexual orientation, marital status, language, neurodiversity, physical abilities and disabilities, and veteran status.
- **Equity:** LACERA aims to promote fair and equitable treatment for everyone.
- **Accessibility:** LACERA is committed to ensuring equal access to employment opportunities, member services, and operations for all individuals of all abilities.

## Acting on Our Commitment

- **Member Experience and Fund Administration:** LACERA aims to reflect our commitment to all aspects of how we produce, protect, and provide the promised benefits to our members and deliver a professional, effective, and exemplary member experience.
- **Talent Management:** Our goal for effective talent management is to be inclusive, equitable, accessible, and respectful of diverse backgrounds to increase employee engagement.

## Oversight and Accountability

- **Oversight:** The Board of Retirement and the Board of Investment oversee LACERA policies and strategies to adhere to these principles by reviewing and analyzing periodic reports and performance indicators.
- **Accountability and Internal Alignment:** To promote a robust culture of ethics, compliance, and risk mitigation, LACERA has established policies and practices to reflect the above commitment. These include preventative measures by which anyone who experiences or witnesses any form of discrimination, harassment, or retaliation can safely report concerns.

Further details of the above policies and practices can be found in LACERA's Code of Ethical Conduct, Employee Handbook, and Anti-Discrimination, Harassment and Retaliation Policy.

# WORKPLAN - Strategic Objective 3.1



Strategic Goal: **Investing in People**

Strategic Objective: **3.1 – Develop and implement framework aimed at promoting D.E.I.**

Executive Sponsor: **Laura Guglielmo**

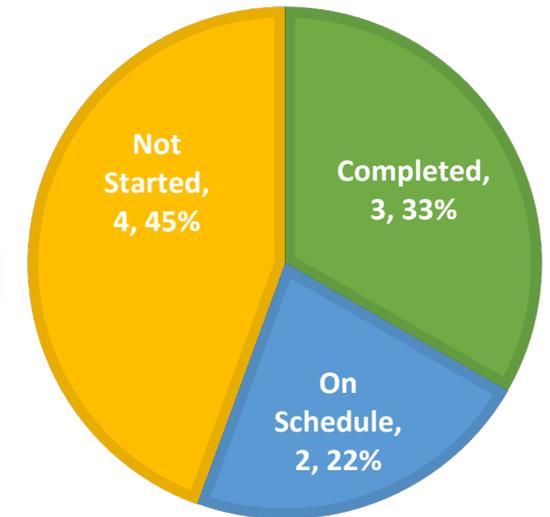
**Legend**

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	●	10/2023	6/30/2025
3	Assemble a staff driven IDEA Council	★	3/2024	07/26/2024
4	Develop a Statement of Commitment	★	02/2025	06/30/2025
5	Collect data from staff, members, vendors, and business partners re: DEIBA	●	06/2024	6/30/2025 and ongoing
6	Develop topical library for internal and external users	◆	7/1/2025	6/30/2026
7	Post IDEA initiative and educational content within LACERA Connect	◆	7/1/2025	06/30/2026
8	Develop an Organizational Training Plan for DEIBA	◆	TBD	12/31/2025
9	Communication Plan – Brown Bags & Staff Meetings, LACERA.com, LACERA Connect	◆	06/2025	12/31/2025

## MILESTONE TRACKER

- Completed ■ On Schedule
- Not Started ■ Delayed





May 23, 2025

TO: Operations Oversight Committee  
JP Harris, Chair  
Nancy Durazo, Vice Chair  
Aleen Langton, Trustee  
Wayne Moore, Trustee  
Shawn Kehoe, Alternate Trustee

FROM: JJ Popowich   
Assistant Executive Officer

Tatiana Bayer  
Division Manager, Member Services

FOR: July 10, 2025 Operations Oversight Meeting

SUBJECT: **RETIREMENT COMPARISON REPORT – MARCH MADNESS**

We are pleased to present an overview of the 2025 March Madness Retirement Season, along with a comparison of retirement elections, counseling and webinars offered in the last 3 years (2022 through 2025). The report includes various graphics from our Member Services Call Center, Member Services Center (Outreach), and our Benefits Division. Information regarding the data analysis is listed below.

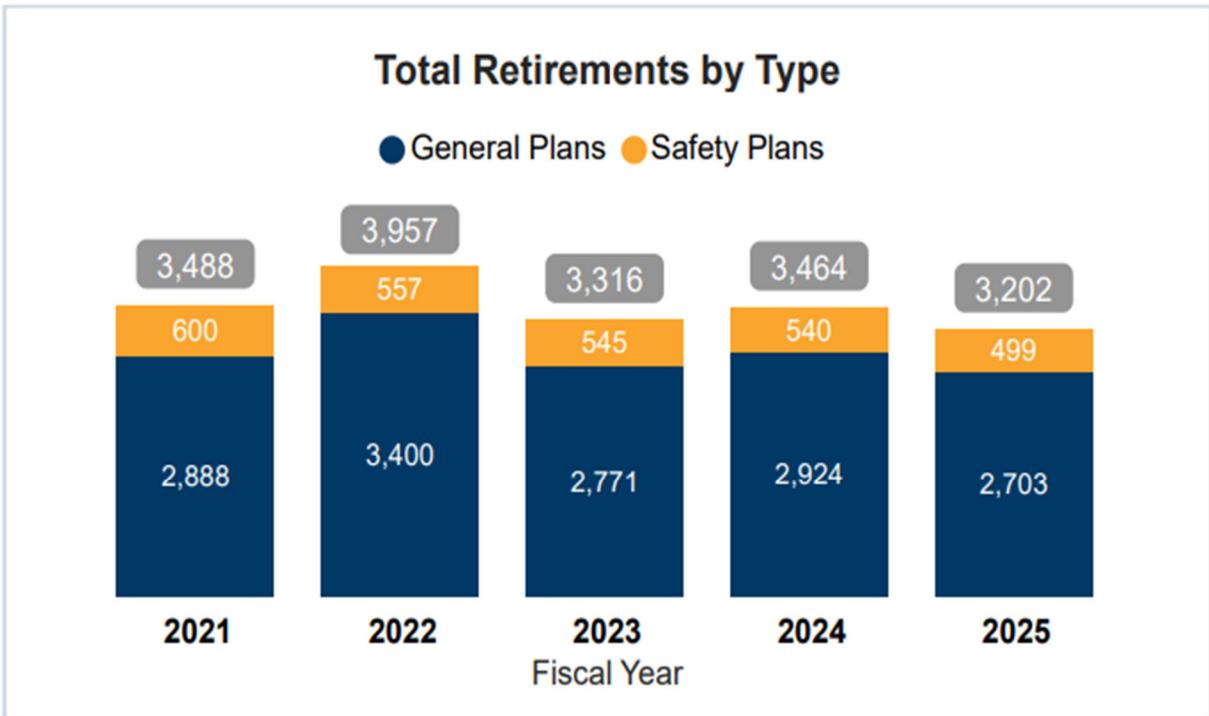
### **March Madness**

We refer to the period beginning in November/December through the end of March as “March Madness” due to the surge in retirements during this period as members desire to retire in time to be eligible for any April 1st cost-of-living adjustment (COLA) that may be approved.

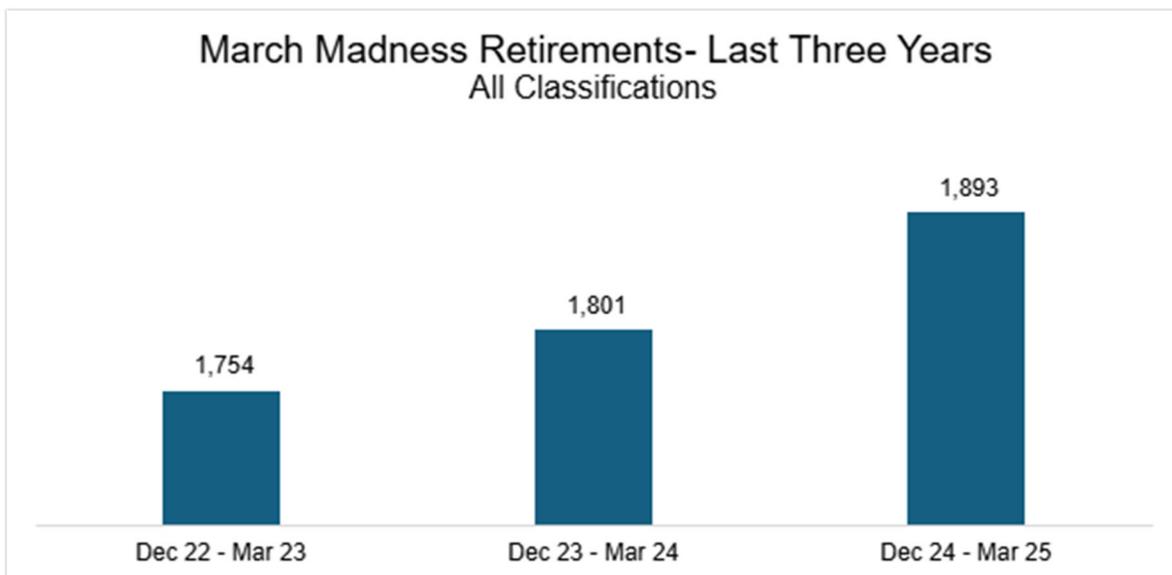
As in previous years, we remain dedicated to sharing the annual March Madness statistics. During this time, we focus on the statistical trends as well as “anecdotal” insights into why we see increases or decreases in the number of retirements in any given year. The report covers a three-year span from 2022-2025, that represents a post-COVID era.

### **Overall March Madness Retirement Trends**

For the most part, this report will focus solely on our March Madness experiences over the last three years. However, we will start with an overview of overall retirement trends during this period. The chart below is taken from our CEO Dashboard and it shows, on average, over the last five years retirements have been fairly consistent with 2022 being an outlier. This is likely due to the impacts of COVID (which is why we have focused on looking at the post-COVID experience for this report). Over the last three fiscal years we’re averaging about 3,328 retirements per year.



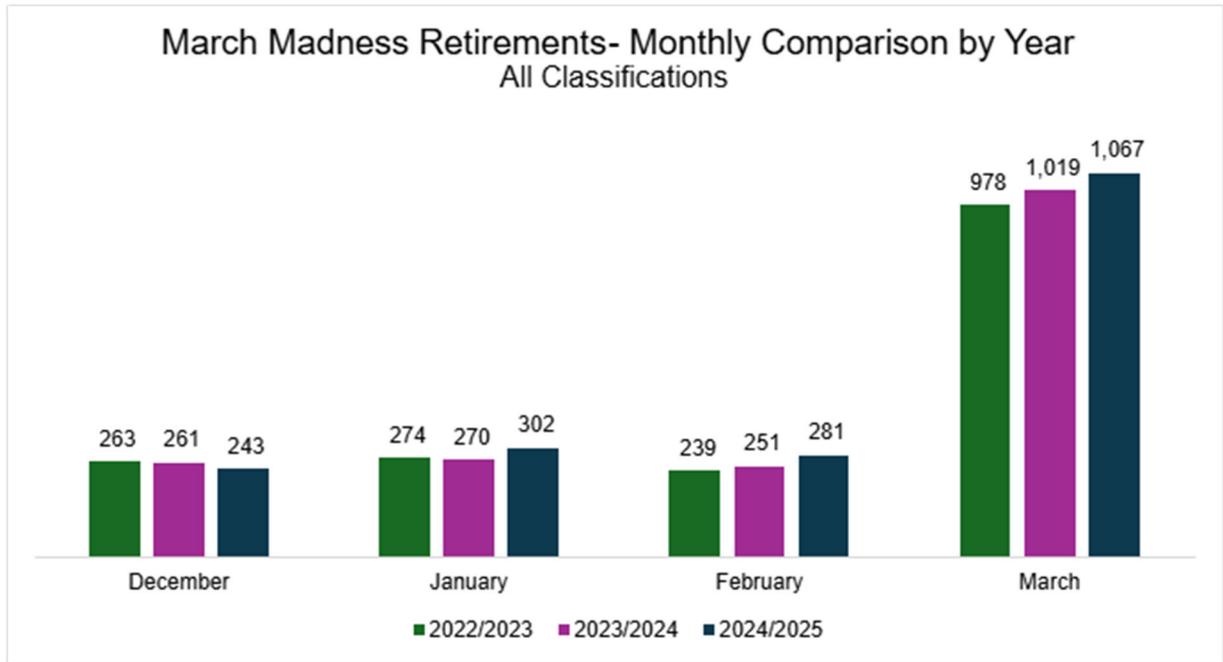
The chart below focuses solely on our March Madness experience over the last three years. The March Madness data can be an indicator of the overall annual retirement number, but it can also be influenced by different events. While the annual retirements for the last three years have been rather consistent, the amount of activity over the last three years during March Madness has increased slightly year to year (approximately 7% over the last three years).



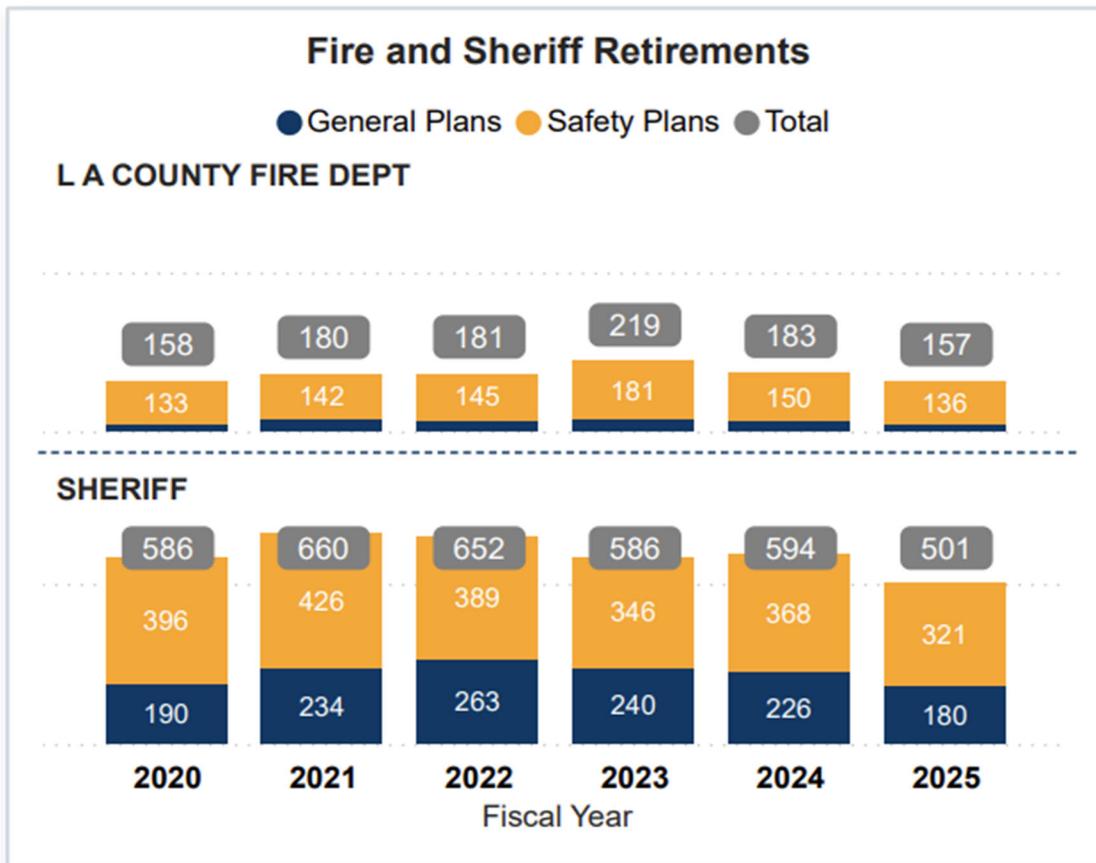
We see an increase of 47 retirements during the March Madness period from the FY 2022-2023 and FY 2023-2024. This was followed by another increase between the March Madness seasons of FY 2023-2024 and 2024-2025 (a difference of 92). This year could be an anomaly

as we are seeing many changes in the overall economy and our society, changes in the County’s financial situation, and of course the recent LA Fires – all of which could have an impact on a member’s decision to retire.

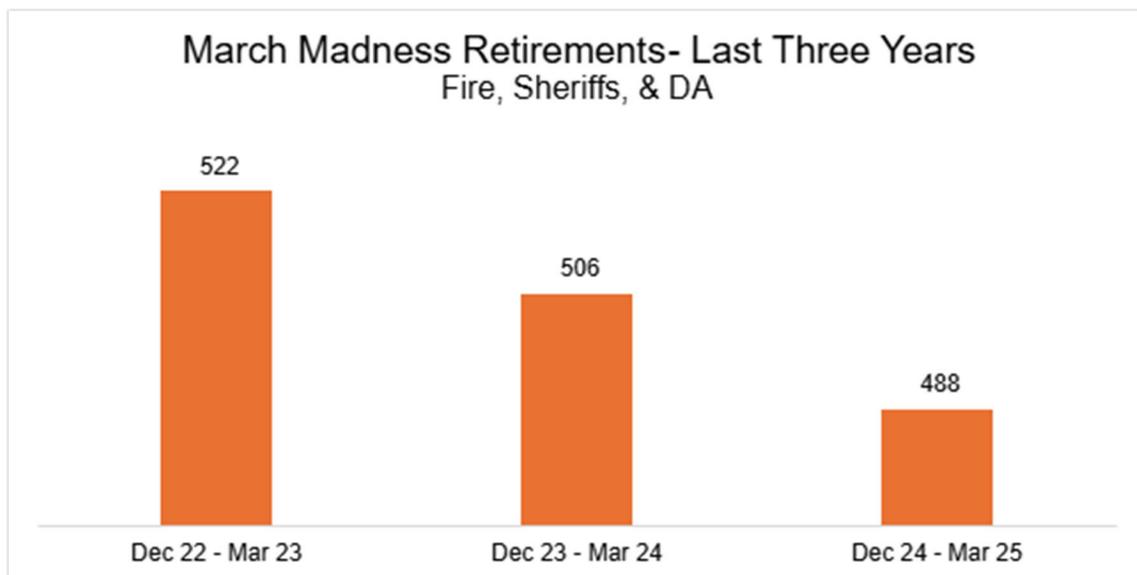
Either way, historically, it is no surprise that a significant number of these retirements are for a retirement date in March.



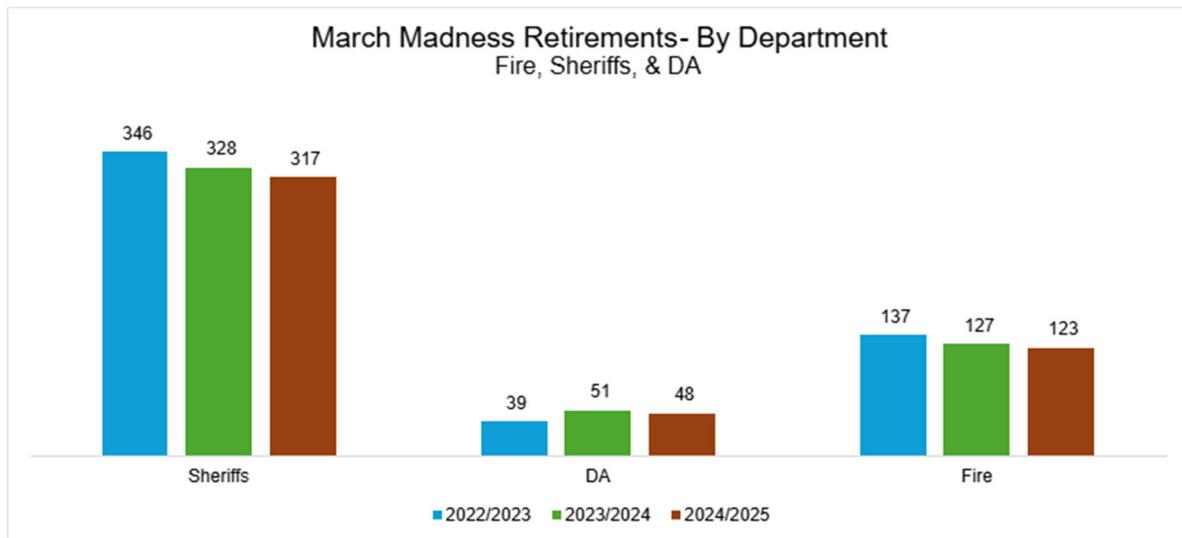
Looking at Safety member retirements in the Fire and Sheriff Departments, on an annual basis for the last few years, we again see a fairly consistent rate of. The data here runs through the end of April 16, 2025, and it looks like we may see a lower rate of retirement for FY 2024-2025.



Again, solely looking at the March Madness season, we noted that there has been a slight decrease (approximately 3.7%) in Safety retirements during this period for the last three years:



For Safety members this breaks down as follows for the March Madness seasons (only):



### The March Madness Member Experience

There are numerous channels available to members as they navigate through the Steps to Retire journey. We offer two full-service counseling channels for members to interact with LACERA (Member Services Call Center and our Member Services Center), along with a full series of Pre-Retirement webinars, and a robust Retirement Planning section on LACERA.com.

Additionally, we have made enhancements to My LACERA during fiscal year 2023-24 that provide members with a more secure, and faster avenue for submitting their retirement election, along with the new ability to track their retirement election as it flows through the retirement process.

## Case Details

### First Payment

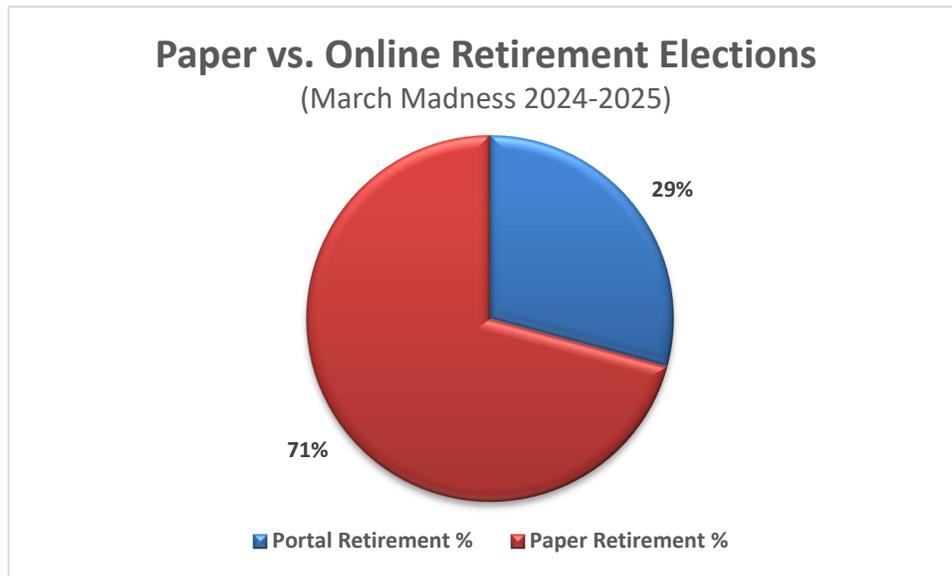
Case No.	FP-2504-05502
Retirement Type	Service Retirement
Status	Case Created
Received	04/21/2025
Updated	04/24/2025

### Case Milestones

<p><b>Intake</b></p> <p>Thank you for submitting your retirement election! A Retirement Benefits Specialist will be assigned to process your retirement election.</p>
<p><b>Certification</b></p> <p>A Retirement Benefits Specialist is carefully reviewing your account, verifying your retirement eligibility, and calculating your estimated retirement benefit.</p>
<p><b>Board Approval</b></p> <p>Congratulations on your retirement! Your retirement has been officially approved by the Board of Retirement and your personnel department has been notified of your retirement date. LACERA will also send you a retirement confirmation letter in the mail.</p>
<p><b>Trial Disbursement</b></p> <p>LACERA is calculating your retirement benefit payment and beginning the payroll process to disburse your first retirement benefit payment.</p>
<p><b>Final Calc</b></p> <p>LACERA is calculating your retirement benefit payment and beginning the payroll process to disburse your first retirement benefit payment.</p>
<p><b>First Payment</b></p> <p>Congratulations! LACERA has processed your first retirement benefit payment. Expect a paper check or direct deposit on the last business day of the month. You can also check your Member Document Library now for a letter explaining the details of your retirement benefit and first payment. You can review your monthly retirement benefit and payment history at any time within your MyLACERA account.</p>
<p><b>Completed</b></p> <p>Completed</p>

The new online process allows us to provide them with guidance and reminders as they walk through the election process. We have standardized the retirement counseling provided by all staff in Member Services and worked with staff to incorporate references and education about our expanded Steps to Retire section on LACERA.com, as well as encourage members to use the My LACERA online election as the preferred process. We still accept elections submitted in the traditional manner as well.

Members are beginning to adopt the new online election process through My LACERA. Though we have more work to do to encourage future retirees to retire this way. Once we release the ability to enroll for Retiree Healthcare online, we expect this will be a much more utilized channel for the retirement process.

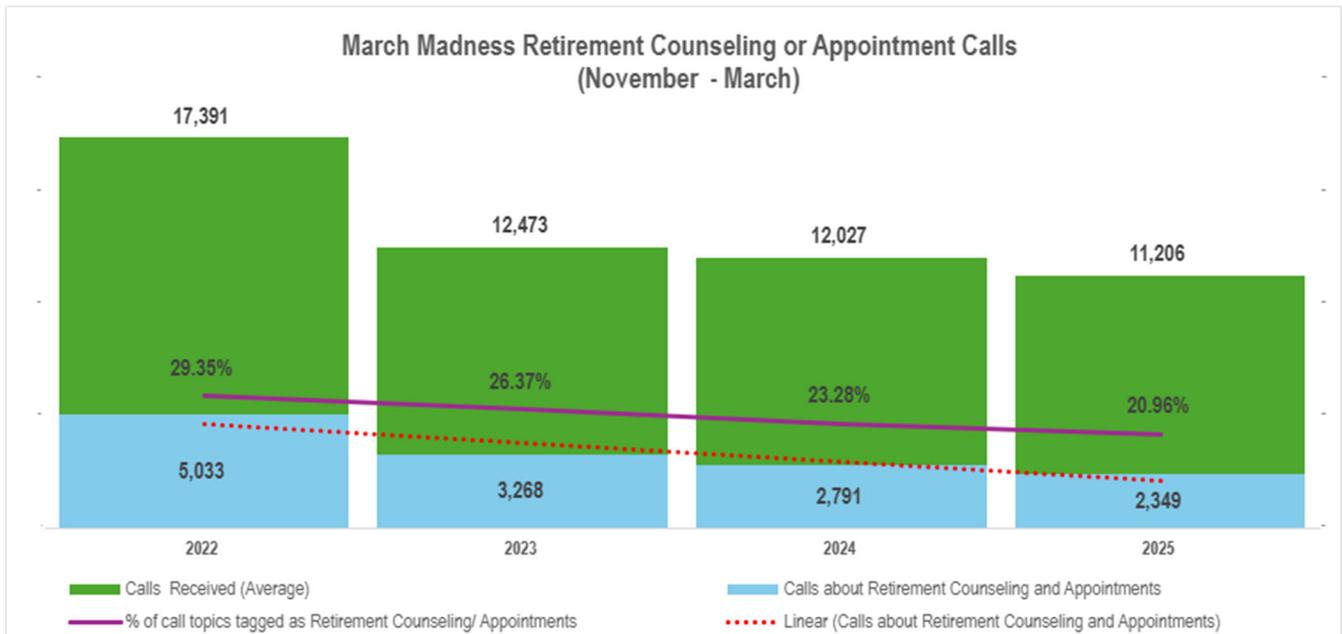


The enhancements for tracking the progress of a retirement election are new and we have not been able to collect any meaningful statistics or anecdotal feedback yet.

### **Member Services Call Center Experience**

The Member Services Call Center tracks the types of calls by staff assigning call topics codes to the calls and indicating the primary topic of the assigned call topics. From the Call Center perspective, we have derived the following insights about retirement counseling:

- The average monthly number of calls received from **November 2024 to March 2025 was 11,205**, showing a decrease when compared to the **average of 13,074 calls received during the same period from 2017 to 2024**. This represents a **-14.29% decline**. (please note: Nov 2019-Mar 2020 had a lower average volume of calls because the call center was closed for 1.5 weeks in March 2020)
- There was a **-3.61% decrease** in the percentage of call topics related to Retirement Counseling and Appointments/Workshops, from **24.57% during 2017-2024 to 20.96% in 2025**. These two call topics specifically involve members seeking information about retirement counseling or scheduling appointments for retirement consultations.



Hard data showing why we have seen a reduction in retirement counseling calls through the call center is not available. However, we have some insights into plausible causes:

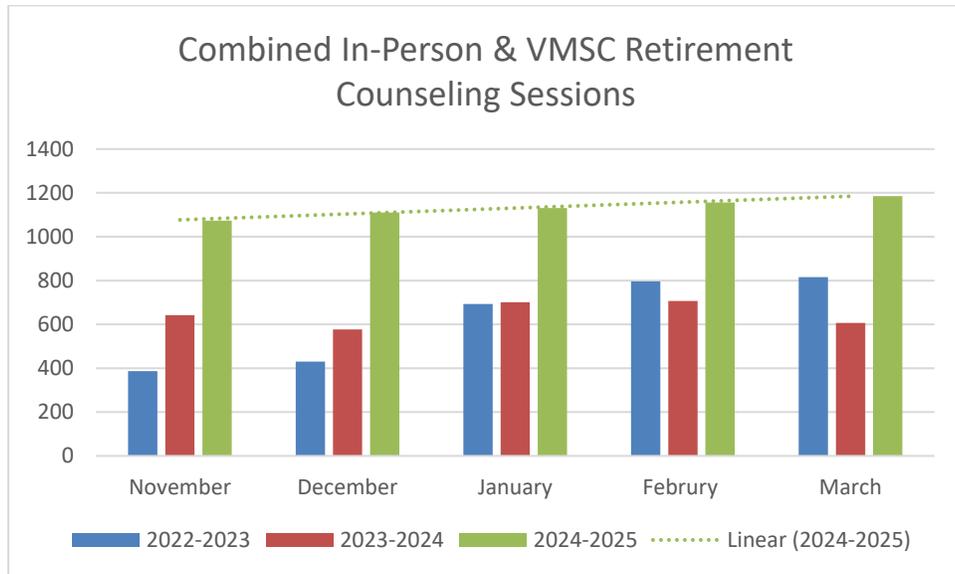
- We have created a robust Steps to Retire section on Lacera.com and incorporated this into our counseling process. We are currently unable to reliably track “repeat calls” for the same topic. We will be analyzing our data to determine if integrated counseling has the desired outcome of improving the member’s experience and reducing the number of repeat calls from members.
- Mid-March Madness we debuted the new feature on My LACERA that allows members to track the progress of the election. Our hope are this feature reduces the number of repeated calls to checking on the status of a member’s retirement election.
- We have increased the number of in-person and virtual one-on-one counseling appointments available to members.

We are hoping to be able to more accurately track repeat calls in the future, which will give a better understanding of the true impacts of March Madness as well as help us identify areas for improvement moving forward.

### **Member Services Center (Outreach)**

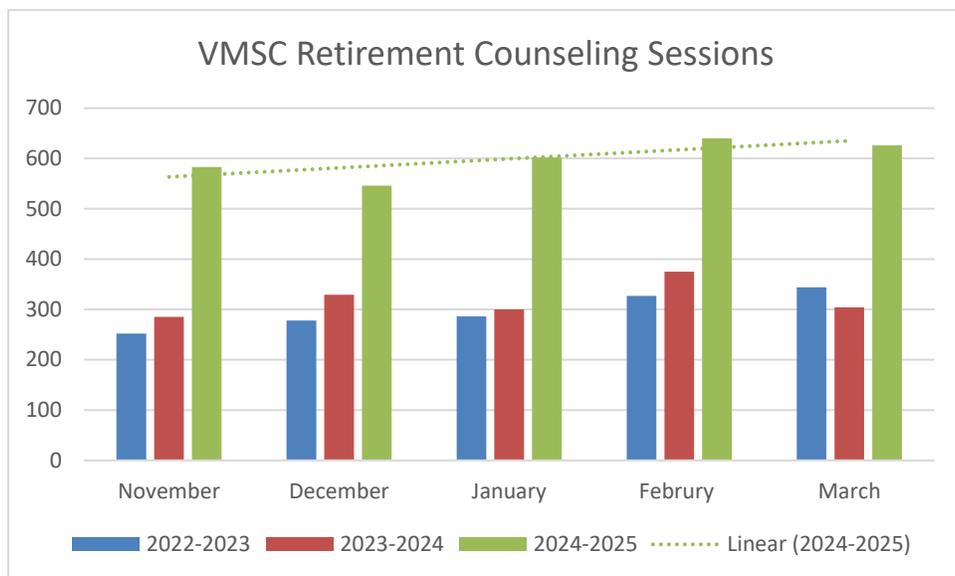
Data from our Member Services Center indicates a general upward trend in one-on-one in-person and virtual retirement counseling appointments. We onboarded nine new staff at the end of FY 23-24. With the additional staff we have restored our ability to offer more in-person and virtual appointments as well as providing more webinars and continuing our campaign to inform all County departments of the services we offer, including ability to provide workshops on demand. The various promotional flyers distributed by LACERA, in conjunction with the Empower campaigns conducted throughout the year, have resulted in increased attendance at workshops and a higher volume of both In-Person and Virtual (VMSC) appointments.

The following chart provides insight into the increase in Member Service Center appointments over the last three March Madness seasons:

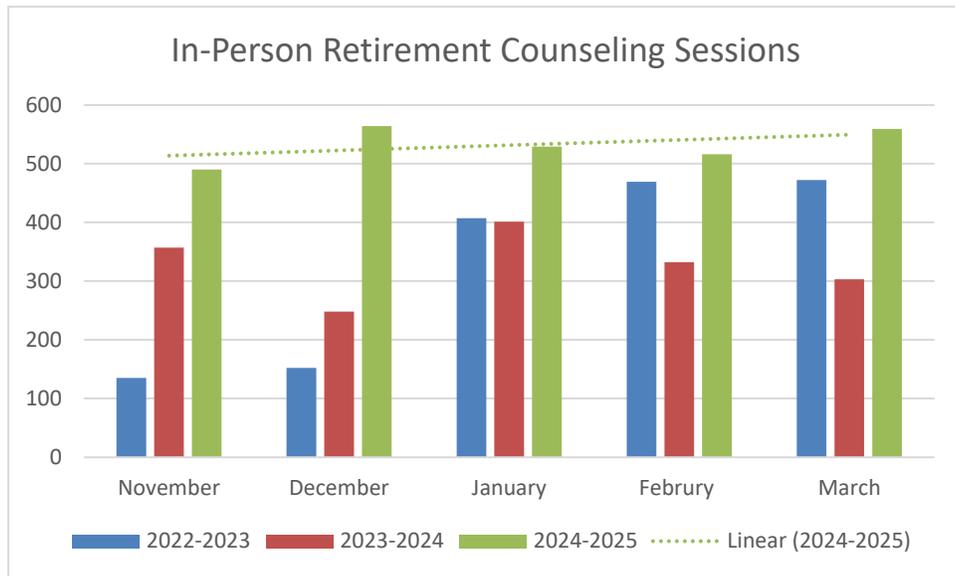


These increases are mostly due to fuller staffing in the Member Services Center.

We continue to note an increase in VMSC appointments over the last three years. Members have shared that they appreciate the virtual appointments more for its convenience – especially not having to travel into Pasadena while still preserving the continuity of the excellent one-on-one counseling experience:

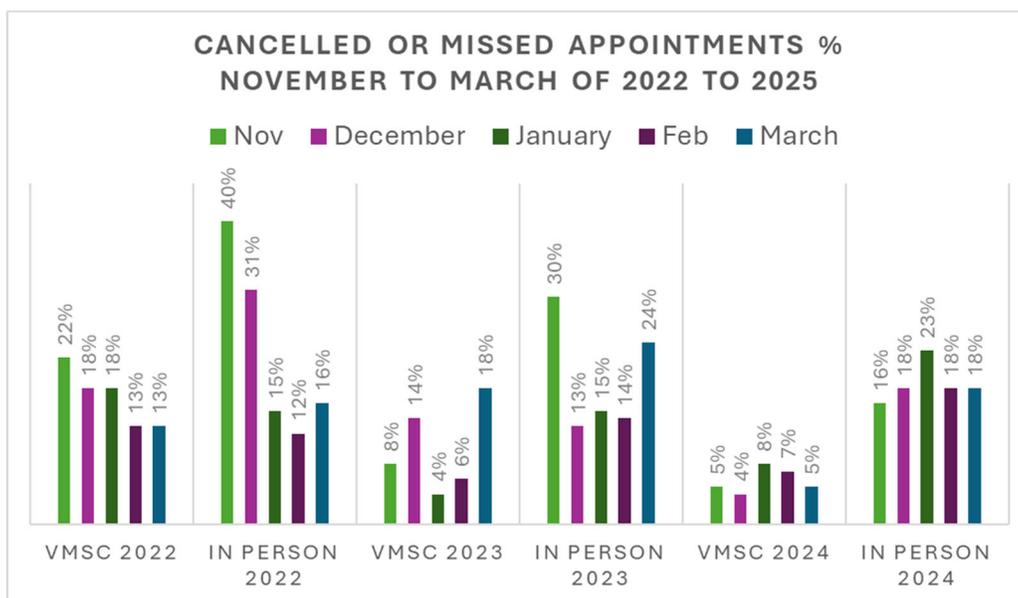


Of course, in-person counseling remains an in-demand offering. The chart below provides an overview of in-person counseling sessions over the last three March Madness periods:



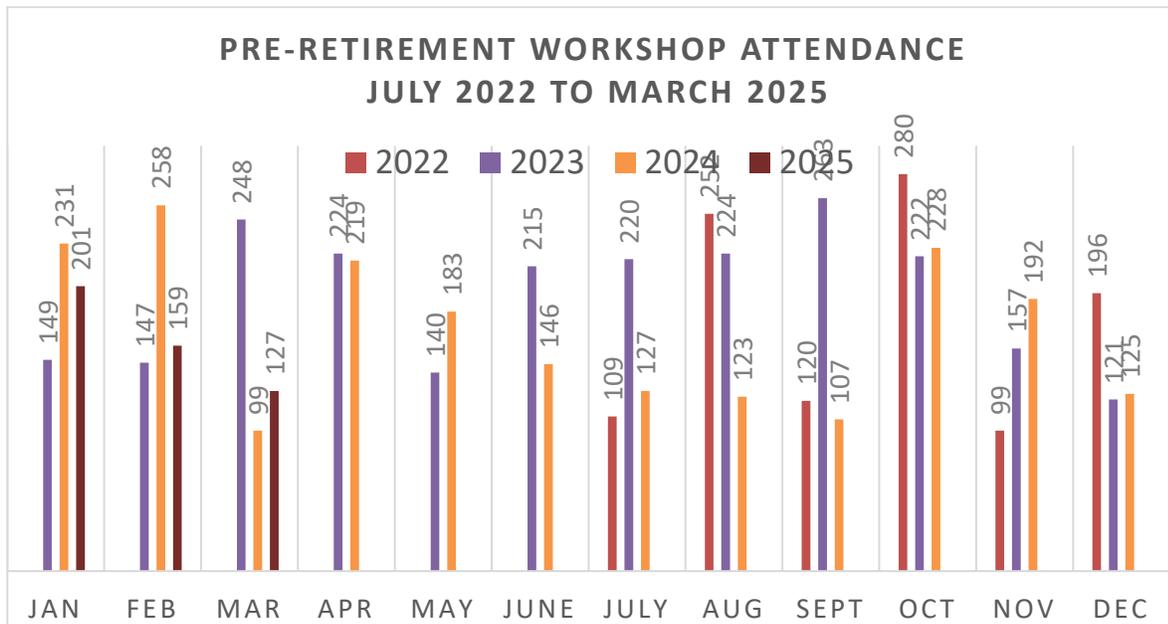
Members appreciate the one on one, face to face counseling and often comment that they prefer this method so they can complete all their required paperwork to retire and submit it at one setting. As we have noted we have opened up the retirement process to accept online retirement elections through My LACERA, and we will soon be opening up the ability for a member to enroll in Retiree Healthcare through My LACERA. The addition of this functionality may lead to a reduction in the demand for face-to-face counseling as well as an increase in virtual counseling. This will be an interesting data point to watch in the future.

We also track the number of cancelled and missed appointments. Information on cancelled or missed appointments for both VMSC and in-person sessions, illustrates an increase in cancellations for in-office appointments and a decrease in cancellations for virtual appointments.



We offer a consistent and heavy schedule of Pre-Retirement webinars and workshops throughout the year. Webinar attendance can provide us with insight into the interest in

retirement planning in any given year. Robust attendance may reduce calls to the Member Services Call Center as well as one-on-one counseling sessions. We have not refined our data collection process to gather empirical data on these insights. However, we can see the data indicates that members begin to prepare for retirement well in advance of the March Madness season. Specifically, there is an increase in attendance in October, which then tapers off in the subsequent months of February and March.



**What Drives the Retirement Volume?**

Certainly, one of the main drivers is age and years of service. However, what other factors go into a member’s decision to retire at any given time?

LACERA has not begun to collect data on retirement drivers – reasons why members choose to retire when they do, but eventually plan to do this. However, we do collect feedback from staff on an anecdotal basis to get a sense of what members are sharing with us.

Based on this feedback here are other factors we see members considering as they make the choice to retire or not each year:

- Economy/Market Concerns – Inflation/Stock Market/Not saved enough money for retirement.
- Political Uncertainty – New president
- MOU Increases - Anticipated increases in salary could increase the retirement benefit.
- Issues related to the LA Wildfires
- Waiting for the 25-year RHC subsidy
- Number of appointments offered (in-person and virtual)

## **A Sneak Peek at Efficiency Improvements**

Before we end this year's review we wanted to share a sneak peek into some preliminary data regarding the successful implementation of our Sol Case Management System.

This marks the first March Madness where the Benefits Division utilized the new case management system, Sol, for processing retirement benefit payments. One of Sol's notable enhancements is its ability to minimize the manual review required by Specialists to verify the accuracy of retirement benefit payments. Sol automatically compares the member's expected first payment with the actual amount calculated by our Workspace payroll system. If discrepancies arise, a Specialist reviews and adjusts as necessary; otherwise, no review is needed. Although the time-savings data from Sol is still under review and analysis, the Benefits Division estimates that Sol's automation has saved at least 96 production hours of work in the month of April.

We are working on more accurate data to reflect our Sol experience to date and will share it in the near future.

A special thank you to staff from our Benefits and Member Services divisions who helped process retirement elections, provided pre-retirement counseling virtually, in person or on the phone and provided overall customer service support throughout the workshop.

Our goal is to continue to provide you with yearly comparisons on the CEO Report Dashboard, including our analysis of the March Madness trends.

NOTED AND REVIEWED:



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Luis Lugo  
Deputy Chief Executive Officer

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